

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON,
STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA**

December 31, 2019

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Township Committee

Report on the Financial Statements

We have audited the accompanying financial statements – regulatory basis of the various funds and account group of the Township of Lumberton, County of Burlington, State of New Jersey (the “Township”), as of and for the year ended December 31, 2019, and the related notes to 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 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.

Auditors' 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 requirements of audit 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 auditors’ 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.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A of the financial statements, these 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles (Continued)

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

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” 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 each fund and account group of the Township as of December 31, 2019, and the changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each fund and account group of the Township as of December 31, 2019, and the changes in its financial position for the year then ended in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note A.

Other Matters

The financial statements of the Township as of and for the year ended December 31, 2018, were audited by other auditors whose report dated August 8, 2019, expressed an unmodified opinion on those financial statements.

Report on Supplementary and 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 schedules as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, are presented for purposes of additional analysis and are not a required part of the basic financial statements

The supplemental schedules 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 schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole, on the basis of accounting described in Note A.

The other supplementary information and statistical section as listed in the table of contents has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Reporting by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2020, on our consideration of the Township's 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'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's internal control over financial reporting and compliance.



Warren A. Broudy, CPA, CGFM, PSA, CGMA
Registered Municipal Accountant
License No. 554

Mercedien, P.C.
Certified Public Accountants

September 2, 2020

BASIC FINANCIAL STATEMENTS – REGULATORY BASIS

CURRENT FUND

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A

**CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
December 31, 2019 and 2018**

	Ref.	2019	2018
<u>ASSETS</u>			
Current Fund:			
Cash - Treasurer	SA-1	\$ 4,842,933.93	\$ 4,528,519.24
Cash - Change Funds	SA-2	600.00	600.00
Due from State of New Jersey:			
Senior Citizens' and Veterans' Deductions	SA-4	7,026.11	7,026.11
		<u>4,850,560.04</u>	<u>4,536,145.35</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	322,203.30	452,262.81
Tax Title Liens Receivable	SA-6	707,024.22	563,191.24
Revenue Accounts Receivable	SA-7	13,538.96	13,538.96
Prepaid Regional High School Taxes	SA-16	4.08	4.08
Due from Federal and State Grant Fund	SA-9	-	300,000.00
Due from Trust - Other Funds	SB-6	-	475.80
		<u>1,042,770.56</u>	<u>1,329,472.89</u>
Total Current Fund		5,893,330.60	5,865,618.24
Federal and State Grant Fund:			
Cash	SA-1	99,937.25	89,356.76
Federal, State, and Other Grants Receivable	SA-8	113,301.95	418,151.38
Total Federal and State Grant Fund		<u>213,239.20</u>	<u>507,508.14</u>
Total Assets		<u>\$ 6,106,569.80</u>	<u>\$ 6,373,126.38</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A

**CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)
December 31, 2019 and 2018**

	Ref.	2019	2018
LIABILITIES, RESERVES AND FUND BALANCE			
Current Fund:			
Liabilities:			
Appropriations Reserves	A-3, SA-10	\$ 302,037.36	\$ 404,545.00
Reserve for Encumbrances	A-3, SA-10	85,726.61	63,407.49
Prepaid Taxes	SA-13	244,183.49	303,709.71
Tax Overpayments	SA-14	-	8,567.57
Local School District Taxes Payable	SA-15	165,167.50	165,166.50
Due County for Added and Omitted Taxes	SA-18	37,423.41	20,115.48
Due to State of New Jersey:			
Marriage License Fees	SA-19	325.00	300.00
Training Fees	SA-20	5,850.00	2,859.00
		840,713.37	968,670.75
Reserves for Receivables and Other Assets		1,042,770.56	1,329,472.89
Fund Balance	A-1	4,009,846.67	3,567,474.60
Total Current Fund		5,893,330.60	5,865,618.24
Federal and State Grant Fund:			
Due to Current Fund	SA-9	-	300,000.00
Reserve for Federal, State, and Other Grants:			
Appropriated	SA-22	179,506.05	184,589.37
Reserve for Encumbrances	SA-22	33,733.15	22,918.77
Total Federal and State Grant Fund		213,239.20	507,508.14
Total Liabilities, Reserves, and Fund Balance		\$ 6,106,569.80	\$ 6,373,126.38

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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**CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
Years Ended December 31, 2019 and 2018**

	2019	2018
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 1,067,455.00	\$ 307,500.00
Miscellaneous Revenue Anticipated	3,142,100.24	3,242,720.31
Receipts from Delinquent Taxes	421,484.97	395,460.35
Receipts from Current Taxes	32,589,070.88	31,960,040.84
Non Budget Revenues	226,363.59	31,413.58
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	343,064.66	632,097.41
Liquidation of Reserves for:		
Due from Trust - Other Funds	471.72	6,625.52
Due from Trust - Due from Federal and State Grant Funds	300,000.00	-
Total Revenues	<u>38,090,011.06</u>	<u>36,575,858.01</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS"		
Salaries and Wages	3,265,635.00	3,279,330.00
Other Expenses	3,047,255.00	2,898,188.00
Deferred Charges and Statutory Expenditures	885,868.37	826,653.23
Operations Excluded from "CAPS"		
Salaries and Wages	68,470.00	65,500.00
Other Expenses	450,902.12	519,095.79
Capital Improvements Excluded from "CAPS"	452,000.00	235,000.00
Municipal Debt Service Excluded from "CAPS"	1,222,756.77	956,323.94
Local District School Tax	15,114,505.00	14,800,472.50
Regional High School Taxes	6,417,978.34	6,171,019.50
County Taxes Payable	5,477,762.48	5,413,170.61
Due County for Added and Omitted Taxes	37,423.41	20,115.48
Municipal Open Space Taxes	138,627.50	138,397.46
Due to State of New Jersey - Prior Year Veteran and Senior Citizens' Deduction Disallowed by Collector	1,000.00	2,000.00
Creation of Reserves for:		
Due from Federal and State Grant Fund	-	299,991.00
Total Expenditures	<u>36,580,183.99</u>	<u>35,625,257.51</u>
Excess in Revenue	<u>1,509,827.07</u>	<u>950,600.50</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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**CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE (CONTINUED)
Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<u>Fund Balance</u>		
Balance January 1	\$ 3,567,474.60	\$ 2,924,374.10
	5,077,301.67	3,874,974.60
Decreased by:		
Utilization as Anticipated Revenue	<u>1,067,455.00</u>	<u>307,500.00</u>
Balance December 31	<u>\$ 4,009,846.67</u>	<u>\$ 3,567,474.60</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF REVENUES
Year Ended December 31, 2019**

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 1,067,455.00	\$ -	\$ 1,067,455.00	\$ -
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	12,500.00	-	15,000.00	2,500.00
Other	11,250.00	-	4,848.00	(6,402.00)
Fees and Permits	16,175.00	-	13,050.00	(3,125.00)
Fines and Costs:				
Municipal Court	209,900.00	-	175,209.43	(34,690.57)
Interest and Costs on Taxes	68,000.00	-	74,643.23	6,643.23
Interest on Investments and Deposits	55,000.00	-	106,416.19	51,416.19
Local Fire Enforcement Bureau - Fees & Permits	29,000.00	-	34,875.00	5,875.00
Total Local Revenues	401,825.00	-	424,041.85	22,216.85
State Aid without Offsetting Appropriations:				
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	1,283,043.00	-	1,283,043.00	-
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17)				
Uniform Construction Codes Fee	301,500.00	-	282,535.00	(18,965.00)
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
Shared Services Agreements Offset with Appropriations:				
Shared Services - Vehicle Maintenance	9,997.70	-	8,949.29	(1,048.41)
Total Shared Service Agreements Offset with Appropriations	9,997.70	-	8,949.29	(1,048.41)
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
Public and Private Revenues Offset With Appropriations:				
Recycling Tonnage Grant	12,829.05	-	12,829.05	-
Emergency Management Performance Grant	-	10,000.00	10,000.00	-
Drive Sober or Get Pulled Over	2,970.00	-	2,970.00	-

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF REVENUES (CONTINUED)
Year Ended December 31, 2019**

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services (Cont'd):				
Public and Private Revenues Offset With Appropriations (Cont'd):				
Click It or Ticket	-	5,500.00	5,500.00	-
Distracted Driving Statewide Crackdown	-	5,500.00	5,500.00	-
Body Armor Replacement	2,410.97	-	2,410.97	-
Bulletproof Vest Partnership Grant	-	1,216.05	1,216.05	-
Green Communities Program	3,000.00	-	3,000.00	-
Safe & Secure Communities	-	60,000.00	60,000.00	-
Smithville Road - Southampton Township	-	115,150.00	115,150.00	-
NJDOT - Municipal Drive	-	250,000.00	250,000.00	-
Clean Communities	-	27,298.35	27,298.35	-
	<u>21,210.02</u>	<u>474,664.40</u>	<u>495,874.42</u>	<u>-</u>
Total Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues				
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Uniform Fire Safety Act	40,500.00	-	41,913.03	1,413.03
Recycling Fees	7,300.00	-	8,348.20	1,048.20
Pilot - Acacia Manor	91,300.00	-	93,777.33	2,477.33
Payments in Lieu of Taxes - Commercial and Industrial (40A:21-1 et. Seq.)	19,350.00	-	20,609.17	1,259.17
Cell Tower Fees	68,502.00	-	75,231.44	6,729.44
Comcast Franchise Fees	82,569.67	-	82,569.67	-
Burlington County Municipal JIF	3,950.00	-	6,881.71	2,931.71
Off Duty Police Administration	60,000.00	-	60,000.00	-
Building Lease	19,000.00	-	19,000.00	-
Lumberton Township Board of Education - Service & Fuel Fee	33,250.00	-	30,647.04	(2,602.96)
Health Insurance Fund Dividend	42,850.00	-	42,850.00	-
Lumberton Township Board of Education - School Resource Officer Fee	154,500.00	-	155,441.73	941.73
Lumberton Township Board of Education - Crossing Guard Lumberton Board of Education	10,181.00	-	10,387.36	206.36
	<u>633,252.67</u>	<u>-</u>	<u>647,656.68</u>	<u>14,404.01</u>
Total Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items				
Total Miscellaneous Revenues Anticipated	<u>2,650,828.39</u>	<u>474,664.40</u>	<u>3,142,100.24</u>	<u>16,607.45</u>
Receipts from Delinquent Taxes	<u>250,000.00</u>	<u>-</u>	<u>421,484.97</u>	<u>171,484.97</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF REVENUES (CONTINUED)
Year Ended December 31, 2019**

	<u>Anticipated Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	5,518,958.61	-	5,732,779.40	213,820.79
Total General Revenues	9,487,242.00	474,664.40	9,296,364.61	401,913.21
Non Budget Revenues	-	-	226,363.59	226,363.59
Total Revenues	<u>\$ 9,487,242.00</u>	<u>\$ 474,664.40</u>	<u>\$ 9,522,728.20</u>	<u>\$ 628,276.80</u>
<u>Analysis of Realized Revenues</u>				
Allocation of Current Tax Collections:				
Revenue from Collections				\$ 32,589,070.88
Allocated to:				
Local School, Regional High School, Municipal Open Space, and County Taxes				<u>27,418,949.39</u>
Balance for Support of Municipal Budget Appropriations				5,170,121.49
Add: Appropriation "Reserve for Uncollected Taxes"				<u>562,657.91</u>
Amount for Support of Municipal Budget Appropriations				<u>\$ 5,732,779.40</u>
Receipts from Delinquent Taxes:				
Delinquent Tax Collections				\$ 398,792.82
Tax Title Lien Collections				<u>22,692.15</u>
Total Receipts from Delinquent Taxes				<u>\$ 421,484.97</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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**CURRENT FUND
STATEMENT OF REVENUES (CONTINUED)
Year Ended December 31, 2019**

	<u>Anticipated Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<u>Analysis of Non Budget Revenues</u>				
Receipts - Treasurer:				
Certified Birth Certificate			\$ 65.00	
Certified Death Certificate			190.00	
Certified Lists			240.00	
Certified Marriage			595.00	
Community Garden			330.00	
Cost of Tax Sale			19,476.86	
DMV Fines			11,619.50	
Duplicate Bills			855.00	
Fees for Searches			10.00	
FEMA Reimbursement			82,363.26	
Other			482.09	
Penalty			21,785.98	
Photocopies			40.66	
Police Deposits / Reports			3,908.92	
Property Maintenance			1,641.32	
Sale of Liquor License			75,000.00	
Sale of Property			3,500.00	
Service Fees			75.00	
Senior Citizen and Veteran Administrative Fee			1,545.00	
Trash Buckets			<u>2,640.00</u>	
Total Non Budget Revenues				<u>\$ 226,363.59</u>

See notes to financial statements.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES
Year Ended December 31, 2019**

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
OPERATIONS - WITHIN "CAPS"						
General Government:						
Administration and Executive						
Salaries and Wages	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ -	\$ -	\$ -
Other Expenses	10,500.00	18,500.00	9,428.56	9,017.91	53.53	-
Mayor and Committee						
Salaries and Wages	20,250.00	20,250.00	20,250.00	-	-	-
Other Expenses	1,550.00	1,550.00	851.59	109.37	589.04	-
Municipal Clerk						
Salaries and Wages	108,500.00	98,500.00	97,737.16	-	762.84	-
Other Expenses	34,100.00	34,100.00	28,177.17	1,625.04	4,297.79	-
Financial Administration						
Salaries and Wages	85,000.00	85,200.00	85,160.86	-	39.14	-
Other Expenses	43,630.00	43,630.00	36,977.08	439.08	6,213.84	-
Annual Audit						
Other Expenses	43,000.00	43,000.00	43,000.00	-	-	-
Assessment of Taxes						
Salaries and Wages	36,000.00	34,000.00	33,723.11	-	276.89	-
Other Expenses	8,525.00	8,525.00	4,574.00	37.04	3,913.96	-
Registrar of Vital Statistics						
Salaries and Wages	2,300.00	2,300.00	2,223.04	-	76.96	-
Other Expenses	300.00	300.00	103.15	80.00	116.85	-
Collection of Taxes						
Salaries and Wages	50,000.00	48,800.00	48,532.29	-	267.71	-
Other Expenses	6,075.00	6,075.00	5,383.08	-	691.92	-
Legal Services						
Other Expenses	112,500.00	112,500.00	90,714.81	-	21,785.19	-
Municipal Prosecutor						
Other Expenses	21,000.00	21,000.00	17,500.00	-	3,500.00	-
Engineering Services						
Other Expenses	25,000.00	25,000.00	17,412.05	1,200.00	6,387.95	-
Computers / Technology						
Other Expenses	42,000.00	42,000.00	36,013.76	1,965.12	4,021.12	-

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2019**

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
OPERATIONS - WITHIN "CAPS" (CONTD)						
Public Works:						
Building and Grounds						
Other Expenses	65,100.00	70,100.00	60,881.56	7,822.40	1,396.04	-
Road Repairs and Maintenance						
Salaries and Wages	380,000.00	380,000.00	370,925.84	-	9,074.16	-
Other Expenses	9,325.00	9,325.00	5,325.07	145.11	3,854.82	-
Storm Sewer System						
Other Expenses	4,500.00	4,500.00	3,827.00	-	673.00	-
Garbage and Trash Removal						
Salaries and Wages	100,000.00	100,000.00	98,789.85	-	1,210.15	-
Other Expenses	500.00	500.00	-	-	500.00	-
Vehicle Maintenance						
Salaries and Wages	133,000.00	133,000.00	122,764.11	-	10,235.89	-
Other Expenses	68,500.00	68,500.00	55,197.45	8,204.25	5,098.30	-
Recycling Coordinator						
Salaries and Wages	5,430.00	5,430.00	5,140.64	-	289.36	-
Other Expenses	4,500.00	4,500.00	2,455.39	-	2,044.61	-
Custodial Services						
Other Expenses	26,500.00	26,500.00	24,960.64	346.44	1,192.92	-
Land Use Administration:						
Land Development Board						
Salaries and Wages	13,400.00	13,400.00	13,400.00	-	-	-
Other Expenses	27,275.00	27,275.00	19,604.63	3,661.61	4,008.76	-
Zoning Officer						
Salaries and Wages	15,400.00	15,400.00	15,400.00	-	-	-
Other Expenses	2,950.00	2,950.00	2,808.08	-	141.92	-
Public Safety:						
Fire						
Aid to Volunteer Fire Companies	70,000.00	73,000.00	72,710.80	-	289.20	-
Uniform Fire Safety Act (Ch. 383, P.L. 1985)						
Salaries and Wages	44,460.00	44,460.00	41,871.98	-	2,588.02	-
Other Expenses	16,900.00	16,900.00	11,585.19	4,584.73	730.08	-

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2019**

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
OPERATIONS - WITHIN "CAPS" (CONTD)						
Public Safety (Cont'd):						
Safety Program						
Other Expenses	3,900.00	1,900.00	1,855.71	39.96	4.33	-
Office of Emergency Management						
Salaries and Wages	8,000.00	8,000.00	8,000.00	-	-	-
Other Expenses	975.00	975.00	135.00	-	840.00	-
Police Department						
Salaries and Wages	1,850,995.00	1,850,995.00	1,801,488.02	-	49,506.98	-
Other Expenses	94,150.00	104,150.00	90,089.15	3,687.74	10,373.11	-
Health and Welfare						
Animal Control Services						
Other Expenses	15,000.00	15,000.00	9,170.00	608.38	5,221.62	-
Parks and Recreation:						
Administration of Public Assistance						
Other Expenses	2,000.00	2,000.00	1,470.00	-	530.00	-
Municipal Court:						
Salaries and Wages	122,200.00	122,200.00	117,350.08	-	4,849.92	-
Other Expenses	12,350.00	12,350.00	4,799.48	1,136.00	6,414.52	-
Public Defender:						
Other Expenses	10,000.00	10,000.00	10,000.00	-	-	-
Insurance:						
General Liability Insurance	720,000.00	698,200.00	683,246.74	1,304.16	13,649.10	-
Employee Group Insurance	95,000.00	95,000.00	90,363.13	-	4,636.87	-
Workers Compensation Insurance	200,000.00	200,000.00	200,000.00	-	-	-
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Construction Official						
Salaries and Wages	165,700.00	165,700.00	164,995.73	-	704.27	-
Other Expenses	6,050.00	6,050.00	4,954.21	-	1,095.79	-

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2019**

	Appropriations		Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
OPERATIONS - WITHIN "CAPS" (CONTD)					
Unclassified:					
Celebration of Public Events, Holiday or Anniversaries					
Other Expenses	2,500.00	4,500.00	4,500.00	-	-
Accumulated Absences					
Other Expenses	1,000.00	1,000.00	1,000.00	-	-
Snow Removal					
Other Expenses	25,000.00	25,000.00	25,000.00	-	-
Utility Expenses and Bulk Purchases:					
Electricity	122,500.00	112,500.00	102,557.59	-	9,942.41
Telephone and Telegraph	56,000.00	56,000.00	48,774.50	44.73	7,180.77
Street Lighting	116,000.00	108,000.00	100,954.06	-	7,045.94
Fire Hydrant Services	150,000.00	150,000.00	133,892.39	12,517.09	3,590.52
Gasoline / Diesel	125,000.00	119,800.00	92,757.83	12,600.44	14,441.73
Water	18,000.00	18,000.00	14,966.87	1,346.68	1,686.45
Fuel Oil	10,000.00	10,000.00	9,798.15	-	201.85
Postage	17,500.00	17,500.00	15,162.36	-	2,337.64
Landfill / Solid Waste	322,100.00	340,100.00	296,700.08	-	43,399.92
Condo Reimbursement	278,000.00	292,000.00	264,337.44	13,203.33	14,459.23
Total Operations within "CAPS"	6,312,890.00	6,312,890.00	5,928,728.46	85,726.61	298,434.93
Detail:					
Salaries and Wages	3,265,635.00	3,252,635.00	3,172,752.71	-	79,882.29
Other Expenses	3,047,255.00	3,060,255.00	2,755,975.75	85,726.61	218,552.64

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2019**

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	175,693.37	175,693.37	175,693.37	-	-	-
Social Security System (O.A.S.I.)	260,000.00	260,000.00	259,160.26	-	839.74	-
Police and Firemen's Retirement System of N.J.	448,675.00	448,675.00	448,675.00	-	-	-
Defined Contribution Retirement Program	1,500.00	1,500.00	1,345.72	-	154.28	-
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	885,868.37	885,868.37	884,874.35	-	994.02	-
Total General Appropriations for Municipal Purposes within "CAPS"	7,198,758.37	7,198,758.37	6,813,602.81	85,726.61	299,428.95	(0.00)
OPERATIONS - EXCLUDED FROM "CAPS"						
State Fees - Recycling Tax	13,500.00	13,500.00	11,940.00	-	1,560.00	-
Total Other Operations - Excluded from "CAPS"	13,500.00	13,500.00	11,940.00	-	1,560.00	-
Shared Service Agreements:						
Shared Vehicle Maintenance	9,997.70	9,997.70	8,949.29	-	1,048.41	-
Total Shared Municipal Service Agreements	9,997.70	9,997.70	8,949.29	-	1,048.41	-
Public and Private Programs Offset by Revenues:						
Green Communities Program	3,000.00	3,000.00	3,000.00	-	-	-
NJ DOT - Municipal Drive Improvements	-	250,000.00	250,000.00	-	-	-
Body Armor Grant	2,410.97	2,410.97	2,410.97	-	-	-
Smithville Road - Southampton Township	-	115,150.00	115,150.00	-	-	-
Distracted Driving Crackdown	-	5,500.00	5,500.00	-	-	-
Clean Communities	-	27,298.35	27,298.35	-	-	-
Emergency Management	-	10,000.00	10,000.00	-	-	-
Click It or Ticket	-	5,500.00	5,500.00	-	-	-
Drive Sober or Get pulled over	2,970.00	2,970.00	2,970.00	-	-	-

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2019**

	Appropriations		Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
OPERATIONS - EXCLUDED FROM "CAPS" (CONTD)					
Public and Private Programs Offset by Revenues (Cont'd):					
Bulletproof Vest Program	-	1,216.05	1,216.05	-	-
Safe and Secure Communities	-	60,000.00	60,000.00	-	-
Recycling Tonnage Grant	12,829.05	12,829.05	12,829.05	-	-
Total Public and Private Programs Offset by Revenues	21,210.02	495,874.42	495,874.42	-	-
Total Operations - Excluded from "CAPS"	44,707.72	519,372.12	516,763.71	-	2,608.41
Detail:					
Salaries and Wages	-	-	-	-	-
Other Expenses	44,707.72	519,372.12	516,763.71	-	2,608.41
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Various Capital Improvements to Township Property	452,000.00	452,000.00	452,000.00	-	-
Total Capital Improvements Excluded from "CAPS"	452,000.00	452,000.00	452,000.00	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	310,000.00	310,000.00	310,000.00	-	-
Payment of Bond Anticipation Notes and Capital Notes	500,000.00	500,000.00	500,000.00	-	-
Interest on Bonds	190,959.00	190,959.00	190,958.78	-	0.22
Interest on Notes	86,221.00	86,221.00	85,981.35	-	239.65
New Jersey Environmental Infrastructure Loan:					
Principal	130,825.00	130,825.00	130,394.81	-	430.19
Interest	11,113.00	11,113.00	5,421.83	-	5,691.17
Total Municipal Debt Service - Excluded from "CAPS"	1,229,118.00	1,229,118.00	1,222,756.77	-	6,361.23
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,725,825.72	2,200,490.12	2,191,520.48	-	2,608.41
					6,361.23

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2019**

	Appropriations		Expended		Unexpended Balance Canceled
	Adopted Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Subtotal General Appropriations	<u>8,924,584.09</u>	<u>9,399,248.49</u>	<u>9,005,123.29</u>	<u>85,726.61</u> <u>302,037.36</u>	<u>6,361.23</u>
Reserve for Uncollected Taxes	<u>562,657.91</u>	<u>562,657.91</u>	<u>562,657.91</u>	- -	-
Total General Appropriations	<u><u>\$9,487,242.00</u></u>	<u><u>\$9,961,906.40</u></u>	<u><u>\$9,567,781.20</u></u>	<u><u>\$ 85,726.61</u></u> <u><u>\$ 302,037.36</u></u>	<u><u>\$ 6,361.23</u></u>
Appropriation N.J.S.A. 40A:4-87 Budget		\$ 474,664.40 <u>9,487,242.00</u>			
		<u><u>\$9,961,906.40</u></u>			
Due Trust - Other Funds:					
Municipal Public Defender			\$ 6,150.00		
Storm Recovery			10,490.86		
Reserve for Federal and State Grants - Appropriated			495,874.42		
Reserve for Uncollected Taxes			562,657.91		
Receipts:					
Refunds			(264,825.83)		
Disbursements			<u>8,757,433.84</u>		
			<u><u>\$9,567,781.20</u></u>		
-					

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B

**TRUST FUNDS
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
December 31, 2019 and 2018**

<u>ASSETS</u>	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Animal Control Fund:			
Cash	SB-1	\$ 115.76	\$ 805.56
Total Animal Control Fund		<u>115.76</u>	<u>805.56</u>
Municipal Open Space Fund:			
Cash	SB-1	135,253.23	288,472.99
Total Municipal Open Space Fund		<u>135,253.23</u>	<u>288,472.99</u>
Other Funds:			
Cash	SB-1	<u>2,764,543.18</u>	<u>2,310,566.85</u>
Total Other Funds		<u>2,764,543.18</u>	<u>2,310,566.85</u>
Total Assets		<u><u>\$2,899,912.17</u></u>	<u><u>\$2,599,845.40</u></u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey - Registration Fees	SB-4	\$ 2.40	\$ 2.40
Reserve from Animal Control Fund Expenditures	SB-5	<u>113.36</u>	<u>803.16</u>
Total Animal Control Fund		<u>115.76</u>	<u>805.56</u>
Municipal Open Space Fund:			
Due to Burlington County - Farmland Preservation		1,268.91	1,268.91
Reserve for Future Use	B-1	<u>133,984.32</u>	<u>287,204.08</u>
Total Municipal Open Space Fund		<u>135,253.23</u>	<u>288,472.99</u>
Other Funds:			
Due to Current Fund	SB-6	-	475.80
Reserve for Unemployment Compensation Insurance	SB-7	30,359.94	41,852.02
Reserve for Payroll Deductions Payable	SB-8	5,610.52	7,557.45
Miscellaneous Trust Other Reserves	SB-9	<u>2,728,572.72</u>	<u>2,260,681.58</u>
Total Other Funds		<u>2,764,543.18</u>	<u>2,310,566.85</u>
Total Liabilities, Reserves and Fund Balances		<u><u>\$2,899,912.17</u></u>	<u><u>\$2,599,845.40</u></u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B-1

TRUST FUNDS – MUNICIPAL OPEN SPACE
STATEMENTS OF OPERATIONS AND CHANGES IN RESERVE FOR FUTURE
Years Ended December 31, 2019 and 2018

<u>Revenue Realized</u>	<u>2019</u>	<u>2018</u>
Amount to be Raised by Taxation	\$ 137,687.29	\$ 137,886.99
Reserve for Future Use	287,204.08	314,581.96
Non Budget Revenues	4,313.93	3,553.69
Total Revenue	429,205.30	456,022.64
 <u>Expenditures</u>		
Budget Appropriations	295,220.98	168,818.56
Total Expenditures	295,220.98	168,818.56
Statutory Excess to Reserve	133,984.32	287,204.08
 <u>Reserve for Future Use</u>		
Balance January 1	287,204.08	314,581.96
	421,188.40	601,786.04
Decreased by:		
Utilization as Anticipated Revenue	287,204.08	314,581.96
Balance December 31	\$ 133,984.32	\$ 287,204.08

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B-2

**TRUST FUNDS – MUNICIPAL OPEN SPACE
STATEMENT OF DEDICATED REVENUES
Year Ended December 31, 2019**

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 137,687.29	\$ 137,687.29	\$ -
Reserve Funds:			
Reserve for Future Use	<u>287,204.08</u>	<u>287,204.08</u>	<u>-</u>
Non Budget Revenues	<u>-</u>	<u>4,313.93</u>	<u>4,313.93</u>
Total Trust Fund Revenues	<u>\$ 424,891.37</u>	<u>\$ 429,205.30</u>	<u>\$ 4,313.93</u>
Analysis of Non Budget Revenues			
Due Current Fund:			
Added and Omitted Levy		\$ 940.21	
Receipts:			
Interest on Investments and Deposits	<u>\$ 3,373.72</u>	<u>3,373.72</u>	
Total Non Budget Revenues		<u>\$ 4,313.93</u>	

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

TRUST FUNDS – MUNICIPAL OPEN SPACE
STATEMENT OF DEDICATED EXPENDITURES
Year Ended December 31, 2019

	<u>Adopted Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged - Disbursements</u>	<u>Unexpended Balance Cancelled</u>
Maintenance of Lands for Recreation and Conservation				
Salaries and Wages	\$ 100,000.00	\$ 100,000.00	\$ 96,529.50	\$ 3,470.50
Other Expenses	200,000.00	200,000.00	198,691.48	1,308.52
Reserve for Future Use	<u>124,891.37</u>	<u>124,891.37</u>	<u>-</u>	<u>124,891.37</u>
Total Trust Fund Appropriations	<u>\$ 424,891.37</u>	<u>\$ 424,891.37</u>	<u>\$ 295,220.98</u>	<u>\$ 129,670.39</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

C

**GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
December 31, 2019 and 2018**

<u>ASSETS</u>	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Cash	SC-1, SC-2	\$ 334,746.42	\$ 788,810.36
Deferred Charges to Future Taxation:			
Funded	SC-3	5,841,848.75	6,282,673.62
Unfunded	SC-4	4,183,169.00	4,685,916.00
Total Assets		<u>\$ 10,359,764.17</u>	<u>\$ 11,757,399.98</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes	SC-7	\$ 4,183,169.00	\$ 4,685,916.00
General Obligation Bonds	SC-8	5,683,000.00	5,993,000.00
New Jersey Environmental Infrastructure Loans Payable	SC-9	158,848.75	289,673.62
Improvement Authorizations:			
Funded	SC-10	46,453.65	129,784.60
Unfunded	SC-10	6,521.19	26,031.39
Contracts Payable	SC-11	199,950.11	582,542.69
Capital Improvement Fund	SC-12	-	50,132.00
General Capital Surplus	C-1	81,821.47	319.68
Total Liabilities, Reserves and Fund Balance		<u>\$ 10,359,764.17</u>	<u>\$ 11,757,399.98</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

C-1

**GENERAL CAPITAL FUND
STATEMENT OF GENERAL CAPITAL SURPLUS
Year Ended December 31, 2019**

Balance December 31, 2018		\$	319.68
Increased by:			
Premium	\$	25,224.51	
Cancellation of Improvement Authorizations		<u>98,086.66</u>	
			<u>123,311.17</u>
			123,630.85
Decreased by:			
Appropriation to Finance Improvement Authorizations		<u>41,809.38</u>	
			<u>41,809.38</u>
Balance December 31, 2019		\$	<u><u>81,821.47</u></u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

D

GENERAL FIXED ASSET ACCOUNT GROUP
STATEMENT OF GENERAL FIXED ASSET GROUP OF ACCOUNTS
Year Ended December 31, 2019

	Balance December 31, 2018	Additions	Deletions	Balance December 31, 2019
General Fixed Assets:				
Land	\$ 19,156,000.00	\$ -	\$ -	\$ 19,156,000.00
Buildings	10,360,000.00	-	-	10,360,000.00
Machinery and Equipment	6,771,266.03	865,571.97	1,209,859.00	6,426,979.00
	<u>\$ 36,287,266.03</u>	<u>\$ 865,571.97</u>	<u>\$ 1,209,859.00</u>	<u>\$ 35,942,979.00</u>
Investment in General Fixed Assets	<u>\$ 36,287,266.03</u>	<u>\$ 865,571.97</u>	<u>\$ 1,209,859.00</u>	<u>\$ 35,942,979.00</u>

NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Township

The Township of Lumberton (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on March 14, 1860 from portions of Medford Township, Southampton Township, and Eastampton Township. The Township, located in Burlington County, New Jersey, has a total area of approximately thirteen square miles, and is located approximately twenty-two miles from the City of Philadelphia. The Township borders Eastampton Township, Southampton Township, Medford Township, Mount Laurel Township, Hainesport Township, and Mount Holly Township. According to the 2010 census, the population is 12,559.

The Township is governed under the Township Committee form of government, with a five-member Committee. The Committee is elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis, with one or two seats coming up for election each year. At an annual reorganization meeting, the Committee selects one of its members to serve as Mayor and another as Deputy Mayor. Legislative and executive power is vested in the Committee.

Component Units

The Township had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39, No. 61 and No. 80.

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.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 maximum amount allowed by the Circular is \$5,000.00; however, the Township has adopted a capitalization threshold of \$1,000.00. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

Foreclosed Property

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

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 Lumberton School District, and the Rancocas Valley Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes

The Township is responsible for levying, collecting, and remitting school taxes for the Lumberton School District and the Rancocas Valley Regional High 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 for the Lumberton School District and the Rancocas Valley Regional High School.

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.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Pension and Other Post-Employment Benefits ("OPEB") Other than Pensions

The Township implemented GASB Number 68 & 75, which covers accounting and financial reporting requirements for government employers that provide pension and post-employment benefits other than pensions. Since the Township participates in a multiple-employer cost sharing plans (Public Employees' Retirement System ("PERS") and Police and Fireman's Retirement System ("PFRS") and OPEB), the Township's portion of this liability and cost is calculated and recorded at the State of New Jersey level and included in the state's Comprehensive Annual Financial Report. The Township records Pension and OPEB expense based on billings from the state PERS. Required financial statement disclosure requirements are included in Notes E and F.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents and investments include amounts on deposit, petty cash, change funds and investments with original maturities of 397 days or less.

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 ("NJCM"). 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, 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.

The market value of the collateral must equal five percent of the average daily balance of public funds; and, if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

As of December 31, 2019, the Township's bank balances of \$7,897,846.12 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 250,000.00
Uninsured and Uncollateralized	<u>7,897,236.12</u>
Total	<u>\$ 8,147,236.12</u>

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned or the Township will not be able to recover collateral securities in the possession of an outside party. The Township's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation. The Township Council approves and designates the authorized depository institution based on evaluation of solicited responses and certifications provided by financial institutions.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

B. CASH AND CASH EQUIVALENTS (CONTINUED)

Deposits (Continued)

Concentration of Credit Risk – This is the risk associated with the amount of investments the Township has with any one issuer that exceeds five percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and the New Jersey Cash Management Fund (“NJCMF”) are excluded from this requirement. None of the investments held by the Township are exposed to concentration of credit risk.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Township does not have an investment policy regarding Credit Risk; however, the Township had no investments that were subject to credit risks as of December 31, 2019. The NJCMF is not rated.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township has a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations. However, its practice is to hold investments to maturity.

C. PROPERTY TAXES

Assessment of Tax

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, the Lumberton Township School District, and Burlington County, the tax rate is struck by the board based on the certified amounts in each of the taxing districts. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector on or before May 13.

Collection of Tax

Pursuant to statute, taxes for municipalities operating under the calendar fiscal year shall be payable as follows: the first installment on February 1, the second installment on May 1, the third installment on August 1, and the fourth installment on November 1, after which dates, if unpaid, a ten-day grace period is given, after which taxes shall become delinquent and remain delinquent until such time as all unpaid taxes, including taxes and other liens subsequently due and unpaid together with interest thereon, have been fully paid and satisfied. The tax bills are prepared and mailed by the Collector of Taxes of the Township annually in July.

The tax bills for each of the first two installments are based upon one-quarter of the total tax levied against the respective properties for the preceding year. The amount of the tax bill for third and fourth installments is the full tax as levied for the current year, less the amount charged as the first and second installments with the amount divided equally between the last two installments.

Taxes become delinquent if not paid on the installment dates or within the ten-day grace period and become subject to interest penalties of 8% to 18% of the amount delinquent. If taxes are delinquent 60 days before the date of the tax sale of the succeeding year, the delinquent amount is subject to “Tax Sale,” which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1 of the current tax year even though the amount due is not known.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. FUND BALANCES APPROPRIATED

The following schedule for the current fund details the amount of fund balance available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2019	\$ 4,009,846.67	\$ 890,000.00	22.20%
2018	3,567,474.60	1,067,455.00	29.92%
2017	2,924,374.10	307,500.00	10.52%
2016	2,021,181.52	307,500.00	15.21%
2015	1,293,941.45	307,500.00	23.76%

E. PENSION PLANS

A substantial number of the Township's employees participate in the following defined benefit pension plans: PERS and Police and Firemen's Retirement System ("PFRS"), which are administered and/or regulated by the New Jersey Division of Pensions and Benefits. Both plans have a board of trustees that is primarily responsible for its administration. The division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

Plans Descriptions

PERS is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. For additional information about PERS, please refer to the division's Comprehensive Annual Financial Report ("CAFR") which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml

PFRS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pension and Benefits; which was established as of July 1, 1944. For additional information about PFRS, please refer to the division's CAFR which can be found at link above.

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

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

E. PENSION PLANS (CONTINUED)

Benefits Provided

For PERS, vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service; except 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 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, 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.

For PFRS, vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except for 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 of each year of creditable service, as defined, 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 10 years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

E. PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

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

PERS

The contribution policy for PERS is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in state fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

PFRS

The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in state fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

E. PENSION PLANS (CONTINUED)

PFRS (Continued)

Special Funding Situation

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 that 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 report in the financial statements of the local participating employers related to this legislation. The portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township is \$943,999.00.

The Township is billed annually for its normal contribution plus any accrued liability. Contribution to PERS from the Township was \$175,693.37 for the year ended June 30, 2019. Contribution to PFRS from the Township was \$448,675.00 for the year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Township had a liability of \$3,480,121.00 for its proportionate share of the net pension liability in PERS and \$5,978,392.00 for its proportionate share of the net pension liability in PFRS. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 members of the plan, actuarial determined. At June 30, 2019, the Township's proportion was 0.0193141719%, which was an increase of 0.00178 from its proportion measured as of June 30, 2018, for PERS and 0.0488517794% which was an increase of 0.00296 from its proportion measured as of June 30, 2018, for PFRS.

At December 31, 2019, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 62,464.00	\$ 15,374.00	\$ 50,465.00	\$ 37,850.00
Changes in assumptions	-	1,207,939.00	204,852.00	1,932,162.00
Net difference between projected and actual investment earnings on pension plan investments	347,503.00	54,935.00	-	81,005.00
Changes in proportion	494,973.00	72,669.00	701,169.00	18,743.00
	<u>\$ 904,940.00</u>	<u>\$ 1,350,917.00</u>	<u>\$ 956,486.00</u>	<u>\$ 2,069,760.00</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

E. PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

	<u>PERS</u>	<u>PFRS</u>
2020	\$ 515,293.00	\$ 816,627.00
2021	(400,443.00)	(818,952.00)
2022	(365,028.00)	(689,173.00)
2023	(166,513.00)	(381,815.00)
2024	(29,286.00)	(39,961.00)
	<u>\$ (445,977.00)</u>	<u>\$ (1,113,274.00)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2019, actuarial valuation was determined using 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:		
Through 2026 (baed on years of service)	2.00 - 6.00%	
Thereafter (based on years of service)	3.00 - 7.00%	
Through all future years (based on years of service)		3.25 - 15.25%
Investment rate of return	7.00%	7.00%

PERS

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-2019. The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

E. PENSION PLANS (CONTINUED)

PFRS

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-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension 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 rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

E. PENSION PLANS (CONTINUED)

PERS

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

PFRS

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 and the nonemployer contributing entity will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	At 1%	At Current Discount	At 1%
PERS	Decrease (5.28%)	Rate (6.28%)	Increase (7.28%)
	<u>\$ 4,426,539.40</u>	<u>\$ 3,480,121.00</u>	<u>\$ 2,727,239.64</u>
	At 1%	At Current Discount	At 1%
PFRS	Decrease (5.85%)	Rate (6.85%)	Increase (7.85%)
	<u>\$ 9,356,551.05</u>	<u>\$ 5,978,392.00</u>	<u>\$ 4,907,774.17</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

F. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

General Information about the OPEB Plan

Plan Description and Benefits Provided - The Township does not provide postemployment benefits to its retirees, however, the State of New Jersey (the "State") provides these benefits to certain Township retirees and their dependents under a special funding situation as described below.

The State of New Jersey, on-behalf of 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 benefit coverage to retirees and their covered dependents of the 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.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

F. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

Plan Description and Benefits Provided (Continued)

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.

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, the Township is 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 Township does 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 Township is required to disclose:

- a) The State's proportion (percentage) of the collective net OPEB liability that is associated with the Township;
- b) The State's proportionate share of the collective net OPEB liability that is associated with the Township; and
- c) the State's proportionate share of the OPEB expense that is associated with the Township.

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 expense, on-behalf of the Township, is \$90,905.00 for the year ended December 31, 2019.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

F. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

OPEB Liability and OPEB Expense

OPEB Liability - At December 31, 2019 the State's proportionate Share of the Net OPEB liability associated with the Township is \$6,858,025.00. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The State's proportion of the net OPEB liability, on-behalf of the Township, was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the State's proportion on-behalf of the Township was 0.24111% which was an increase of .000941% from its proportion measured as of the June 30, 2017 measurement date.

OPEB Expense - At December 31, 2019, the State's proportionate share of the OPEB expense associated with the Township, calculated by the Plan as of the June 30, 2019 measurement date, is \$90,905.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note A.

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	2.50%
Salary increases*	
PERS	
Initial fiscal year applied	
Through 2026	2.00 - 6.00%
Thereafter	3.00 - 7.00%
PFRS	
Rate for all future years	3.25 - 15.25%

Mortality:

PERS:

Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

PFRS

Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

* Salary increases are based on years of service within the respective plan.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

F. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

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.

Discount Rate - The discount rate for June 30, 2019, was 3.5%. 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 the Township's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2019, the Plans measurement date, calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<u>At 1% Decrease (2.50%)</u>	<u>At Current Discount Rate (3.50%)</u>	<u>At 1% Increase (4.50%)</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	\$ 7,929,621.49	\$ 6,858,025.00	\$ 5,987,211.21

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

The net OPEB Liability as of June 30, 2019, the Plans 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>At 1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>At 1% Increase</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	\$ 5,787,327.94	\$ 6,858,025.00	\$ 8,223,879.34

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

F. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

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 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/financialreports.shtml>.

G. COMPENSATED ABSENCES

All Township employees are entitled to paid vacation and sick time upon retirement, provided that the employee has at least twenty years of service with the Township.

All police department employees are entitled to one paid sick leave day per month for the first five years of service. At the beginning of the sixth year of service the employees are entitled to one and a half paid sick leave days per month. Full-time union employees, other than the police department employees, are entitled to ten paid sick leave days each year. Full-time non-union employees are entitled to six paid sick leave days each year. All Township employees may accumulate their sick leave days and carry them forward to the subsequent year. The current policy provides that one compensated sick day for every two days accumulated may be paid out at retirement. There is a maximum payout of \$15,000.00 for all Township employees. For police department employees, the employee's average daily salary for the three years preceding retirement shall be used to calculate the rate of pay upon termination. For all other employees, the employee's average daily salary for the five years preceding retirement shall be used to calculate the rate of pay upon termination.

All Township employees are entitled to paid vacation days each year, the number of which is dependent on their number of years of service with the Township. Unused vacation days may be accumulated and carried forward for up to three years. Vacation time unused is reimbursed to the employees upon retirement.

The Township has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2014, the balance of the fund was \$4,000.00. It is estimated that, at December 31, 2019, accrued benefits for compensated absences, including the Township's share of Federal Insurance Contributions Act (FICA) tax, are valued at \$644,205.89.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. 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.

I. SANITARY LANDFILL ESCROW CLOSURE FUND

The Township previously operated a municipal landfill located in the Township. The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on a monthly basis, an amount equal to \$1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy.

Under the provisions of N.J.S.A. 13:1E-1 et seq., known as the Solid Waste Management Act, approval was granted on November 2, 1995 by the State of New Jersey, Department of Environmental Protection (NJDEP) for a closure and post closure plan. On February 24, 2000, the NJDEP accepted the Township's As-Built Documents for the closure of the landfill as complete.

The Township presently holds funds in escrow in accordance with the post closure financial plan approved by the NJDEP on November 2, 1995.

J. CAPITAL DEBT

General Obligation Bonds

General Obligation Bonds, Series 2013 - On November 18, 2013, the Township issued \$2,138,000.00 of general obligation bonds, with interest rates ranging from 2.0% to 3.0%. The purpose of the bonds was to fund ordinances 2009-06-010, 2010-06-007, 2012-12-015, 2013-03-003, and 2013-08-007. The bonds mature in the years 2014 through 2025.

General Obligation Bonds, Series 2017 - On March 7, 2017, the Township issued \$4,750,000.00 of general obligation bonds, with interest rates ranging from 2.0% to 4.0%. The purpose of the bonds was to fund ordinance 2016-14, constructing and equipping the new public safety building. The bonds mature in the years 2018 through 2042.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

J. CAPITAL DEBT (CONTINUED)

General Obligation Bonds (Continued)

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

Year	Principal	Interest	Total
2020	\$ 315,000.00	\$ 158,660.00	\$ 473,660.00
2021	320,000.00	194,860.00	514,860.00
2022	325,000.00	187,955.00	512,955.00
2023	325,000.00	182,940.00	507,940.00
2024	325,000.00	171,940.00	496,940.00
2025-2029	1,093,000.00	650,190.00	1,743,190.00
2030-2034	1,050,000.00	397,050.00	1,447,050.00
2035-2039	1,180,000.00	244,593.75	1,424,593.75
2040-2042	750,000.00	52,500.00	802,500.00
	<u>\$ 5,683,000.00</u>	<u>\$ 2,240,688.75</u>	<u>\$ 7,923,688.75</u>

New Jersey Environmental Infrastructure Loans

On November 1, 2001, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$958,432.00, at no interest, from the fund loan, and \$1,010,000.00 at interest rates ranging from 4.00% to 5.50% from the trust loan. The proceeds were used to fund the reconstruction of Hollybrook Road. Semiannual debt payments are due February 1st and August 1st through 2021.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans payable:

Year	Principal	Interest	Total
2020	\$ 78,848.75	\$ 7,362.50	\$ 86,211.25
2021	80,000.00	3,800.00	83,800.00
	<u>\$ 158,848.75</u>	<u>\$ 11,162.50</u>	<u>\$ 170,011.25</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

J. CAPITAL DEBT (CONTINUED)

New Jersey Environmental Infrastructure Loans (Continued)

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

Issued	2019	2018	2017
General:			
Bond Anticipation Notes			
General Obligation Bonds	\$ 4,183,169.00	\$ 4,685,916.00	\$ 2,681,566.00
Infrastructure Trust Loans	5,683,000.00	5,993,000.00	6,447,000.00
Total Issued	158,848.75	289,673.62	414,526.08
	10,025,017.75	10,968,589.62	9,543,092.08
Authorized but not Issued			
General:			
Bonds, Loans and Notes	-	-	1,900,000.00
Total Authorized but not Issued	-	-	1,900,000.00
Total Issued and Authorized but not Issued	10,025,017.75	10,968,589.62	11,443,092.08
Deductions			
General:			
Excess Proceeds from Issuance of Notes	-	-	170,649.86
Total Deductions	-	-	170,649.86
Net Debt	\$ 10,025,017.75	\$ 10,968,589.62	\$ 11,272,442.22

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 .727%.

	Gross Debt	Deductions	Net Debt
School Purposes	\$9,451,000.00	\$9,451,000.00	\$ -
Regional School Purposes	9,932,481.47	9,932,481.47	-
General	10,025,017.75	-	10,025,017.75
	\$ 29,408,499.22	\$ 19,383,481.47	\$ 10,025,017.75

Net debt \$10,025,017.75 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$1,379,357,991.67, equals .727%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 48,277,529.71
Less: Net Debt	10,025,017.75
Remaining Borrowing Power	\$ 38,252,511.96

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

K. SCHOOL TAXES

Rancocas Valley Regional High School District tax has been raised and the liability deferred by statutes, resulting in the school tax payable (prepaid) set forth in the current fund liabilities as follows:

	December 31,	
	2019	2018
Prepaid Taxes	\$ (4.08)	\$ (4.08)
Deferred	3,224,723.50	3,193,263.00
Balance of Tax	<u>\$ 3,224,719.42</u>	<u>\$ 3,193,258.92</u>

Lumberton Township 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:

	December 31,	
	2019	2018
Taxes Payable	\$ 165,167.50	\$ 165,166.50
Deferred	7,657,844.50	7,456,660.50
Balance of Tax	<u>\$ 7,823,012.00</u>	<u>\$ 7,621,827.00</u>

L. 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:

Year	Contribution	Claims Paid	Ending Balance
2019	\$ 5,704.46	\$ 17,196.54	\$ 47,556.48
2018	5,541.05	4,350.00	41,852.02
2017	5,133.53	20,105.00	40,650.97

There are no unreimbursed unemployment claims at December 31, 2019.

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

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

L. RISK MANAGEMENT (CONTINUED)

Joint Insurance Pool (Continued)

Workers' Compensation including Employer's Liability
General Liability including Police Professional and Employee Benefit Liability
Automobile Liability
Blanket Crime including Public Employee Dishonesty
Property Including Boiler and Machinery
Public Officials and Employment Practices Liability
Volunteer Directors and Officers Liability
Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
Excess General Liability
Non-Owned Aircraft Liability
Excess Auto Liability
Fidelity and Performance (Blanket)
Excess Property including Boiler and Machinery
Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

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 Banking and 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 Township's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

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

Burlington County Municipal Joint Insurance Fund
P.O. Box 489
Marlton, New Jersey 08053

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

M. OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

Open Space Acquisition - On November 4, 2003 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 Lumberton Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2004, 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 referendum, the Township levies a tax not to exceed three cents per one hundred dollars of equalized valuation for a period of two years (2004 and 2005). After the two year period, the open space tax rate reverted to a rate of one cent 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 Lumberton Open Space, Recreation and Farmland Preservation Trust Funds.

N. CONTINGENCIES

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

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

O. 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.

P. SUBSEQUENT EVENTS

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel and quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Township operates. Due to the impact of New Jersey Governor Murphy's Executive Order No. 107 dated March 21, 2020, mandating statewide stay-at home practices and closure of all non-essential retail businesses, it is reasonably possible that revenues will decline significantly. It is unknown how long these conditions will last and what the complete financial effect will be to the Township.

In April 2020, the Township issued \$5,236,920 Bond Anticipation Notes maturing on May 3, 2021, bearing an interest rate of 1.75%.

SUPPLEMENTAL SCHEDULES

CURRENT FUND

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-1

**CURRENT FUND
STATEMENT OF CURRENT CASH – TREASURER
Year ended December 31, 2019**

	Regular	Federal and State Grant Fund
Balance December 31, 2018	\$ 4,528,519.24	\$ 89,356.76
Increased by Receipts:		
Miscellaneous Revenue not Anticipated	\$ 217,395.44	\$ -
and Veterans' Deductions	77,250.00	-
Taxes Receivable	32,605,903.99	-
Tax Title Liens Receivable	22,692.15	-
Revenue Accounts Receivable	2,646,225.82	-
Budget Refunds	264,825.83	-
Due Mount Holly Municipal Utilities Authority	225,530.33	-
Federal, State, and Other Grants Receivable	-	794,933.74
2018 Appropriation Reserves	12,103.44	-
Prepaid Taxes	244,183.49	-
Tax Overpayments	34,456.88	-
Due State of New Jersey:		
Marriage Licenses	1,400.00	-
Training Fees	18,034.00	-
Petty Cash Funds	425.00	-
Due Federal and State Grant Fund	300,000.00	-
Due Trust - Escrow	475.80	-
	<u>36,670,902.17</u>	<u>794,933.74</u>
	41,199,421.41	884,290.50
Decreased by Disbursements:		
2019 Budget Appropriations	8,757,433.84	-
Petty Cash Funds	425.00	-
Due Mount Holly Municipal Utilities Authority	225,530.33	-
2018 Appropriation Reserves	136,991.27	-
Tax Overpayments	34,052.22	-
Local District School Taxes Payable	15,114,504.00	-
Regional High School Tax Payable	6,417,986.50	-
County Taxes Payable	5,477,762.48	-
Due County for Added and Omitted Taxes	20,115.48	-
Due State of New Jersey:		
Marriage Licenses	1,375.00	-
Training Fees	15,043.00	-
Due Current Fund	-	300,000.00
Due Municipal Open Space Trust Fund	138,627.50	-
Due Trust - Other Funds	16,640.86	-
Reserve for Federal, State, and Other Grants - Appropriated	<u>-</u>	<u>484,353.25</u>
	<u>36,356,487.48</u>	<u>784,353.25</u>
Balance December 31, 2019	<u>\$ 4,842,933.93</u>	<u>\$ 99,937.25</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-2

CURRENT FUND
SCHEDULE OF CHANGE FUNDS
Year Ended December 31, 2019

Balance December 31, 2019	\$ <u>600.00</u>
<u>Analysis of Balance, December 31, 2019</u>	
<u>Office</u>	
Tax Collector	\$ 200.00
Township Clerk	100.00
Police	100.00
Municipal Court	<u>200.00</u>
	<u>\$ 600.00</u>

SA-3

CURRENT FUND
SCHEDULE OF PETTY CASH FUNDS
Year Ended December 31, 2019

Receipts:	
Received from Treasurer	\$ 425.00
Decreased by:	
Disbursements:	
Returned to Treasurer	<u>\$ 425.00</u>
<u>Schedule of Petty Cash Funds</u>	
<u>Office</u>	<u>Amount</u>
Administration	\$ 200.00
Police	200.00
Municipal Court	<u>25.00</u>
	<u>\$ 425.00</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-4

**CURRENT FUND
STATEMENT OF DUE FROM STATE OF NEW JERSEY –
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
Year Ended December 31, 2019**

Balance December 31, 2018		\$ 7,026.11
Increased by:		
Accrued in 2019:		
Deductions per Tax Billing:		
Senior Citizens' Deductions	\$ 4,500.00	
Veterans' Deductions	62,500.00	
Disabled Person Deductions	3,000.00	
Widow of Veteran Deductions	<u>7,750.00</u>	
		\$ 77,750.00
Deductions Allowed by Collector:		
Veterans' Deductions		1,000.00
Less:		
Deductions Disallowed by Collector:		
Senior Citizens' Deductions	<u>500.00</u>	
		500.00
Accrued in 2019:		
2018 Deductions Disallowed by Collector:		
Senior Citizens' Deductions	<u>1,000.00</u>	
		<u>1,000.00</u>
		<u>77,250.00</u>
Decreased by:		84,276.11
Receipts		<u>77,250.00</u>
Balance December 31, 2019		<u>\$ 7,026.11</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-5

**CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2019**

Year	Balance	2019 Levy	Added Taxes	Collections		Due from State of New Jersey	Cancelations	Transferred to Tax Title Liens	Balance
	December 31, 2018			2018	2019				December 31, 2019
2018	\$ 452,262.81	\$ -	\$ 1,000.00	\$ -	\$ 398,792.82	\$ -	\$ -	\$ 52,214.00	\$ 2,255.99
	452,262.81	-	1,000.00	-	398,792.82	-	-	52,214.00	2,255.99
2019	-	33,130,410.70	-	303,709.71	32,207,111.17	78,250.00	118,685.51	102,707.00	319,947.31
	<u>\$ 452,262.81</u>	<u>\$ 33,130,410.70</u>	<u>\$ 1,000.00</u>	<u>\$ 303,709.71</u>	<u>\$ 32,605,903.99</u>	<u>\$ 78,250.00</u>	<u>\$ 118,685.51</u>	<u>\$ 154,921.00</u>	<u>\$ 322,203.30</u>

Analysis of 2019 Property Tax Levy:

Tax Yield:

General Purpose Tax	\$ 32,907,262.09
Added Taxes (54:4-63.1 et seq.)	223,148.61
	<u>\$ 33,130,410.70</u>

Tax Levy:

Local District School Tax	\$ 15,315,689.00
Regional High School Tax	6,449,447.00
County Taxes:	
County Tax	\$ 4,631,780.64
County Library Tax	413,039.74
County Open Space Tax	432,942.10
Due County for Added and Omitted Taxes	<u>37,423.41</u>
	5,515,185.89
Local Tax for Municipal Purposes	5,518,958.61
Local Tax for Municipal Open Space	137,687.29
Add: Additional Tax Levied for Municipal Purposes	192,502.70
Add: Additional Tax Levied for Municipal Open Space	<u>940.21</u>
	5,850,088.81
	<u>\$ 33,130,410.70</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-6

**CURRENT FUND
STATEMENT OF TAX TITLE LIENS RECEIVABLE
Year Ended December 31, 2019**

Balance December 31, 2018		\$ 563,191.24
Increased by:		
Transfers from Taxes Receivable:		
2019 Taxes Receivable	<u>\$ 154,921.00</u>	
	\$ 154,921.00	
Interest and Costs Accrued by Sale of September 19, 2019	<u>11,737.13</u>	<u>166,658.13</u>
		729,849.37
Decreased by:		
Receipts		<u>22,825.15</u>
Balance December 31, 2019		<u><u>\$ 707,024.22</u></u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-7

**CURRENT FUND
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE
Year Ended December 31, 2019**

	Balance December 31, 2018	Accrued in 2019	Receipts - Treasurer	Interfund Accounts Receivable	Balance December 31, 2019
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -
Other	-	4,848.00	4,848.00	-	-
Fees and Permits	-	13,050.00	13,050.00	-	-
Fines and Costs:					
Municipal Court	13,538.96	175,209.43	175,209.43	-	13,538.96
Interest and Costs on Taxes	-	74,643.23	74,643.23	-	-
Interest on Investments and Deposits	-	106,416.19	106,416.19	-	-
Local Fire Enforcement Bureau - Fees & Permits	-	34,875.00	34,875.00	-	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	-	1,283,043.00	1,283,043.00	-	-
Uniform Construction Codes Fee	-	282,535.00	282,535.00	-	-
Shared Services - Vehicle Maintenance	-	8,949.29	8,949.29	-	-
Shared Services - Bd of Ed Fuel / Services	-	30,647.04	30,647.04	-	-
Shared Services - School Resource Officer	-	155,441.73	155,441.73	-	-
Shared Services - Crossing Guard Lumberton					
Board of Education	-	10,387.36	10,387.36	-	-
Uniform Fire Safety Act	-	41,913.03	41,913.03	-	-
Recycling Fees	-	8,348.20	8,348.20	-	-
Pilot - Acacia Manor	-	93,777.33	93,777.33	-	-
Payments in Lieu of Taxes - Commercial and Industrial (40A:21-1 et. seq.)	-	20,609.17	20,609.17	-	-
Cell Tower Fees	-	75,231.44	75,231.44	-	-
Comcast Franchise Fees	-	82,569.67	82,569.67	-	-
Burlington County Municipal JIF	-	6,881.71	6,881.71	-	-
Off Duty Police Administration	-	60,000.00	60,000.00	-	-
Building Lease	-	19,000.00	19,000.00	-	-
General Capital Surplus	-	42,850.00	42,850.00	-	-
	<u>\$ 13,538.96</u>	<u>\$ 2,646,225.82</u>	<u>\$ 2,646,225.82</u>	<u>\$ -</u>	<u>\$ 13,538.96</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-8

**FEDERAL AND STATE GRANT FUND
STATEMENT OF FEDERAL, STATE AND OTHER GRANTS RECEIVABLE
Year Ended December 31, 2019**

	<u>Balance December 31, 2018</u>	<u>Accrued in 2019</u>	<u>Receipts - Treasurer</u>	<u>Cancelled</u>	<u>Balance December 31, 2019</u>
Federal Grants:					
U.S. Department of Justice:					
Bulletproof Vest Partnership Program:					
Bulletproof Vest Partnership Grant	\$ 651.89	\$ -	\$ -	\$ -	\$ 651.89
Bulletproof Vest Partnership Grant	1,425.09	-	-	-	1,425.09
Bulletproof Vest Partnership Grant	-	1,216.05	-	-	1,216.05
U.S. Department of Transportation:					
Highway Safety Cluster:					
Pass through New Jersey Department of Law and Public Safety (Office of the Attorney General):					
Click it or Ticket	275.00	-	-	275.00	-
Click it or Ticket	-	5,500.00	4,895.00	605.00	-
Distracted Driving Statewide Crackdown Grant	-	5,500.00	5,500.00	-	-
Safe and Secure Communities - 2018	15,000.00	-	15,000.00	-	-
Safe and Secure Communities - 2019	-	60,000.00	45,000.00	-	15,000.00
U.S. Department of Homeland Security::					
FY 2011 Homeland Security Grant					
Emergency Management Performance Grants:					
Pass through New Jersey Department of Law and Public Safety (Office of the Attorney General):					
Emergency Management Performance Grant	9,400.11	-	9,400.00	0.11	0.00
Emergency Management Performance Grant	600.00	-	600.00	-	-
Emergency Management Agency Assistance Grant	-	10,000.00	10,000.00	-	-
U.S. Department of Housing and Urban Development:					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grant (CDBG) - 2018 Village Green					
Park Barrier Removal and ADA Improvements	4,905.00	-	-	4,905.00	-
Total Federal Grants	32,257.09	82,216.05	90,395.00	5,785.11	18,293.03

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-8

**FEDERAL AND STATE GRANT FUND
STATEMENT OF FEDERAL, STATE AND OTHER GRANTS RECEIVABLE (CONTINUED)
Year Ended December 31, 2019**

	Balance December 31, 2018	Accrued in 2019	Receipts - Treasurer	Receipts - Treasurer	Balance December 31, 2019
State Grants:					
N.J. Department of Environmental Protection:					
Municipality Road Mileage:					
Green Communities Grant - 2013	\$ 5.00	\$ -	\$ -	\$ 5.00	\$ -
Green Communities	-	3,000.00	-	-	3,000.00
Clean Communities	-	27,298.35	27,298.35	-	-
State Recycling:	-	12,829.05	12,829.05	-	-
Recycling Tonnage Grant					
N.J. Department of Law and Public Safety:					
Body Armor Replacement Program:					
Body Armor Replacement Program	-	2,410.97	2,410.97	-	-
Drive Sober or Get Pulled Over Program:					
Drive Sober or Get Pulled Over Grant	-	2,970.00	2,970.00	-	-
N.J. Department of Transportation:					
Highway Planning and Construction:					
Allspice Way and Savory Way Improvements	1,091.49	-	-	-	1,091.49
2016 Municipal Aid Program - Maple Grove Boulevard	72,797.80	-	72,797.80	-	-
Maple Grove Boulevard Phase 2 & Allspice Way/Savory Way Phase 3	50,000.00	-	50,000.00	-	-
Allspice Way and Savory Way Improvements Phase 3	60,000.00	-	60,000.00	-	-
2019 NJDOT - Municipal Drive Improvements	-	250,000.00	167,109.85	-	82,890.15
Total State Grants	183,894.29	298,508.37	395,416.02	5.00	86,981.64
Other Grants:					
Burlington County Drug Enforcement Demand Reduction Grant	1,000.00	-	-	-	1,000.00
Burlington County Municipal Park Development Grant - 2016	200,000.00	-	200,000.00	-	-
Walmart Foundation (Local Facility Giving Program)	1,000.00	-	-	-	1,000.00
Southampton Twp-Smithville Road Reconstruction Program - Change Order	-	11,750.00	11,750.00	-	-
Southampton Twp-Smithville Road Reconstruction Program	-	103,400.00	97,372.72	-	6,027.28
Total Other Grants					
Total Federal, State and Other Grants	202,000.00	115,150.00	309,122.72	-	8,027.28
Total Federal Grants	\$ 418,151.38	\$ 495,874.42	\$ 794,933.74	\$ 5,790.11	\$ 113,301.95

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-9

FEDERAL AND STATE GRANT FUND
STATEMENT OF DUE TO CURRENT FUND
Year Ended December 31, 2019

Balance December 31, 2018 \$ 300,000.00

Decreased by:

Disbursements \$ 300,000.00

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-10

**CURRENT FUND
STATEMENT OF 2018 APPROPRIATION RESERVES
Year Ended December 31, 2019**

	Balance December 31, 2018 Encumbered & Reserved	Balance after Modification	Disbursements - Paid or Charged	Balance Lapsed
OPERATIONS - WITHIN "CAPS"				
General Government:				
Mayor and Council				
Other Expenses	\$ 195.10	\$ 195.10	\$ -	\$ 195.10
Administration & Executive				
Salaries and Wages	-	-	-	-
Other Expenses	32.32	32.32	-	32.32
Municipal Clerk				
Salaries and Wages	1,498.25	1,498.25	-	1,498.25
Other Expenses	1,368.39	1,368.39	1,009.89	358.50
Financial Administration				
Salaries and Wages	110.61	110.61	-	110.61
Other Expenses	1,540.03	1,540.03	836.90	703.13
Assessment of Taxes				
Salaries and Wages	82.77	82.77	-	82.77
Other Expenses	576.00	576.00	38.36	537.64
Registrar of Vital Statistics				
Salaries and Wages	0.04	0.04	-	0.04
Other Expenses	300.00	300.00	-	300.00
Collection of Taxes				
Salaries and Wages	460.99	460.99	-	460.99
Other Expenses	1,167.72	1,167.72	93.70	1,074.02
Legal Services				
Other Expenses	1,211.72	8,211.72	8,188.96	22.76
Municipal Prosecutor				
Other Expenses	1,750.00	1,750.00	1,750.00	-
Engineering Services				
Other Expenses	1,717.16	2,717.16	2,627.41	89.75
Computer / Technology				
Other Expenses	807.10	807.10	67.99	739.11
Public Works:				
Buildings and Grounds				
Other Expenses	14,964.91	14,964.91	6,624.89	8,340.02

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-10

**CURRENT FUND
STATEMENT OF 2018 APPROPRIATION RESERVES (CONTINUED)
Year Ended December 31, 2019**

	Balance December 31, 2018 Encumbered & Reserved	Balance after Modification	Disbursements - Paid or Charged	Balance Lapsed
OPERATIONS - WITHIN "CAPS" (CONT'D)				
Public Works (Cont'd):				
Road Repairs and Maintenance				
Salaries and Wages	4,002.19	3,302.19	-	3,302.19
Other Expenses	2,904.90	2,904.90	154.45	2,750.45
Storm Sewer System				
Other Expenses	678.00	678.00	-	678.00
Garbage and Trash Removal				
Salaries and Wages	334.30	334.30	-	334.30
Other Expenses	500.00	500.00	-	500.00
Vehicle Maintenance				
Salaries and Wages	3,556.15	3,556.15	-	3,556.15
Other Expenses	9,119.72	9,119.72	2,620.39	6,499.33
Recycling Coordinator				
Salaries and Wages	39.64	39.64	-	39.64
Other Expenses	1,651.84	1,651.84	-	1,651.84
Custodial Services				
Other Expenses	1,260.40	1,260.40	543.44	716.96
Municipal Land Use Law (N.J.S.A. 40:55D-1):				
Land Development Board				
Salaries and Wages	124.29	124.29	-	124.29
Other Expenses	223.01	223.01	-	223.01
Zoning Officer				
Salaries and Wages	389.00	389.00	-	389.00
Other Expenses	120.00	120.00	-	120.00
Public Safety Functions:				
Fire				
Aid to Volunteer Fire Companies	32.20	32.20	-	32.20
Uniform Fire Safety Act (Ch. 383, P.L. 1985)				
Salaries and Wages	347.98	347.98	-	347.98
Other Expenses	4,991.80	4,991.80	4,750.00	241.80
Safety Program				
Other Expenses	2,404.64	2,404.64	100.00	2,304.64

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-10

**CURRENT FUND
STATEMENT OF 2018 APPROPRIATION RESERVES (CONTINUED)
Year Ended December 31, 2019**

	Balance December 31, 2018 Encumbered & Reserved	Balance after Modification	Disbursements - Paid or Charged	Balance Lapsed
OPERATIONS - WITHIN "CAPS" (CONTD)				
Public Safety Functions (Cont'd):				
Office of Emergency Management				
Salaries and Wages	3,807.72	3,807.72	-	3,807.72
Other Expenses	319.41	319.41	-	319.41
Police Department				
Salaries and Wages	10,145.38	145.38	(16,375.00)	16,520.38
Other Expenses	15,671.59	18,371.59	18,125.66	245.93
Parks and Recreation:				
Administration of Public Assistance:				
Other Expenses	80.00	80.00	-	80.00
Municipal Court:				
Salaries and Wages	1,420.03	1,420.03	-	1,420.03
Other Expenses	1,402.98	1,402.98	14.70	1,388.28
Insurance:				
General Liability Insurance	2,481.81	2,481.81	-	2,481.81
Employee Group Insurance	5,415.90	5,415.90	2,608.32	2,807.58
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):				
Construction Official				
Salaries and Wages	462.15	462.15	-	462.15
Other Expenses	389.98	389.98	-	389.98
Other Common Operation Functions (Unclassified):				
Celebration of Public Events, Holiday or Anniversaries				
Other Expenses	8.75	8.75	-	8.75

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-10

**CURRENT FUND
STATEMENT OF 2018 APPROPRIATION RESERVES (CONTINUED)
Year Ended December 31, 2019**

	Balance December 31, 2018 Encumbered & Reserved	Balance after Modification	Disbursements - Paid or Charged	Balance Lapsed
OPERATIONS - WITHIN "CAPS" (CONTD)				
Utility Expenses:				
Electricity	13,159.35	13,159.35	9,643.16	3,516.19
Telephone and Telegraph	9,880.84	9,880.84	9,261.89	618.95
Street Lighting	4,088.17	4,088.17	1,320.92	2,767.25
Fire Hydrant Services	3,439.88	3,439.88	1,845.80	1,594.08
Gasoline / Diesel	26,900.68	26,900.68	23,323.89	3,576.79
Water	23,022.34	23,022.34	11,074.65	11,947.69
Fuel Oil	482.78	482.78	-	482.78
Sewer	2,801.57	2,801.57	-	2,801.57
Postage	1,133.75	1,133.75	-	1,133.75
Landfill / Solid Waste	34,607.34	34,607.34	27,301.22	7,306.12
Condo Reimbursement	7,933.62	7,933.62	6,454.27	1,479.35
Total Operations within "CAPS"	229,519.19	229,519.19	124,005.86	105,513.33
	26,781.49			
Detail:				
Salaries and Wages	26,781.49	16,081.49	(16,375.00)	32,456.49
Other Expenses	202,737.70	213,437.70	140,380.86	73,056.84
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	1,052.92	1,052.92	-	1,052.92
Defined Contribution Retirement Program	709.24	709.24	-	709.24
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	1,762.16	1,762.16	-	1,762.16
Total General Appropriations for Municipal Purposes within "CAPS"	231,281.35	231,281.35	124,005.86	107,275.49

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-10

**CURRENT FUND
STATEMENT OF 2018 APPROPRIATION RESERVES (CONTINUED)
Year Ended December 31, 2019**

	Balance December 31, 2018	Balance after	Disbursements - Paid or	Balance
	Encumbered & Reserved	Modification	Charged	Lapsed
OPERATIONS - EXCLUDED FROM "CAPS"				
State Fees - Recycling Tax	\$ 1,468.84	\$ 1,468.84	\$ 881.97	\$ 586.87
Shared Vehicle Maintenance	202.30	202.30	-	202.30
Total Operations - Excluded from "CAPS"	<u>1,671.14</u>	<u>1,671.14</u>	<u>881.97</u>	<u>789.17</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"				
Various Capital Improvements to Township Property	235,000.00	235,000.00	-	235,000.00
Total Capital Improvements - Excluded from "CAPS"	<u>235,000.00</u>	<u>235,000.00</u>	<u>-</u>	<u>235,000.00</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>236,671.14</u>	<u>236,671.14</u>	<u>881.97</u>	<u>235,789.17</u>
Total General Appropriations	<u>\$ 467,952.49</u>	<u>\$ 467,952.49</u>	<u>\$ 124,887.83</u>	<u>\$ 343,064.66</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-11

CURRENT FUND
STATEMENT OF ACCOUNTS PAYABLE
Year Ended December 31, 2019

Balance December 31, 2018 \$ 3,881.04

Decreased by:

Disbursements \$ 3,881.04

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-12

CURRENT FUND
STATEMENT OF DUE TO MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
Year Ended December 31, 2019

Receipts	\$ 180,450.00
Decreased by:	
Disbursements	<u>\$ 180,450.00</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-15

**CURRENT FUND
STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE
Year Ended December 31, 2019**

Balance December 31, 2018		
School Tax Payable	\$ 165,166.50	
School Tax Deferred	<u>7,456,660.50</u>	
		\$ 7,621,827.00
Increased by:		
Lewy - School Year July 1, 2019 to June 30, 2020		<u>15,315,689.00</u>
		22,937,516.00
Decreased by:		
Disbursements		<u>15,114,504.00</u>
Balance December 31, 2019		
School Tax Payable	165,167.50	
School Tax Deferred	<u>7,657,844.50</u>	
		<u>\$ 7,823,012.00</u>
2019 Liability for Local District School Tax:		
Tax Paid		\$ 15,114,504.00
Tax Payable December 31, 2019		<u>165,167.50</u>
		15,279,671.50
Less: Tax Payable December 31, 2018		<u>165,166.50</u>
Amount Charged to 2019 Operations		<u>\$ 15,114,505.00</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-16

**CURRENT FUND
STATEMENT OF REGIONAL HIGH SCHOOL TAX PAYABLE (PREPAID)
Year Ended December 31, 2019**

<hr/>		
Balance December 31, 2018		
School Tax Payable	\$ (4.08)	
School Tax Deferred	<u>3,193,263.00</u>	
		\$ 3,193,258.92
Increased by:		
Levy - School Year July 1, 2019 to June 30, 2020		<u>6,449,447.00</u>
		9,642,705.92
Decreased by:		
Disbursements		<u>6,417,986.50</u>
Balance December 31, 2019		
School Tax Prepaid	(4.08)	
School Tax Deferred	<u>3,224,723.50</u>	
		<u>\$ 3,224,719.42</u>
2019 Liability for Regional High School Tax:		
Tax Paid		\$ 6,417,986.50
Tax Prepaid December 31, 2019		<u>(4.08)</u>
		6,417,982.42
Less: Tax Payable December 31, 2018		<u>4.08</u>
Amount Charged to 2019 Operations		<u>\$ 6,417,978.34</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-17

CURRENT FUND
STATEMENT OF COUNTY TAXES PAYABLE (PREPAID)
Year Ended December 31, 2019

2019 Levy:		
County Tax	\$4,631,780.64	
County Library Tax	413,039.74	
County Open Space Tax	<u>432,942.10</u>	
		<u>\$5,477,762.48</u>
Decreased by:		
Disbursements		<u>\$5,477,762.48</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-18

CURRENT FUND
STATEMENT OF DUE COUNTY FOR ADDED AND OMITTED TAXES
Year Ended December 31, 2019

Balance December 31, 2018		\$ 20,115.48
Increased by:		
County Share of 2019 Levy:		
2017 Omitted / Added Assessments	4,965.85	
2018 Omitted / Added Assessments	6,047.20	
2019 Added Assessments	<u>26,410.36</u>	
		<u>37,423.41</u>
		\$ 57,538.89
Decreased by:		
Disbursements		<u>20,115.48</u>
Balance December 31, 2019		<u>\$ 37,423.41</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-19

**CURRENT FUND
STATEMENT OF DUE TO STATE OF NEW JERSEY – MARRIAGE LICENSE FEES
Year Ended December 31, 2019**

Balance December 31, 2018	\$	300.00
Increased by:		
Receipts		<u>1,400.00</u>
Decreased by:		
Disbursements		<u>1,375.00</u>
Balance December 31, 2019	\$	<u><u>325.00</u></u>
<u>Analysis of Balance, December 31, 2019</u>		
October 2019 through December 2019	\$	<u><u>325.00</u></u>

SA-20

**CURRENT FUND
STATEMENT OF DUE TO STATE OF NEW JERSEY – TRAINING FEES
Year Ended December 31, 2019**

Balance December 31, 2018	\$	2,859.00
Increased by:		
Receipts		<u>18,034.00</u>
Decreased by:		
Disbursements		<u>15,043.00</u>
Balance December 31, 2019	\$	<u><u>5,850.00</u></u>
<u>Analysis of Balance, December 31, 2019</u>		
October 2019 through December 2019	\$	<u><u>5,850.00</u></u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-22

**FEDERAL AND STATE GRANT FUND
STATEMENT OF RESERVE FOR FEDERAL, STATE AND OTHER GRANTS – APPROPRIATED
Year Ended December 31, 2019**

	Balance December 31, 2018		Transferred from 2019 Budget Appropriations	Disbursements - Paid or Charged	Cancelled	Encumbrances	Balance December 31, 2019
	Reserved	Encumbrances					
Federal Grants:							
U.S. Department of Justice:							
Bulletproof Vest Partnership Program:							
Bulletproof Vest Partnership Grant	\$ -	\$ 1,425.09	\$ 1,216.05	\$ 1,425.09	\$ -	\$ -	\$ 1,216.05
U.S. Department of Transportation:							
Highway Planning and Construction:							
Pothole Program	2,180.00	-	-	-	-	-	2,180.00
Highway Safety Cluster:							
Click it or Ticket	275.00	-	-	-	275.00	-	-
Click it or Ticket	-	-	5,500.00	4,895.00	605.00	-	-
National Priority Safety Programs:							
Passed through New Jersey Department of Law and Public Safety:							
Occupant Protection - 2012	3,750.00	-	-	-	-	-	3,750.00
Occupant Protection - 2014	5,000.00	-	-	-	-	-	5,000.00
Occupant Protection - 2015	4,000.00	-	-	-	-	-	4,000.00
Distracted Driving Statewide Crackdown Grant	-	-	5,500.00	5,500.00	-	-	-
Safe and Secure Communities	15,000.00	-	-	15,000.00	-	-	-
Safe and Secure Communities	-	-	60,000.00	45,000.00	-	-	15,000.00
Recreational Trails Program:							
New Jersey DEP Recreation Trails Program	358.00	-	-	-	-	-	358.00
U.S. Department of Homeland Security::							
Emergency Management Performance Grants:							
Passed through County of Burlington							
Emergency Management Agency Assistance Subgrant Program - 2016	-	2,730.59	-	2,730.59	-	-	-
Passed through New Jersey Department of Law and Public Safety:							
Emergency Management Performance Grant	6,281.70	3,118.41	-	9,400.00	0.11	-	0.00
Emergency Management Performance Grant	10,000.00	-	-	10,000.00	-	-	-
Emergency Management Performance Grant	-	-	10,000.00	1,145.53	-	49.28	8,805.19
U.S. Department of Housing and Urban Development:							
CDBG - Entitlement Grants Cluster:							
Park Barrier Removal and ADA Improvements	4,905.00	-	-	-	4,905.00	-	-
Total Federal Grants	51,749.70	7,274.09	82,216.05	95,096.21	5,785.11	49.28	40,309.24

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-22

**FEDERAL AND STATE GRANT FUND
STATEMENT OF RESERVE FOR FEDERAL, STATE AND OTHER GRANTS – APPROPRIATED (CONTINUED)
Year Ended December 31, 2019**

	Balance December 31, 2018		Transferred from 2019 Budget Appropriations	Disbursements - Paid or Charged		Encumbrances	Encumbrances	Balance December 31, 2019
	Reserved	Encumbrances						
State Grants:								
N.J. Department of Community Affairs:								
Domestic Violence Grant	\$ 260.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260.75
N.J. Department of Environmental Protection:								
Municipality Road Mileage:								
Clean Communities Grant - 2013	5.00	-	3,000.00	3,000.00	5.00	-	-	-
Clean Communities Program	8,563.78	1,606.60	-	10,170.38	-	-	-	0.00
Clean Communities Program	24,458.28	-	-	13,786.44	-	-	-	10,671.84
Clean Communities Program	-	-	27,298.35	-	-	229.99	-	27,068.36
State Recycling								
Recycling Contest	1,000.00	-	-	-	-	-	-	1,000.00
Recycling Tonnage Grant - 2012	27,727.63	-	-	10,239.45	-	2,971.00	-	14,517.18
Recycling Tonnage Grant	12,876.85	-	-	-	-	-	-	12,876.85
Recycling Tonnage Grant	12,733.50	-	-	-	-	-	-	12,733.50
Recycling Tonnage Grant - 2015	12,912.42	-	-	-	-	-	-	12,912.42
Recycling Tonnage Grant	-	-	12,829.05	-	-	-	-	12,829.05
Storm Water Regulation	1,644.90	-	-	-	-	-	-	1,644.90
N.J. Department of Health and Senior Services:								
Alcohol, Education, Rehabilitation and Enforcement Trust Fund:								
Municipal Alcohol Education/Rehabilitation Program - 2013	13,145.10	-	-	-	-	-	-	13,145.10
Municipal Alcohol Education/Rehabilitation Program - 2013	472.64	-	-	-	-	-	-	472.64
Municipal Alcohol Education/Rehabilitation Program - 2015	589.33	-	-	-	-	-	-	589.33
Municipal Alcohol Education/Rehabilitation Program - 2016	362.59	-	-	-	-	-	-	362.59
Municipal Alcohol Education/Rehabilitation Program	643.40	-	-	-	-	-	-	643.40
N.J. Department of Law and Public Safety:								
Body Armor Replacement Program:								
Body Armor Replacement Program - 2016	-	-	2,410.97	880.00	-	1,530.97	-	-
Drunk Driving Enforcement Fund:								
Drunk Driving Enforcement Fund - 2016	8,459.56	-	-	455.60	-	-	-	8,003.96
Drive Sober or Get Pulled Over Program:								
Drive Sober or Get Pulled Over Grant	-	-	2,970.00	2,970.00	-	-	-	-
N.J. Department of Transportation								
Highway Planning and Construction								
2019 NJDOT - Municipal Drive Improvements	-	-	250,000.00	236,533.02	-	13,466.98	-	-

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-22

**FEDERAL AND STATE GRANT FUND
STATEMENT OF RESERVE FOR FEDERAL, STATE AND OTHER GRANTS – APPROPRIATED (CONTINUED)
Year Ended December 31, 2019**

	Balance December 31, 2018		Transferred from 2019 Budget Appropriations	Disbursements - Paid or Charged	Encumbrances	Encumbrances	Balance December 31, 2019
	Reserved	Encumbrances					
State Grants (Continued):							
N.J. Department of Treasury:							
Governor's Council on Alcoholism and Drug Abuse:							
Municipal Alliance on Alcoholism and Drug Abuse	485.41	-	-	-	-	-	485.41
Total State Grants	126,341.14	1,606.60	298,508.37	278,034.89	5.00	18,198.94	130,217.28
Other Grants:							
Burlington County Drug Enforcement Demand Reduction Grant	1,000.00	-	9.00	-	-	-	1,009.00
Burlington County Municipal Park Development Grant - 2011	140.19	-	-	-	-	-	140.19
Burlington County Municipal Park Development Grant - 2016	-	14,038.08	-	11,557.08	-	-	2,481.00
Comcast Technology Grant	5,358.34	-	11,750.00	11,750.00	-	-	5,358.34
Southampton Twp-Smithville Road Reconstruction Program	-	-	103,400.00	87,924.07	-	15,484.93	(9.00)
Total Other Grants	6,498.53	14,038.08	115,159.00	111,231.15	-	15,484.93	8,979.53
Total Federal, State and Other Grants	\$ 184,589.37	\$ 22,918.77	\$ 495,883.42	\$ 484,362.25	\$ 5,790.11	\$ 33,733.15	\$ 179,506.05

TRUST FUNDS

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SB-1

**TRUST FUNDS
STATEMENT OF TRUST CASH – TREASURER
Year Ended December 31, 2019**

	Animal Control Fund	Municipal Open Space	Other
Balance December 31, 2018			
Increased by Receipts:			
Dedicated Revenues	\$ 805.56	\$ 288,472.99	\$2,310,566.85
Due Current Fund	-	-	-
Due State of New Jersey - Registration Fees	843.00	-	-
Reserve for Animal Control Fund Expenditures	6,301.00	-	-
Reserve for Unemployment Compensation Insurance	-	-	5,704.46
Reserve for Payroll Deductions Payable	-	-	3,770,981.49
Miscellaneous Trust Reserves	-	-	1,790,064.47
	<u>7,144.00</u>	<u>142,001.22</u>	<u>5,594,504.08</u>
	7,949.56	430,474.21	7,905,070.93
Decreased by Disbursements:			
Dedicated Expenditures	-	295,220.98	-
Due Current Fund	-	-	22,079.46
Due State of New Jersey - Registration Fees	843.00	-	-
Reserve for Animal Control Fund Expenditures	6,990.80	-	-
Reserve for Unemployment Compensation Insurance	-	-	17,196.54
Reserve for Payroll Deductions Payable	-	-	3,772,928.42
Miscellaneous Trust Reserves	-	-	1,328,323.33
	<u>7,833.80</u>	<u>295,220.98</u>	<u>5,140,527.75</u>
Balance December 31, 2019	<u>\$ 115.76</u>	<u>\$ 135,253.23</u>	<u>\$2,764,543.18</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SB-3

TRUST FUNDS – MUNICIPAL OPEN SPACE
STATEMENT OF DUE FROM CURRENT FUND
Year Ended December 31, 2019

2019 Anticipated Dedicated Revenues:		
Amount to be Raised by Taxation	\$	137,687.29
Non Budget Revenues:		
Added and Omitted Levy		<u>940.21</u>
		<u>\$ 138,627.50</u>
Decreased by:		
Interfund Load Disbursed		<u><u>\$ 138,627.50</u></u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SB-4

TRUST FUNDS – ANIMAL CONTROL
STATEMENT OF STATE OF NEW JERSEY – REGISTRATION FEES
Year Ended December 31, 2019

Balance December 31, 2018	\$	2.40
Increased by:		
Receipts		<u>843.00</u>
		845.40
Decreased by:		
Disbursements		<u>843.00</u>
Balance December 31, 2019	\$	<u><u>2.40</u></u>
<u>Analysis of Balance, December 31, 2018</u>		
December 2019	\$	<u><u>2.40</u></u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SB-5

**TRUST FUNDS – ANIMAL CONTROL
STATEMENT OF RESERVE FROM ANIMAL CONTROL FUND EXPENDITURES
Year Ended December 31, 2019**

Balance December 31, 2018		\$ 803.16
Increased by:		
Receipts		
Late Fees	\$ 348.00	
Dog License Fees	5,953.00	
		6,301.00
		7,104.16
Decreased by:		
Disbursements		6,990.80
Balance December 31, 2019		\$ 113.36
<u>Dog License Fees Collected</u>		
<u>Year</u>		
2017		\$ 8,552.00
2018		6,368.60
		\$ 14,920.60

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SB-6

**TRUST FUNDS – OTHER
STATEMENT OF DUE FROM/(TO) CURRENT FUND
Year Ended December 31, 2019**

	Developers' Escrow Fund	Fire Safety	Outside Employment	Payroll	Public Defender	Recreation Trust	Tax Title Liens	Trust Other	Unemployment Insurance	Totals
Balance December 31, 2018	\$ (475.80)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (475.80)
Increased by:										
2019 Budget Appropriation:										
Public Defender - Other Expenses	-	-	-	-	6,150.00	-	-	-	-	6,150.00
Interfund Loans Returned	6,625.02	109.00	1,662.45	1,064.40	129.31	936.04	10,149.03	799.08	605.13	22,079.46
	<u>6,149.22</u>	<u>109.00</u>	<u>1,662.45</u>	<u>1,064.40</u>	<u>6,279.31</u>	<u>936.04</u>	<u>10,149.03</u>	<u>799.08</u>	<u>605.13</u>	<u>27,753.66</u>
Decreased by:										
2019 Anticipated Revenue:										
Off Duty Police Administration										
Receipts:										
2019 Anticipated Revenue:										
Interest on Investments and Deposits	-	-	-	1,064.40	129.31	-	-	-	-	1,193.71
Interfund Loans Received	6,149.22	109.00	1,662.45	-	6,150.00	936.04	10,149.03	799.08	605.13	26,559.95
	<u>6,149.22</u>	<u>109.00</u>	<u>1,662.45</u>	<u>1,064.40</u>	<u>6,279.31</u>	<u>936.04</u>	<u>10,149.03</u>	<u>799.08</u>	<u>605.13</u>	<u>27,753.66</u>
Balance December 31, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SB-7

TRUST FUNDS – OTHER
STATEMENT OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE
Year Ended December 31, 2019

Balance December 31, 2018	\$ 41,852.02
Increased by:	
Receipts:	
Contributions	<u>5,704.46</u>
	47,556.48
Decreased by:	
Disbursements	<u>17,196.54</u>
Claims Paid	
Balance December 31, 2019	<u><u>\$ 30,359.94</u></u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SB-8

TRUST FUNDS – OTHER
STATEMENT OF RESERVE FOR PAYROLL DEDUCTIONS PAYABLE
Year Ended December 31, 2019

Balance December 31, 2018	\$ 7,557.45
Increased by:	
Receipts	<u>3,770,981.49</u>
Decreased by:	
Disbursements	<u>3,772,928.42</u>
Balance December 31, 2019	<u>\$ 5,610.52</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SB-9

**TRUST FUNDS – OTHER
STATEMENT OF MISCELLANEOUS TRUST OTHER RESERVES
Year Ended December 31, 2019**

	Balance December 31, 2018	Increased by		Decreased by		Balance December 31, 2019
		Receipts	Due From Current Fund - 2019 Budget Appropriation	Disbursements	Due to Current Fund - 2019 Anticipated Revenue	
Reserve for:						
Accumulated Absences	\$ 3,000.00	\$ 1,000.00	\$ -	\$ -	\$ -	\$ 4,000.00
Affordable Housing Trust Development Fees	729,105.22	63,543.72	-	21,552.97	-	771,095.97
Developers' Escrow Fund	856,698.20	223,626.03	-	346,219.49	-	734,104.74
Community Policing Donations	1,259.29	300.00	-	-	-	1,559.29
Disposal of Forfeited Property	5,986.50	690.95	-	715.41	-	5,962.04
K9 Donation Fund	8,861.51	1,515.00	-	827.50	-	9,549.01
Municipal Public Defender	10,408.01	8,840.00	6,150.00	12,300.00	-	13,098.01
National Night Out	353.54	23,700.00	-	21,165.60	-	2,887.94
Outside Employment of Off-Duty Municipal Police Officer	107,159.32	186,332.25	-	177,362.50	-	116,129.07
Parking Offense Adjudication Act ("POAA")	1,885.48	77.52	-	-	-	1,963.00
Recreation Trust Fund	65,463.35	150.00	-	37,539.00	-	28,074.35
Sanitary Landfill	107,394.33	1,888.47	-	-	-	109,282.80
Storm Recovery Reserve	15,543.51	10,490.86	-	-	-	26,034.37
Street Opening Donations	450.00	-	-	-	-	450.00
Tax Sale Premiums	312,300.00	872,600.00	-	346,900.00	-	838,000.00
Tax Title Liens	21,844.98	391,450.67	-	363,540.86	-	49,754.79
Township Beautification Fund Donations	8,537.81	-	-	200.00	-	8,337.81
Uniform Fire Safety Act Penalty Monies	4,430.53	3,859.00	-	-	-	8,289.53
	<u>\$ 2,260,681.58</u>	<u>\$ 1,790,064.47</u>	<u>\$ 6,150.00</u>	<u>\$ 1,328,323.33</u>	<u>\$ -</u>	<u>\$ 2,728,572.72</u>

GENERAL CAPITAL FUND

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-1

**GENERAL CAPITAL FUND
STATEMENT OF GENERAL CAPITAL CASH
Year Ended December 31, 2019**

Balance December 31, 2018		\$ 788,810.36
Increased by Receipts:		
Due Current Fund	\$ 25,224.51	
Due Federal and State Grant Fund	452,000.00	
Bond Anticipation Notes	<u>4,769,152.25</u>	
		<u>5,246,376.76</u>
		6,035,187.12
Decreased by Disbursements:		
Bond Anticipation Notes	4,771,897.35	
Improvement Authorizations	<u>928,543.35</u>	
		<u>5,700,440.70</u>
Balance December 31, 2019		<u><u>\$ 334,746.42</u></u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-2

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH
Year Ended December 31, 2019

		Balance or (Deficit) <u>December 31, 2019</u>
Contracts Payable		\$ 199,950.11
Capital Improvement Fund		-
General Capital Surplus		81,821.47
Improvement Authorizations:		
<u>Ordinance Number</u>	<u>Description</u>	
2017-008	Various Capital Improvements	\$ 60.73
2018-016	Equipment for Public Safety Building and Improvement to Township Property	1,270.73
2018-017	Various Capital Improvements	6,460.46
2019-002	Roadway Reconstruction	45,182.92
		<u>\$ 334,746.42</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-3

GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION -- FUNDED
Year Ended December 31, 2019

Balance December 31, 2018		\$ 6,282,673.62
Decreased by:		
2019 Budget Appropriations to Pay:		
General Serial Bonds	\$ 310,000.00	
New Jersey Environmental Infrastructure Loans Payable	<u>130,824.87</u>	
		<u>440,824.87</u>
Balance December 31, 2019		<u>\$ 5,841,848.75</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-4

**GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION – UNFUNDED
Year Ended December 31, 2019**

Ordinance Number	Improvement Description	Balance December 31, 2018	Decreased by	Balance December 31, 2019	Transfers		Unexpended Improvement Authorizations
			Payment of Bond Anticipation Notes		Financed by Bond Anticipation Notes	Expenditures	
2015-03-004; 2016-009; 2016-15	Various Capital Improvements	\$ 1,013,429.90	\$ 363,730.06	\$ 649,699.84	\$ 649,699.84	\$ -	\$ -
2015-04-006	Improvements to Township Public Boat Ramp	66,826.26	66,826.26	-	-	-	-
2015-04-007; 2015-06-008; 2017-008	Various Capital Improvements	622,672.48	26,317.52	596,354.96	596,354.96	-	-
2016-007; 2016-008	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	702,987.36	45,873.16	657,114.20	657,114.20	-	-
2017-010	Various Capital Improvements	1,900,000.00	-	1,900,000.00	1,900,000.00	-	-
2018-003	Various Capital Improvements	380,000.00	-	380,000.00	380,000.00	-	-
		<u>\$ 4,685,916.00</u>	<u>\$ 502,747.00</u>	<u>\$ 4,183,169.00</u>	<u>\$ 4,183,169.00</u>	<u>\$ -</u>	<u>\$ -</u>
Improvement Authorizations Unfunded							\$ 6,521.19
Less: Unexpended Proceeds of Bond Anticipation Notes Issued - Ordinances:							
2015-04-007, 2015-06-008, 2017-008							60.73
2017-010, 2018-07							6,460.46
							<u>\$ -</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-7

**GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
Year Ended December 31, 2019**

Ordinance Number	Improvement Description	Original Amount of Note	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2018	Increased - Receipts	Decreased	Balance December 31, 2019	
2015-03-004; 2016-009; 2016-015	Various Capital Improvements	\$ 1,178,000.00	05/14/15	05/08/18 05/06/19	05/07/19 05/05/20	1.84% 1.85%	\$ 1,013,429.90 -	\$ - 649,699.84	\$ 1,013,429.90 -	\$ - 649,699.84	
2015-04-006	Improvements to Township Public Boat Ramp	157,500.00	09/22/15	05/08/18	05/07/19	1.84%	66,826.26	-	66,826.26	-	
2015-04-007; 2015-06-008; 2017-008	Various Capital Improvements	829,036.00	09/22/15	05/08/18 05/06/19	05/07/19 05/05/20	1.84% 1.85%	622,672.48 -	- 596,354.96	622,672.48 -	- 596,354.96	
2016-007; 2016-008	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	760,000.00	06/23/16	05/08/18 05/06/19	05/07/19 05/05/20	1.84% 1.85%	702,987.36 -	- 657,114.20	702,987.36 -	- 657,114.20	
2017-010; 2018-017	Various Capital Improvements	1,900,000.00	05/08/18	05/08/18 05/06/19	05/07/19 05/05/20	1.84% 1.85%	1,900,000.00 -	- 1,900,000.00	1,900,000.00 -	- 1,900,000.00	
2018-003	Various Capital Improvements	380,000.00	05/08/18	05/08/18 05/06/19	05/07/19 05/05/20	1.84% 1.85%	380,000.00 -	- 380,000.00	380,000.00 -	- 380,000.00	
Total							\$ 4,685,916.00	\$ 4,183,169.00	\$ 4,685,916.00	\$ 4,183,169.00	
									Paid by Budget Appropriation	\$ -	\$ 500,000.00
									Cancellation	-	2,727.00
									Renewals	4,685,916.00	4,183,169.00
									\$ 4,685,916.00	\$ 4,685,896.00	

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-8

**GENERAL CAPITAL FUND
STATEMENT OF GENERAL OBLIGATION BONDS
Year Ended December 31, 2019**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance December 31, 2018	Paid by Appropriation	Balance December 31, 2019
			Outstanding Date	December 31, 2019 Amount				
General Obligation Bonds, Series 2013	11/18/13	\$ 2,138,000.00	11/15/20	\$ 190,000.00	2.000%			
			11/15/21	195,000.00	2.000%			
			11/15/22	200,000.00	2.250%			
			11/15/23	200,000.00	3.000%			
			11/15/24	200,000.00	3.000%			
			11/15/25	198,000.00	3.000%			
					\$ 1,368,000.00	\$ 185,000.00	\$ 1,183,000.00	
General Obligation Bonds, Series 2017	03/07/17	4,750,000.00	02/01/20	125,000.00	3.000%			
			02/01/21	125,000.00	4.000%			
			02/01/22	125,000.00	4.000%			
			02/01/23	125,000.00	4.000%			
			02/01/24	125,000.00	4.000%			
			02/01/25	125,000.00	4.000%			
			02/01/26	185,000.00	4.000%			
			02/01/27	190,000.00	4.000%			
			02/01/28	195,000.00	3.000%			
			02/01/29	200,000.00	3.000%			
			02/01/30	200,000.00	3.000%			
			02/01/31	205,000.00	3.000%			
			02/01/32	210,000.00	3.125%			
			02/01/33	215,000.00	3.125%			
			02/01/34	220,000.00	3.250%			
			02/01/35	225,000.00	3.250%			
			02/01/36	230,000.00	3.250%			
			02/01/37	235,000.00	3.375%			
			02/01/38	245,000.00	3.375%			
			02/01/39	245,000.00	3.500%			
02/01/40	250,000.00	3.500%						
02/01/41	250,000.00	3.500%						
02/01/42	250,000.00	3.500%						
					4,625,000.00	125,000.00	4,500,000.00	
					0.00%	\$ 5,993,000.00	\$ 310,000.00	\$ 5,683,000.00

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-9

**GENERAL CAPITAL FUND
STATEMENT OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE
Year Ended December 31, 2019**

Description	Date of Issue	Original Issue	Maturities of Loans		Interest Rate	Balance December 31, 2018	Paid by Appropriation	Balance December 31, 2019
			Outstanding December 31, 2019					
			Date	Amount				
Fund Loan	11/01/01	\$ 958,432.00	02/01/20	2,386.47	none	\$ 59,673.62	\$ 55,824.87	\$ 3,848.75
			08/01/20	1,462.28				
Trust Loan	11/01/01	1,010,000.00	08/01/20	75,000.00	5.00% 4.75%	230,000.00	75,000.00	155,000.00
			08/01/21	80,000.00				
						<u>\$ 289,673.62</u>	<u>\$ 130,824.87</u>	<u>\$ 158,848.75</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-10

**STATEMENT OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2019**

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2018		2019 Authorizations	Transferred from Contracts Payable	Disbursements Paid or Charged	Transferred to Contracts Payable	Cancellations	Balance December 31, 2019	
		Date	Amount	Funded	Unfunded						Funded	Unfunded
General Improvements:												
2015-04-007; 2015-06-008; 2017-008	Various Capital Improvements	05/26/15; 07/28/15; 07/25/17	\$ 872,670.00	\$ -	\$ 10,297.87	\$ -	\$ 24,114.28	\$ 17,605.00	\$ 16,746.28	\$ -	\$ -	\$ 60.73
2016-007; 2016-008	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	05/10/16; 07/26/16	800,000.00	-	2,745.10	-	3,004.08	914.30	2,089.78	2,745.10	-	-
2016-14; 2017-012	Construction and Equipping of a New Public Safety Building and the Completion of Various Site Improvements to the Existing Firehouse Property	12/13/16; 12/05/17	5,000,000.00	98,086.66	-	-	2,117.75	2,088.00	29.75	98,086.66	-	-
2017-007; 2018-009	Various Capital Improvements	06/08/17	685,000.00	-	-	-	39,282.05	29,484.91	3,738.52	6,058.62	0.00	-
2017-010; 2018-017	Various Capital Improvements	09/12/17	2,000,000.00	-	12,645.81	-	248,800.72	250,386.07	4,600.00	-	(0.00)	6,460.46
2018-003	Various Capital Improvements	02/27/18	400,000.00	-	342.75	-	122,237.23	122,270.73	309.25	-	-	-
2018-016	Equipment for Public Safety Building and Improvement to Township Property	07/10/18	220,000.00	1,296.44	-	-	142,986.58	137,212.29	5,800.00	-	1,270.73	-
2018-030	Various Capital Improvements	12/18/18	37,500.00	30,401.50	-	-	-	30,401.50	-	-	-	-
2019-002	Roadway Reconstruction, Acq of Various Equip for Municipal Bldg, Playground for Canterbury Court Park, Acq of a Lift Gate Truck & Two Sport Utility Vehicles	04/25/19	550,000.00	-	-	550,000.00	-	338,180.55	166,636.53	-	45,182.92	-
				<u>\$ 129,784.60</u>	<u>\$ 26,031.53</u>	<u>\$ 550,000.00</u>	<u>\$ 582,542.69</u>	<u>\$ 928,543.35</u>	<u>\$ 199,950.11</u>	<u>\$ 106,890.38</u>	<u>\$ 46,453.65</u>	<u>\$ 6,521.19</u>
Capital Improvement Fund						\$ 508,190.62						
Capital Surplus						41,809.38						
Total						<u>\$ 550,000.00</u>						

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-11

**GENERAL CAPITAL FUND
STATEMENT OF CONTRACTS PAYABLE
Year Ended December 31, 2019**

Balance December 31, 2018	\$ 582,542.69
Decreased by:	
Transferred to Improvement Authorizations	<u>382,592.58</u>
Balance December 31, 2019	<u>\$ 199,950.11</u>

Schedule of Contracts Payable December 31, 2019

<u>Ordinance Number</u>	<u>Name</u>		
2015-04-007; 2015-06-008; 2017-008	General Code	\$ 2,671.28	
	Environmental Resolutions	7,875.00	
	Malamut & Associates	3,000.00	
	Consulting & Municipal Engineers	<u>3,200.00</u>	
			\$ 16,746.28
2016-007; 2016-008	Environmental Resolutions	1,496.43	
	Consulting & Municipal Engineers	57.75	
	Pennoni & Associates	<u>535.60</u>	
			2,089.78
2016-14; 2017-012	Consulting & Municipal Engineers		29.75
2017-007; 2018-009	Environmental Resolutions	45.00	
	Pennoni & Associates	693.52	
	A Team Concrete	<u>3,000.00</u>	
			3,738.52
2017-010; 2018-017	Pennoni Associates, Inc.		4,600.00
2018-003	Consulting & Municipal Engineers		309.25
2018-016	Arthur J. Ogren, Inc.		5,800.00
2019-002; 2019-03; 2019-12	Pennoni & Associates	7,458.56	
	Earle Asphalt	52.94	
	Environmental Resolutions	15,244.74	
	Johnson Controls	16,392.29	
	Chas S. Winner	110,488.00	
	Weston Solutions	<u>17,000.00</u>	
			<u>166,636.53</u>
			<u>\$ 199,950.11</u>

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-12

GENERAL CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2019

Balance December 31, 2018		\$ 50,132.00
Increased by:		
2019 Budget Appropriations	452,000.00	
Cancellation of Improvement Authorization	<u>6,058.62</u>	
		<u>458,058.62</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>508,190.62</u>
Balance December 31, 2019		<u><u>\$ -</u></u>

**INDEPENDENT AUDITORS' 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**

To the Honorable Mayor and Members
of the Township Committee
Township of Lumberton

We have audited, 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 requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Lumberton (the "Township"), as of and for the year ended December 31, 2019, and the related notes to financial statements, which comprise the Township's basic financial statements, and have issued our report thereon dated September 2, 2020, in which we expressed an adverse opinion on the conformity of the financial statements with accounting principles generally accepted in the United States of America due to differences between those principles and accounting practices 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's internal control over financial reporting (internal control) to determine the 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 Township'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.

INDEPENDENT AUDITORS' 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 (CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Warren A. Broudy, CPA, CGFM, PSA, CGMA
Registered Municipal Accountant
License No. 554

Mercedien, P.C.
Certified Public Accountants

September 2, 2020

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS

For the Year Ended December 31, 2019

None reported.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None reported

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

OFFICIALS IN OFFICE AND SURETY BONDS

Name	Title	Amount of Surety	Name of Surety
Sean Earlen	Mayor	\$ 1,000,000.00	(A)
Kristin Januseski	Deputy Mayor	1,000,000.00	(A)
Kendra Hatfield	Committeewoman	1,000,000.00	(A)
James Dwyer	Committeeman	1,000,000.00	(A)
Ryan Tuno	Committeeman	1,000,000.00	(A)
Brandon Umba	Township Administrator	1,000,000.00	(A)
Debra Shaw Blemings	Township Clerk (until August 2019)	1,000,000.00	(A)
Bobbie Quinn	Township Clerk (September - December 2019)	1,000,000.00	(A)
Robin Sarlo	Chief Financial Officer	1,000,000.00	(A)
Robin Sarlo	Tax Collector	1,000,000.00	(A)
Peter Lange	Magistrate	1,000,000.00	(A)
Rebecca Baum	Court Administrator	1,000,000.00	(A)
Christina D-Intino	Deputy Court Administrator	1,000,000.00	(A)
Bradley Regn	Construction Official	1,000,000.00	(A)
Patty Sporer	Tax Assessor	1,000,000.00	(A)
George Morris, Esq.	Solicitor		

(A) Public Employee Dishonesty Coverage - Burlington County Municipal Joint Insurance Fund

OTHER SUPPLEMENTARY INFORMATION

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SCHEDULE OF TOWNSHIP'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

PERS - Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013
Township's proportion of the net pension liability	0.0193141719%	0.0175360458%	0.0168970368%	0.0176335568%	0.0166541472%	0.0164053088%	0.0152016065%
Township's proportionate share of net pension liability	\$ 3,480,121.00	\$ 3,452,760.00	\$ 3,933,360.00	\$5,222,554.00	\$ 3,738,522.00	\$3,071,522.00	\$2,905,329.00
Township's covered-employee payroll	1,293,040.00	1,251,878.00	1,169,135.00	1,178,306.00	1,125,564.00	1,139,404.00	1,052,516.00
Township's proportionate share of net pension liability as a % of payroll	269.14%	275.81%	336.43%	443.23%	332.15%	269.57%	276.04%
Total pension liability	8,013,732.66	7,440,820.16	7,578,720.97	8,724,149.00	7,179,532.92	6,409,795.40	5,665,987.64
Plan fiduciary net position	4,509,401.73	3,988,060.16	3,645,360.88	3,501,595.25	3,441,010.60	3,338,272.91	2,760,658.60
Plan fiduciary net position as a % of total pension liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

PFRS Plan - Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013
Township's proportion of the net pension liability	0.0488517794%	0.0458933385%	0.0454134031%	0.0451048314%	0.0394876874%	0.0409481404%	0.0360322120%
Township's proportionate share of net pension liability	\$ 5,978,392.00	\$ 6,210,125.00	\$ 7,010,951.00	\$ 8,616,177.00	\$ 6,577,272.00	\$ 5,150,896.00	\$4,790,157.00
Township's covered-employee payroll	1,526,038.00	1,522,685.00	1,423,550.00	1,438,231.00	1,297,605.00	1,262,672.00	1,085,740.00
Township's proportionate share of net pension liability as a % of payroll	391.76%	407.84%	492.50%	599.08%	506.88%	407.94%	441.19%
Total pension liability	19,775,948.59	18,797,935.84	18,833,478.89	19,461,178.74	16,373,358.26	15,177,916.10	12,678,076.93
Plan fiduciary net position	12,853,556.86	11,744,267.73	11,037,241.82	10,121,457.04	9,219,281.29	9,472,354.88	7,441,418.63
Plan fiduciary net position as a % of total pension liability	65.00%	62.48%	58.60%	52.01%	56.31%	62.41%	58.70%

The pension schedules are intended to show information for ten years. The State of New Jersey has issued seven years of pension information to the Township. Additional years' information will be displayed as it becomes available.

Notes to the Required Supplementary Information

- There were no benefit changes.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2013 of 5.55% and 6.45% to 5.39% and 6.32%, respectively, as of the measurement date of June 30, 2014.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2014 of 5.39% and 6.32% to 4.90% and 5.79%, respectively, as of the measurement date of June 30, 2015.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2015 of 4.90% and 5.79% to 3.98% and 5.55%, respectively, as of the measurement date of June 30, 2016.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2016 of 3.98% and 5.55% to 5.00% and 6.14%, respectively, as of the measurement date of June 30, 2017.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2017 of 5.00% and 6.14% to 5.66% and 6.51%, respectively, as of the measurement date of June 30, 2018.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2018 of 5.66% and 6.51% to 6.28% and 6.85%, respectively, as of the measurement date of June 30, 2019.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SCHEDULE OF TOWNSHIP'S CONTRIBUTIONS

	PERS - Last 10 Fiscal Years						
	Years Ended June 30,						
	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 187,870	\$ 174,427	\$ 156,533	\$ 156,654	\$ 143,181	\$ 135,243	\$ 114,541
Contributions in relation to the contractually required contribution	187,870	174,427	156,533	156,654	143,181	135,243	114,541
Township's covered employee payroll	1,349,180.00	1,293,040	1,251,878	1,169,135	1,178,306	1,125,564	1,139,404
Contributions as a % of covered employee payroll	13.92%	13.49%	12.50%	13.40%	12.15%	12.02%	10.05%

	PFRS - Last 10 Fiscal Years						
	Years Ended June 30,						
	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 493,457	\$ 448,675	\$ 401,917	\$ 367,758	\$ 320,976	\$ 314,510	\$ 262,883
Contributions in relation to the contractually required contribution	493,457	448,675	401,917	367,758	320,976	314,510	262,883
Township's covered employee payroll	1,903,455.00	1,526,038	1,522,685	1,423,550	1,438,231	1,297,605	1,262,672
Contributions as a % of covered employee payroll	25.92%	29.40%	26.40%	25.83%	22.32%	24.24%	20.82%

The pension schedules are intended to show information for ten years. The State of New Jersey has issued seven years of pension information to the Township. Additional years' information will be displayed as it becomes available.

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY

	Last 10 Fiscal Years		
	2019	2018	2017
State's Proportion of the Net OPEB Liability Associated with the Township	<u>100.00000%</u>	<u>100.00000%</u>	<u>100.00000%</u>
	<u>100.00000%</u>	<u>100.00000%</u>	<u>100.00000%</u>
State's Proportion of the Net OPEB Liability Associated with the Township	<u>\$ 6,858,025.00</u>	<u>\$ 7,653,592.00</u>	<u>\$ 10,308,934.00</u>
Total	<u>\$ 6,858,025.00</u>	<u>\$ 7,653,592.00</u>	<u>\$ 10,308,934.00</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.97%

The OPEB schedules are intended to show information for ten years. The State of New Jersey has issued four years of OPEB information to the Township. Additional years' information will be displayed as it becomes available.

The Township is 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 Township does 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.

STATISTICAL SECTION

**TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**SCHEDULE OF CERTAIN STATISTICAL INFORMATION RELATIVE TO PROPERTY TAXES AND
PROPERTY TAX COLLECTIONS
UNAUDITED**

	Year Ended				
	2019	2018	2017	2016	2015
Tax Rate	\$2.380	\$2.354	\$2.310	\$2.260	\$2.243
Appropriation of Tax Rate Municipal	\$0.400	\$0.405	0.411	0.421	0.416
Municipal Open Space	0.010	0.010	0.010	0.010	0.010
County	0.389	0.394	0.398	0.387	0.400
Regional School	0.468	0.463	0.430	0.419	0.398
Local School	1.113	1.082	1.061	1.023	1.019

Assessed Valuation

Year	Amount
2019	\$ 1,376,872,891.00
2018	1,378,869,924.00
2017	1,383,760,671.00
2016	1,390,079,001.00
2015	1,391,372,996.00

Comparison of Tax Levies and Collections

Year	Amount	Collections	Percentage of Collections
2019	\$33,130,410.70	\$32,589,070.88	98.37%
2018	32,578,700.37	31,960,040.84	98.10%
2017	32,029,478.70	31,459,414.38	98.22%
2016	31,592,340.88	31,129,586.99	98.54%
2015	31,242,429.36	30,804,248.62	98.60%

Delinquent Taxes and Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2019	\$ 707,024.22	\$ 322,203.30	\$ 1,029,227.52	3.11%
2018	563,191.24	452,626.81	1,015,818.05	3.12%
2017	501,249.23	401,934.07	903,183.30	2.82%
2016	454,261.96	252,487.15	706,749.11	2.24%
2015	439,709.91	295,590.39	735,300.30	2.35%