

**TOWNSHIP OF SOUTHAMPTON
COUNTY OF BURLINGTON, NEW JERSEY**

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2021**

DRAFT

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COUNTY OF BURLINGTON
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**TOWNSHIP OF SOUTHAMPTON
COUNTY OF BURLINGTON**

PART I

**INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2021**

DRAFT

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Southampton
County of Burlington
Southampton, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Southampton as of December 31, 2021 and 2020, and the related statement of operations and changes in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

In our opinion, because of the significance of the matter discussed in the below "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United State of America*" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township, as of December 31, 2021 and 2020, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2021 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township of Southampton, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Accounting Principles Generally Accepted in the United States of America

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Southampton's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards and in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplemental 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 presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the letter of comments and recommendations section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 8, 2022 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 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.

Respectfully submitted,

HOLT McNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

David McNally
Certified Public Accountant
Registered Municipal Accountant
RMA No. 573

Medford, New Jersey
June 8, 2022



Certified Public Accountants & Advisors

**INDEPENDENT AUDITOR'S 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**

Honorable Mayor and Members
of the Township Committee
Township of Southampton
Southampton, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Township of Southampton, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 8, 2022. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the

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accompanying schedule of financial statement findings that we consider to be material weaknesses as Findings No. 2021-001, 2021-002 and 2021-003.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as Findings No. 2021-001, 2021-002 and 2021-003.

Township of Southampton's Response to Findings

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

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Registered Municipal Accountant
RMA No. 573

Medford, New Jersey
June 8, 2022

BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020**

	Ref.	2021	2020
ASSETS			
Current Fund:			
Cash and Cash Equivalents	A-4	\$ 7,079,594.74	\$ 6,567,535.55
Change Fund	A-5	240.00	240.00
Total Cash		<u>7,079,834.74</u>	<u>6,567,775.55</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	311,388.32	365,417.81
Tax Title Liens	A-7	1,087,760.93	1,046,540.44
Tax Penalty Receivable	A-9	745.37	1,760.02
Property Acquired for Taxes - at Assessed Valuation	A-12	485,800.00	485,800.00
Revenue Accounts Receivable	A-13	3,077.39	5,478.35
Interfund Receivable:			
Grant Fund	A	-	4,276.37
Trust - Other Fund	B	1,230.81	1,230.81
Municipal Open Space	B	-	15,546.34
Animal Control Trust Fund	B	5,826.80	2,595.60
General Capital Fund	C	-	2,317.08
Total Receivables & Other Assets With Full Reserves		<u>1,895,829.62</u>	<u>1,930,962.82</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-3	125.00	-
Overexpenditure of Appropriation Reserves	A	-	779.50
Total Deferred Charges		<u>125.00</u>	<u>779.50</u>
Total Regular Funds		<u>8,975,789.36</u>	<u>8,499,517.87</u>
Federal & State Grants:			
Federal and State Grants Receivable	A-23	765,780.97	715,757.00
Due from Current Fund	A	572,502.30	-
Total State & Federal Grants		<u>1,338,283.27</u>	<u>715,757.00</u>
Total Assets		<u>\$ 10,314,072.63</u>	<u>\$ 9,215,274.87</u>

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

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020**

	Ref.	2021	2020
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Appropriation Reserves	A-3	\$ 566,762.41	\$ 484,898.99
Reserve for Encumbrances - Current Year	A-15	157,615.43	419,121.57
Accounts Payable	A-16	27,201.50	24,785.00
Prepaid Taxes	A-10	303,509.67	280,667.51
Tax Overpayments	A-8	70,103.62	51,537.65
County Taxes Payable	A-20	603.52	603.52
Due to County for Added and Omitted Taxes	A-20	3,819.92	7,427.35
Regional School Tax Payable	A-18	2,932,631.77	2,787,445.21
Due to Fire Company	A-4	1,500.00	1,500.00
Due To State:			
Veterans and Senior Citizens Deductions	A-11	163,516.26	166,779.62
Inspection Fees	A-21	5,124.00	4,039.00
Marriage Licenses	A-22	200.00	275.00
Reserve for Deposit for Sale of Property	A	1,101.10	1,101.10
Interfund Payable:			
Federal and State Grant Fund	A	572,502.30	-
Trust Fund - Municipal Open Space	B	154.04	-
Trust - Other Fund	B	10,000.00	10,000.00
General Capital Fund	C	7,408.17	-
Utility Operating Fund	D	19,393.04	19,393.04
Subtotal Regular Fund		<u>4,843,146.75</u>	<u>4,259,574.56</u>
Reserve for Receivables & Other Assets	A	1,895,829.62	1,930,962.82
Fund Balance	A-1	<u>2,236,812.99</u>	<u>2,308,980.49</u>
Total Regular Fund		<u>8,975,789.36</u>	<u>8,499,517.87</u>
State & Federal Grants:			
Due to Current Fund	A	-	4,276.37
Reserve for Unappropriated Grants	A-25	86,818.84	29,368.60
Reserve for Appropriated Grants	A-24	1,164,632.03	492,074.37
Reserve for Encumbrances	A-24	<u>86,832.40</u>	<u>190,037.66</u>
Total State & Federal Grants		<u>1,338,283.27</u>	<u>715,757.00</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$ 10,314,072.63</u></u>	<u><u>\$ 9,215,274.87</u></u>

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

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2021 and 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 950,000.00	\$ 664,031.00
Miscellaneous Revenue Anticipated	A-2	2,527,684.11	2,212,316.16
Receipt From Current Taxes	A-2	29,457,060.75	28,838,410.10
Receipts From Delinquent Taxes	A-2	389,834.10	353,592.02
Miscellaneous Revenue Not Anticipated	A-2	141,617.60	149,860.69
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	A-14	384,163.48	343,465.85
Interfunds Returned	A	25,010.14	161,100.51
Cancellation of Grants - Appropriated Reserves	A-24	-	13,336.75
Total Revenue		33,875,370.18	32,736,113.08
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	1,341,765.00	1,235,330.00
Other Expenses	A-3	2,827,399.00	2,766,498.00
Deferred Charges and Statutory Expenditures	A-3	266,659.00	265,875.00
Appropriations Excluded From "CAPS":			
Operations:			
Salaries and Wages	A-3	150,382.00	146,920.00
Other Expenses	A-3	1,130,641.86	814,808.70
Capital Improvements	A-3	375,000.00	350,000.00
Municipal Debt Service	A-3	1,084,191.18	1,144,179.50
Deferred Charges	A-3	779.50	-
Local District School Taxes	A-17	12,758,088.00	12,527,206.00
Municipal Open Space Tax	A-19	199,782.00	199,157.00
Municipal Open Space Share of Added and Omitted Taxes	A-19	154.04	296.66
Regional High School Taxes	A-18	7,911,821.00	7,621,448.00
County Taxes	A-20	4,937,186.23	4,771,922.36
County Share of Added Taxes	A-20	3,819.92	7,427.35
Other Charges to Income:			
Interfund Advanced	A	96.32	19,822.71
Cancellation of Grants Receivable	A-23	-	18,439.75
Prior Year Senior Citizens & Veterans Disallowed	A-11	9,897.63	8,086.11
Total Expenditures		32,997,662.68	31,897,417.14
Excess in Revenue		877,707.50	838,695.94
Add: Expenditures Included			
Above Which Are By Statute Deferred Charges To Budgets of Succeeding Years	A-3	125.00	-
Statutory Excess To Fund Balance		877,832.50	838,695.94
Fund Balance, January 1	A	2,308,980.49	2,134,315.55
Decreased By:		3,186,812.99	2,973,011.49
Utilized as Anticipated Revenue	A-1,A-2	950,000.00	664,031.00
Fund Balance, December 31	A	\$ 2,236,812.99	\$ 2,308,980.49

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

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	\$ 950,000.00	\$ -	\$ 950,000.00	\$ -
Miscellaneous Revenues:				
Alcoholic Beverages	12,500.00	-	12,500.00	-
Other Licenses	500.00	-	710.00	210.00
Fees and Permits	68,000.00	-	83,270.50	15,270.50
Interest and Costs on Taxes	82,000.00	-	85,961.44	3,961.44
Interest on Investments and Deposits	55,000.00	-	30,906.65	(24,093.35)
Energy Receipts Tax	1,100,389.00	-	1,100,389.00	-
Garden State Trust	5,472.00	-	8,427.00	2,955.00
Uniform Construction Code Fees	185,000.00	-	240,702.00	55,702.00
Shared Service Agreements:				
Mansfield Twp - Municipal Court	96,000.00	-	78,063.74	(17,936.26)
Springfield Township - Tax Collector	14,382.00	-	14,382.00	-
Special Items of Revenue				
Recycling Tonnage	13,742.00	-	13,742.00	-
Clean Communities Grant	-	34,135.33	34,135.33	-
American Rescue Plan		528,314.53	528,314.53	-
Public Safety Emergency Assistance		10,000.00	10,000.00	-
NJ DOT - Retreat Road Resurfacing	176,000.00	-	176,000.00	-
Rental Income Good Farm	34,000.00	-	34,116.00	116.00
Cable Television Franchise Fees	49,000.00	-	49,693.92	693.92
Housing Inspection Fees	25,000.00	-	26,370.00	1,370.00
Interfund Liquidated	16,387.50	-	-	(16,387.50)
Total Miscellaneous Revenues	1,933,372.50	572,449.86	2,527,684.11	21,861.75
Receipts From Delinquent Taxes	355,000.00	-	389,834.10	34,834.10
Amount To Be Raised By Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	4,070,811.10	-	4,176,054.16	105,243.06
Total Amount To Be Raised By Taxes for Support of Municipal Budget	4,070,811.10	-	4,176,054.16	105,243.06
Budget Totals	7,309,183.60	572,449.86	8,043,572.37	161,938.91
Non-Budget Revenue	-	-	141,617.60	141,617.60
Total General Revenues	\$ 7,309,183.60	\$ 572,449.86	\$ 8,185,189.97	\$ 303,556.51

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021**

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue From Collections	\$ 29,457,060.75
School, County and Municipal Open Space Taxes	<u>25,810,851.19</u>

Balance for Support of Municipal Budget

Appropriations	3,646,209.56
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Add: "Appropriation Reserve for
Uncollected Taxes"

529,844.60

Amount for Support of Municipal Budget
Appropriations

\$ 4,176,054.16

Receipts From Delinquent Taxes:

Delinquent Tax Collections	\$ 386,561.93
Tax Title Liens Collections	<u>3,272.17</u>

\$ 389,834.10

Miscellaneous Revenue Not Anticipated:

Chief Financial Officer:

Subdivision Application Fees	\$ 1,850.00	
Vital Statistics	2,114.00	
JIF Safety Award	4,995.00	
FEMA Reimbursement	64,494.75	
Refunds	3,625.62	
Administrative Fee - Senior Citizen and Veterans' Deductions	4,227.30	
Miscellaneous	<u>9,367.56</u>	
		90,674.23

Tax Collector:

Tax Sale Premiums Escheated	39,100.00	
Tax Penalty Received	6,412.44	
Miscellaneous	<u>5,430.93</u>	
		<u>50,943.37</u>

Total \$ 141,617.60

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	APPROPRIATED		PAID OR CHARGED		Unexpended Balance Cancelled	Overexpended
	Original Budget	Budget After Modifications	Paid	Encumbered		
GENERAL APPROPRIATIONS						
Operations - Within "CAPS"						
GENERAL GOVERNMENT FUNCTIONS						
Administrative and Executive:						
Human Resources (Personnel):						
Other Expenses	\$ 1,500.00	\$ 1,500.00	\$ 684.00	\$ -	\$ 816.00	\$ -
Executive:						
Salaries and Wages	149,065.00	149,065.00	149,054.91	-	10.09	-
Other Expenses	40,800.00	40,800.00	33,580.51	448.59	6,770.90	-
Municipal Clerk:						
Salaries and Wages	74,664.00	74,664.00	62,130.81	-	2,533.19	10,000.00
Other Expenses	10,960.00	13,960.00	12,566.92	300.00	1,093.08	-
Data Processing:						
Salaries and Wages	5,100.00	5,100.00	5,099.83	-	0.17	-
Other Expenses	47,000.00	47,000.00	37,849.30	6,177.37	2,973.33	-
Financial Administration:						
Salaries and Wages	93,025.00	93,025.00	63,024.92	-	0.08	30,000.00
Other Expenses	1,330.00	1,330.00	729.89	-	600.11	-
Audit Services:						
Other Expenses	28,000.00	28,000.00	25,196.28	-	2,803.72	-
Collection of Taxes (Revenue Administration):						
Salaries and Wages	84,000.00	84,000.00	82,781.15	-	1,218.85	-
Other Expenses	3,600.00	3,600.00	1,998.40	350.00	1,251.60	-
Assessment of Taxes:						
Salaries and Wages	32,526.00	32,526.00	27,294.77	-	231.23	5,000.00
Other Expenses:						
Revision of Tax Map	9,000.00	9,000.00	4,546.85	-	4,453.15	-
Miscellaneous	5,000.00	5,500.00	1,770.00	3,290.36	439.64	-
Legal Services and Costs:						
Other Expenses	76,000.00	81,000.00	73,178.78	-	7,821.22	-
Engineering Services:						
Other Expenses	190,000.00	162,035.00	94,993.30	7,120.00	59,921.70	-

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

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	APPROPRIATED		PAID OR CHARGED		Unexpended Balance Cancelled	Overexpended
	Original Budget	Budget After Modifications	Paid	Encumbered		
Historical Sites Office:						
Salaries and Wages	520.00	520.00	-	520.00	-	-
Other Expenses	275.00	275.00	20.00	-	255.00	-
Municipal Court:						
Other Expenses	29,824.00	29,824.00	28,478.00	-	1,346.00	-
LAND USE ADMINISTRATION						
Planning Board:						
Salaries and Wages	6,493.00	6,493.00	5,050.67	-	1,442.33	-
Legal	4,200.00	4,200.00	2,419.80	-	1,780.20	-
Engineering	500.00	500.00	-	-	500.00	-
Miscellaneous	3,625.00	3,625.00	1,259.52	-	2,365.48	-
Zoning Board of Adjustment:						
Salaries and Wages	6,495.00	7,495.00	7,183.75	-	311.25	-
Other Expenses:						
Legal	9,250.00	9,250.00	1,269.50	-	7,980.50	-
Engineering	1,000.00	1,000.00	600.00	525.00	-	125.00
Miscellaneous	3,650.00	3,650.00	899.00	-	2,751.00	-
Planner:						
Other Expenses	24,000.00	24,000.00	13,020.00	1,912.50	9,067.50	-
Zoning Board:						
Salaries and Wages	10,404.00	10,404.00	10,199.80	-	204.20	-
Other Expenses	20,400.00	20,400.00	20,400.00	-	-	-
INSURANCE						
General Liability	58,360.00	58,360.00	55,360.00	-	3,000.00	-
Workers Compensation	119,000.00	119,000.00	117,199.00	-	1,801.00	-
Employee Group Insurance	560,000.00	560,000.00	527,276.93	-	7,723.07	-
Unemployment Trust Contribution	2,000.00	2,000.00	1,903.77	-	96.23	-
Other Insurances	18,000.00	21,000.00	11,427.50	7,620.30	1,952.20	-
Flexible Spending Account	2,000.00	2,165.00	2,065.00	-	100.00	-
Insurance Deduction	25,000.00	25,000.00	-	-	25,000.00	-

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	APPROPRIATED		PAID OR CHARGED		Unexpended Balance Cancelled	Overexpended
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid</u>	<u>Encumbered</u>	<u>Reserved</u>	
PUBLIC SAFETY FUNCTIONS						
Emergency Management Services:						
Salaries and Wages	11,120.00	11,120.00	7,375.04	-	3,744.96	-
Other Expenses	2,750.00	2,750.00	784.81	-	1,965.19	-
Aid to Volunteer Fire Company:						
Other Expenses	80,000.00	80,000.00	79,754.15	-	245.85	-
Aid to Hampton Lakes Emergency Squad	17,500.00	17,500.00	17,500.00	-	-	-
Fire Department:						
Other Expenses	20,000.00	20,000.00	20,000.00	-	-	-
Reverse 911 Coordinator Salaries and Wages	4,835.00	4,835.00	4,834.86	-	0.14	-
Reverse 911 Social Media Coordinator	100.00	100.00	9.99	-	90.01	-
Parking Offenses Adjudication Acct/POAA	1,000.00	1,000.00	-	-	1,000.00	-
PUBLIC WORKS FUNCTIONS						
Streets and Road Maintenance						
Salaries and Wages	428,725.00	428,725.00	416,665.05	-	12,059.95	-
Other Expenses	250,000.00	243,000.00	135,192.06	50,209.25	57,598.69	-
Other Public Works Functions:						
Shade Tree	750.00	750.00	100.00	-	650.00	-
Other Expenses	4,000.00	4,000.00	1,269.59	2,730.00	0.41	-
Recycling:						
Salaries and Wages	2,320.00	2,320.00	2,319.74	-	0.26	-
Other Expenses	1,000.00	1,000.00	829.00	-	171.00	-
Garbage and Trash Removal:						
Salaries and Wages	245,000.00	245,000.00	229,393.76	-	15,606.24	-
Other Expenses	6,000.00	6,000.00	2,203.99	1,384.29	2,411.72	-
Buildings and Grounds						
Salaries and Wages	17,133.00	17,133.00	11,955.83	-	5,177.17	-
Other Expenses	128,400.00	128,400.00	81,315.42	26,152.50	20,932.08	-
Vehicle Maintenance						
Other Expenses	200,000.00	200,000.00	139,036.57	24,431.75	36,531.68	-

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

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	APPROPRIATED		PAID OR CHARGED		Unexpended Balance Cancelled	Overexpended
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid</u>	<u>Encumbered</u>	<u>Reserved</u>	
HEALTH AND HUMAN SERVICES						
Vital Statistics:						
Salaries and Wages	7,457.00	7,457.00	7,337.23	-	119.77	-
Other Expenses	1,000.00	1,000.00	654.00	105.00	241.00	-
Environmental Commission:						
Salaries and Wages	750.00	750.00	-	-	750.00	-
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	-
Animal Control Services:						
Other Expenses	7,000.00	7,000.00	5,130.00	-	1,870.00	-
Welfare/Administration of Public Assistance						
Other Expenses	600.00	600.00	-	-	600.00	-
RECREATION AND EDUCATION						
Recreation Services and Programs:						
Other Expenses	17,250.00	17,250.00	17,250.00	-	-	-
Maintenance of Parks:						
Other Expenses	27,000.00	32,000.00	26,958.91	4,471.08	570.01	-
Celebration of Public Events:						
Other Expenses	10,000.00	10,000.00	1,942.93	520.00	7,537.07	-
SANITATION						
Landfill/Solid Waste Costs:						
Other Expenses - Contractual	508,000.00	508,000.00	354,211.19	-	53,788.81	100,000.00
AID TO LIBRARY (N.J.S. 40:54-35):						
Other Expenses	38,000.00	38,000.00	38,000.00	-	-	-
UNCLASSIFIED:						
Registrations of Bonds	2,500.00	2,500.00	1,050.00	-	1,450.00	-
Accumulated Sick Leave	2,000.00	2,000.00	2,000.00	-	-	-
JIF Coordinator:						
JIF Wellness Program	1,000.00	1,000.00	119.98	-	880.02	-

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	APPROPRIATED		PAID OR CHARGED		Unexpended Balance Cancelled	Overexpended
	Original Budget	Budget After Modifications	Paid	Encumbered		
CODE ENFORCEMENT AND ADMINISTRATION						
Uniform Construction Code Enforcement:						
Salaries and Wages	166,770.00	166,770.00	158,484.95	-	-	-
Other Expenses	14,750.00	22,750.00	14,606.29	269.91	-	-
Sub Code Officials:						
Plumbing Inspector:						
Salaries and Wages	15,096.00	15,096.00	11,838.83	-	-	-
Electrical Inspector:						
Salaries and Wages	19,256.00	19,256.00	14,855.01	-	-	-
Fire Protection Official:						
Salaries and Wages	2,311.00	5,011.00	2,038.79	-	-	-
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	33,500.00	33,500.00	25,733.74	489.94	-	-
Street Lighting	165,000.00	165,000.00	146,090.48	1,055.12	-	-
Telecommunications	38,000.00	38,000.00	28,141.94	34.69	-	-
Fuel Oil	5,000.00	5,000.00	1,058.94	-	-	-
Gasoline/Diesel	10,000.00	10,000.00	-	-	5,000.00	-
Water	4,100.00	5,100.00	3,679.48	195.37	-	-
Propane	10,000.00	10,000.00	5,057.31	-	-	-
Sewerage Processing	2,100.00	2,100.00	1,288.66	-	-	-
Fire Hydrants	61,000.00	61,000.00	56,479.86	-	-	-
Natural Gas	2,000.00	2,000.00	1,279.22	180.41	-	-
Total Operations Within "CAPS"	4,349,639.00	4,344,039.00	3,558,340.46	140,493.43	175,000.00	125.00
Detail:						
Salaries and Wages	1,383,065.00	1,386,765.00	1,278,919.70	520.00	-	-
Other Expenses	2,966,574.00	2,957,274.00	2,279,420.76	139,973.43	408,004.81	125.00

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

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	APPROPRIATED		PAID OR CHARGED		Unexpended Balance Cancelled	Overexpended
	Original Budget	Budget After Modifications	Paid	Encumbered		
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"						
Statutory Expenditures:						
Contribution To:						
Public Employees Retirement System	145,406.00	145,406.00	145,406.00	-	-	-
Social Security System (O.A.S.I.)	105,000.00	110,500.00	110,079.25	-	420.75	-
Defined Contribution Retirement Plan	1,000.00	1,100.00	1,082.16	-	17.84	-
Public Employees Retirement System - EIRC	8,982.00	8,982.00	8,982.00	-	-	-
PERS - Retro from 2011/12	671.00	671.00	670.58	-	0.42	-
Total Deferred and Statutory Expenditures - Municipal - Within "CAPS"						
	261,059.00	266,659.00	266,219.99	-	439.01	-
Total General Appropriations for Municipal Purposes Within "CAPS"						
	4,610,698.00	4,610,698.00	3,824,560.45	140,493.43	470,769.12	125.00
OPERATIONS - EXCLUDED FROM "CAPS"						
Stormwater Permits (NJDEP):						
Street Division:						
Salaries and Wages	136,000.00	136,000.00	129,685.75	-	6,314.25	-
Other Expenses	83,700.00	83,700.00	67,772.37	10,350.00	5,577.63	-
Emergency Services Volunteer Length of Service Awards Program (LOSAP)						
Emergency Service Coronavirus 19	46,000.00	46,000.00	-	-	46,000.00	-
	50,000.00	50,000.00	24,673.34	1,522.00	23,804.66	-
Total Other Operations Excluded From "CAPS"						
	315,700.00	315,700.00	222,131.46	11,872.00	81,696.54	-

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	APPROPRIATED		PAID OR CHARGED		Unexpended Balance Cancelled	Overexpended
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid</u>	<u>Encumbered</u>	<u>Reserved</u>	
SHARED SERVICE AGREEMENTS:						
Township of Mansfield:						
Municipal Court:						
Other Expenses	96,000.00	96,000.00	96,000.00	-	-	-
Burlington County:						
Stormwater Replacement	5,250.00	5,250.00	-	5,250.00	-	-
Township of Lumberton:						
Vehicle Fueling	80,000.00	80,000.00	73,203.25	-	6,796.75	-
Township of Springfield:						
Tax Collector						
Salaries and Wages	14,382.00	14,382.00	14,382.00	-	-	-
Township of Tabernacle:						
Other Expenses	7,500.00	7,500.00	-	-	7,500.00	-
Total Shared Service Agreements	203,132.00	203,132.00	183,585.25	5,250.00	14,296.75	-
ADDITIONAL APPROPRIATIONS OFFSET BY						
REVENUES (N.J.S.A. 40A:4-45.3h)						
Clean Communities Grant	-	34,135.33	34,135.33	-	-	-
American Rescue Act	-	528,314.53	528,314.53	-	-	-
Stormwater Management	-	10,000.00	10,000.00	-	-	-
Recycling Tonnage Grant	13,742.00	13,742.00	13,742.00	-	-	-
NJ DOT - Retreat Road Resurface	176,000.00	176,000.00	176,000.00	-	-	-
Total Additional Appropriations Offset	189,742.00	762,191.86	762,191.86	-	-	-
By Revenues						
Total Operations - Excluded From "CAPS"	708,574.00	1,281,023.86	1,167,908.57	17,122.00	95,993.29	-
Detail:						
Salaries and Wages	150,382.00	150,382.00	144,067.75	-	6,314.25	-
Other Expenses	558,192.00	1,130,641.86	1,023,840.82	17,122.00	89,679.04	-

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

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	APPROPRIATED		PAID OR CHARGED		Unexpended Balance Cancelled	Overexpended
	Original Budget	Budget After Modifications	Paid	Encumbered	Reserved	
Capital Improvements - Excluded From "CAPS"						
Capital Improvements Fund	200,000.00	200,000.00	200,000.00	-	-	-
Purchase of Public Works Small Equipment	50,000.00	50,000.00	50,000.00	-	-	-
Maintenance to Sewer Plant	50,000.00	50,000.00	50,000.00	-	-	-
Purchase of Fire Tanker Truck	25,000.00	25,000.00	25,000.00	-	-	-
Maintenance Repair of Fire Truck	50,000.00	50,000.00	50,000.00	-	-	-
Total Capital Improvements - Excluded From "CAPS"	375,000.00	375,000.00	375,000.00	-	-	-
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	400,000.00	400,000.00	400,000.00	-	-	-
Payment of BANs and Capital Notes	565,500.00	565,500.00	565,500.00	-	-	-
Interest on Bonds	84,587.50	84,587.50	84,587.50	-	-	-
Interest on Notes	34,200.00	34,200.00	34,103.68	-	-	96.32
Total Municipal Debt Service - Excluded From "CAPS"	1,084,287.50	1,084,287.50	1,084,191.18	-	-	96.32
Deferred Charges - Municipal - Within "CAPS"						
Overexpenditure of Appropriation Reserve	779.50	779.50	779.50	-	-	-
Total Deferred Charges - Municipal Within "CAPS"	779.50	779.50	779.50	-	-	-

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	APPROPRIATED		PAID OR CHARGED		Unexpended Balance Cancelled	Overexpended
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid</u>	<u>Encumbered</u>	<u>Reserved</u>	
Total General Appropriations for Municipal Purposes Excluded From "CAPS"	2,167,861.50	2,740,311.36	2,627,099.75	17,122.00	95,993.29	-
Subtotal General Appropriations	6,779,339.00	7,351,788.86	6,452,439.70	157,615.43	566,762.41	125.00
Reserve for Uncollected Taxes	529,844.60	529,844.60	529,844.60	-	-	-
Total General Appropriations	\$ 7,309,183.60	\$ 7,881,633.46	\$ 6,982,284.30	\$ 157,615.43	\$ 566,762.41	\$ 125.00

Budget as Adopted
Appropriations by 40A:4-87

\$ 7,309,183.60
572,449.86

\$ 7,881,633.46

Analysis of Paid or Charged:
State and Federal Grants
Deferred Charges - Overexpenditure of Appropriation Reserves
Reserve for Uncollected Taxes
Disbursements
Refund of Current Year Expenditures

\$ 762,191.86
779.50
529,844.60
5,882,330.91
(192,862.57)

\$ 6,982,284.30

TOWNSHIP OF SOUTHAMPTON
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

ASSETS	Ref.	2021	2020
Dog Trust Fund:			
Cash	B-4	\$ 16,376.40	\$ 14,325.40
Other Trust Funds:			
Cash-Treasurer	B-4	523,745.53	429,033.23
Cash-Collector	B-4	610,000.01	438,400.01
Interfunds and Receivables:			
Due from Current Fund	A	10,000.00	10,000.00
Due from Developers	B	2,162.65	2,162.65
		<u>1,145,908.19</u>	<u>879,595.89</u>
Municipal Open Space Trust Fund:			
Cash	B-4	473,437.79	388,753.69
Interfunds and Receivables:			
Due from Current Fund - Open Space Tax	A	154.04	-
		<u>473,591.83</u>	<u>388,753.69</u>
Total Assets		<u>\$ 1,635,876.42</u>	<u>\$ 1,282,674.98</u>
LIABILITIES, RESERVES, AND FUND BALANCE			
Dog Trust Fund:			
Due to State of New Jersey	B-6	\$ 6.80	\$ 6.20
Reserve for Dog Fund Expenditures	B-5	10,542.80	11,723.60
Due to Current Fund	B-7	5,826.80	2,595.60
		<u>16,376.40</u>	<u>14,325.40</u>
Other Trust Funds:			
Miscellaneous Reserves	B-8	1,144,677.38	878,365.08
Due to Current Fund	A	1,230.81	1,230.81
		<u>1,145,908.19</u>	<u>879,595.89</u>
Municipal Open Space Trust Fund:			
Due to Current Fund	A	-	15,546.34
Reserve for Future Use	B-1	473,591.83	373,207.35
		<u>473,591.83</u>	<u>388,753.69</u>
Total		<u>\$ 1,635,876.42</u>	<u>\$ 1,282,674.98</u>

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

**TOWNSHIP OF SOUTHAMPTON
MUNICIPAL OPEN SPACE TRUST FUND
STATEMENTS OF OPERATIONS AND CHANGES IN RESERVE
FOR FUTURE USE - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:		
Amounts to be Raised by Taxation	\$ 199,936.04	\$ 199,453.66
Miscellaneous Revenue Not Anticipated	<u>448.44</u>	<u>1,257.95</u>
Total Revenue	<u>200,384.48</u>	<u>200,711.61</u>
Expenditures:		
Municipal Debt Service	<u>100,000.00</u>	<u>100,000.00</u>
Total Expenditures	<u>100,000.00</u>	<u>100,000.00</u>
Excess (Deficit) in Revenue	100,384.48	100,711.61
Fund Balance, January 1	<u>373,207.35</u>	<u>272,495.74</u>
Fund Balance, December 31	<u><u>\$ 473,591.83</u></u>	<u><u>\$ 373,207.35</u></u>

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

**TOWNSHIP OF SOUTHAMPTON
MUNICIPAL OPEN SPACE TRUST FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Amounts to be Raised by Taxation	\$ 199,782.00	\$ 199,936.04	\$ 154.04
Miscellaneous	-	448.44	448.44
	<u>\$ 199,782.00</u>	<u>\$ 200,384.48</u>	<u>\$ 602.48</u>

Cash Receipts	\$ 200,230.44
Due from Current Fund	<u>154.04</u>
	<u>\$ 200,384.48</u>

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

**TOWNSHIP OF SOUTHAMPTON
MUNICIPAL OPEN SPACE TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021**

	<u>APPROPRIATIONS</u>		<u>PAID OR CHARGED</u>		
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid</u>	<u>Encumbered</u>	<u>Reserved</u>
Debt Service:					
Payment on Bond Principal	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$ -	\$ -
Payment on Bond Anticipation Notes	10,000.00	10,000.00	10,000.00	-	-
Total Debt Service	100,000.00	100,000.00	100,000.00	-	-
Reserve for Future Use	99,782.00	99,782.00	-	-	99,782.00
Total Appropriations	<u>\$ 199,782.00</u>	<u>\$ 199,782.00</u>	<u>\$ 100,000.00</u>	<u>\$ -</u>	<u>\$ 99,782.00</u>

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

**TOWNSHIP OF SOUTHAMPTON
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020**

ASSETS	Ref.	2021	2020
Cash and Cash Equivalents	C-2	\$ 4,353,252.25	\$ 684,339.84
Deferred Charges to Future Taxation:			
Funded	C-5	2,585,000.00	3,075,000.00
Unfunded	C-6	5,675,395.00	2,735,895.00
Deferred Charge - Expenditure Without Appropriation	C	355,000.00	-
Due From:			
Current Fund	A	7,408.17	-
Total Assets		<u>\$ 12,976,055.42</u>	<u>\$ 6,495,234.84</u>
LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes Payable	C-11	\$ 5,675,395.00	\$ 2,735,895.00
Bonds Payable	C-10	2,585,000.00	3,075,000.00
Encumbrances Payable	C-8	18,350.00	650.00
Contracts Payable	C-9	282,646.72	114,393.07
Due to Current Fund	A	-	2,317.08
Improvement Authorizations:			
Funded	C-7	180,106.41	22,806.41
Unfunded	C-7	3,360,942.87	56,157.44
Down Payment of Capital Improvements	C	321.00	321.00
Reserve for Debt Service	C	601.00	601.00
Reserve for Assessment Revaluation	C	2,000.00	2,000.00
Reserve for Fire Truck	C	399,000.00	92,425.00
Reserve for Public Works Small Equipment	C	83,901.00	50,000.00
Capital Improvement Fund	C-4	265,250.00	250,250.00
Fund Balance	C-1	122,541.42	92,418.84
Total Liabilities, Reserves & Fund Balance		<u>\$ 12,976,055.42</u>	<u>\$ 6,495,234.84</u>

There were \$ -0- of bonds and notes authorized but not issued as of December 31, 2021 and 2020.

**TOWNSHIP OF SOUTHAMPTON
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE -
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 92,418.84
Increased By:	
Premium on Bond Anticipation Notes Issued	<u>30,122.58</u>
Balance December 31, 2021	<u><u>\$ 122,541.42</u></u>

**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020**

	Ref.	<u>2021</u>	<u>2020</u>
ASSETS			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 134,067.82	\$ 82,387.62
Change Fund	D	60.00	60.00
Due from Current Fund	A	<u>19,393.04</u>	<u>19,393.04</u>
Total		<u>153,520.86</u>	<u>101,840.66</u>
Receivables & Other Assets With Full Reserves:			
Consumer Accounts Receivable	D-6	40,063.04	49,222.97
Sewer Liens Receivable	D-7	<u>2,989.63</u>	<u>9,048.00</u>
Total Receivables & Other Assets With Full Reserves		<u>43,052.67</u>	<u>58,270.97</u>
Deferred Charges:			
Overexpenditure of Appropriation Reserves	D-8	<u>11,015.38</u>	<u>32,067.34</u>
Total Deferred Charges		<u>11,015.38</u>	<u>32,067.34</u>
Total Operating Fund		<u>207,588.91</u>	<u>192,178.97</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	150,000.00	100,000.00
Due from Sewer Operating Fund	D	30,424.00	18,424.00
Fixed Capital	D-16	2,295,000.00	2,295,000.00
Fixed Capital Authorized and Uncompleted	D-14	<u>32,000.00</u>	<u>32,000.00</u>
Total Capital Fund		<u>2,507,424.00</u>	<u>2,445,424.00</u>
Total Operating & Capital Fund		<u><u>\$ 2,715,012.91</u></u>	<u><u>\$ 2,637,602.97</u></u>

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

**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020**

	Ref.	2021	2020
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 8,476.56	\$ 27,304.94
Reserve for Encumbrances	D-3	1,060.37	508.10
Overpaid Sewer Rents	D	2,274.00	2,074.49
Accrued Interest on Bonds and Notes	D-10	2,023.96	2,148.96
Due to Sewer Capital fund	D	30,424.00	18,424.00
Subtotal		44,258.89	50,460.49
Reserve for Receivables	D	43,052.67	58,270.97
Fund Balance	D-1	120,277.35	83,447.51
Total Operating Fund		207,588.91	192,178.97
Capital Fund:			
Serial Bonds Payable	D-12	580,000.00	610,000.00
Improvement Authorizations:			
Funded	D-11	1,600.00	1,600.00
Unfunded	D-11	30,400.00	30,400.00
Reserve for Amortization	D	1,715,000.00	1,685,000.00
Reserve for Maintenance to Sewer Plant	D	150,000.00	100,000.00
Deferred Reserve for Amortization	D	1,600.00	1,600.00
Capital Improvement Fund	D-13	28,824.00	16,824.00
Total Capital Fund		2,507,424.00	2,445,424.00
Total Liabilities, Reserves & Fund Balance		\$ 2,715,012.91	\$ 2,637,602.97

There were \$30,400.00 of bonds and notes authorized but not issued as of December 31, 2021 & \$30,400.00 on December 31, 2020.

**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 33,855.34	\$ 13,460.00
Sewer Rents	292,573.98	248,260.00
Miscellaneous	5,984.97	6,927.88
Other Credits to Income:		
Refund of Prior Year Expenditure	-	14,107.02
Total Revenue	<u>332,414.29</u>	<u>282,754.90</u>
Expenditures:		
Other Expenses	162,000.00	162,000.00
Capital Improvements	12,000.00	12,000.00
Municipal Debt Service	55,661.77	51,900.13
Deferred Charges	<u>32,067.34</u>	<u>5,459.85</u>
Total Expenditures	<u>261,729.11</u>	<u>231,359.98</u>
Statutory Excess to Surplus	70,685.18	51,394.92
Fund Balance, January 1	<u>83,447.51</u>	<u>45,512.59</u>
	154,132.69	96,907.51
Decreased By:		
Utilized as Anticipated Revenue	<u>33,855.34</u>	<u>13,460.00</u>
Fund Balance, December 31	<u><u>\$ 120,277.35</u></u>	<u><u>\$ 83,447.51</u></u>

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

**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Sewer Rents	\$ 225,000.00	\$ 292,573.98	\$ 67,573.98
Miscellaneous	3,000.00	5,984.97	2,984.97
Operating Surplus	33,855.34	33,855.34	-
	<u>\$ 261,855.34</u>	<u>\$ 332,414.29</u>	<u>\$ 70,558.95</u>

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

**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021**

	APPROPRIATIONS		PAID OR CHARGED			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid	Encumbered	Reserved	
Operating:						
Other Expenses	\$ 162,000.00	\$ 162,000.00	\$ 152,463.07	\$ 1,060.37	\$ 8,476.56	\$ -
Total Operating	162,000.00	162,000.00	152,463.07	1,060.37	8,476.56	-
Capital Improvements:						
Capital Improvement Fund	12,000.00	12,000.00	12,000.00	-	-	-
Total Capital Improvements	12,000.00	12,000.00	12,000.00	-	-	-
Debt Service:						
Payment on Bond Principal	30,000.00	30,000.00	30,000.00	-	-	-
Interest on Bonds	25,788.00	25,788.00	25,661.77	-	-	126.23
Total Debt Service	55,788.00	55,788.00	55,661.77	-	-	126.23
Deferred Charges						
Overexpenditure of Appropriation Reserve	32,067.34	32,067.34	32,067.34	-	-	-
Total Deferred Charges	32,067.34	32,067.34	32,067.34	-	-	-
Total Sewer Utility Appropriations	\$ 261,855.34	\$ 261,855.34	\$ 252,192.18	\$ 1,060.37	\$ 8,476.56	\$ 126.23
Budget as Adopted	\$ 261,855.34	\$ 261,855.34				
	\$ 261,855.34	\$ 261,855.34				
Cash			\$ 182,463.07			
Due to Sewer Capital Fund			12,000.00			
Deferred Charges			32,067.34			
Accrued Interest on Bonds			25,661.77			
			\$ 252,192.18			

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

**TOWNSHIP OF SOUTHAMPTON
GENERAL FIXED ASSET ACCOUNT GROUP
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020**

ASSETS	Ref.	2021	2020
Land and Improvements	E	\$ 1,261,300.00	\$ 1,261,300.00
Buildings	E	1,430,900.00	1,430,900.00
Machinery and Equipment	E	<u>2,859,847.95</u>	<u>2,780,321.37</u>
Total Assets		<u><u>\$ 5,552,047.95</u></u>	<u><u>\$ 5,472,521.37</u></u>
LIABILITIES, RESERVES & FUND BALANCE			
Investment in General Fixed Assets	E	<u>\$ 5,552,047.95</u>	<u>\$ 5,472,521.37</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$ 5,552,047.95</u></u>	<u><u>\$ 5,472,521.37</u></u>

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

**TOWNSHIP OF SOUTHAMPTON
PAYROLL AGENCY TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020**

ASSETS	Ref.	<u>2021</u>	<u>2020</u>
Cash	F	\$ 24,152.36	\$ 23,904.33
Total Assets		<u>\$ 24,152.36</u>	<u>\$ 23,904.33</u>
LIABILITIES, RESERVES & FUND BALANCE			
Payroll Withholding Payable	F	\$ 16,475.47	\$ 16,876.89
Reserve for Flexible Spending	F	<u>7,676.89</u>	<u>7,027.44</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 24,152.36</u>	<u>\$ 23,904.33</u>

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

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**TOWNSHIP OF SOUTHAMPTON
COUNTY OF BURLINGTON**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Township of Southampton, County of Burlington, New Jersey (hereafter referred to as the "Township") is governed by the Township form of government that consists of five (5) Committee Members who are elected at-large to three (3) year terms. The Mayor is elected from and by the Members of the Committee and serves a one (1) year term. Under the statutes the Mayor is the head of the government and acts as the executive branch. The Committee acts as the legislative branch of government and has executive powers not assigned to the Mayor.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61 and 90, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 90.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township contain all funds and account groups in accordance with the "Requirements of Audit" 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 of Audit 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 State of America applicable to local government units. The more significant differences are explained further in this note.

In accordance with the "Requirements", the Township accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Utility Operating and Capital Funds – These funds account for utility operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 1. Summary of Significant Accounting Policies (continued)

Payroll Fund – This fund accounts for receipt and disbursement of funds for payroll taxes and employee compensation.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its Current and Utility Fund 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 10th of each year. At introduction, the governing body must 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 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. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

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. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, 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 utilities 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, 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 SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 1. 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 and Supplies - The cost 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 Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$2,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their 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 assets, 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 includes 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. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Foreclosed property – Foreclosed Property or "Property Acquired for Taxes" 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 Township 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

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 1. Summary of Significant Accounting Policies (continued)

of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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.

Fund Balance – Fund Balance included in the Current and Utility Operating Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are 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 the Township, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

Utility Revenues – Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Townships utility operating fund.

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, Southampton Township School District and Lenape Regional School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Burlington. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th 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 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Southampton Township School District and Lenape Regional School District. Operations are charged for the full amount required to be raised from taxation to operate the local and regional school district from January 1 to December 31 and July 1 to June 30, respectively.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 1. 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 – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is 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 interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual 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 cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility 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 – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the Township’s financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 1. Summary of Significant Accounting Policies (continued)

Statement No. 87, Leases. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the Township's financial statements.

Note 2. Deposits and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2021, the Township's bank balance of \$13,449,589.15 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 11,284,772.18
NJ Cash Management Fund	780,395.83
Uninsured and Uncollateralized	<u>1,384,421.14</u>
	<u>\$ 13,449,589.15</u>

Investments

The Township had no investments as of December 31, 2021.

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison Schedule of Tax Rates

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>\$ 2.998</u>	<u>\$ 2.932</u>	<u>\$ 2.869</u>
Apportionment of Tax Rate:			
Municipal	0.408	0.408	0.409
Municipal Open Space	0.020	0.019	0.020
County	0.496	0.481	0.460
Local School	1.280	1.259	1.245
Regional School	0.794	0.765	0.735

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2021	\$ 996,641,564.00
2020	995,787,416.00
2019	998,165,354.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2021	\$ 29,890,723.32	\$ 29,457,060.75	98.54%
2020	29,283,526.54	28,838,410.10	98.47%
2019	28,679,177.42	28,227,438.91	98.42%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2021	\$ 1,087,760.93	\$ 311,388.32	\$ 1,399,149.25	4.68%
2020	1,046,540.44	\$ 365,417.81	\$ 1,411,958.25	4.82%
2019	1,004,415.92	358,083.28	1,362,499.20	4.75%

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 3. Property Taxes (continued)

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2021	48
2020	131
2019	128

The last tax sale was held on October 5, 2021.

Note 4. Property Acquired By Tax Title Lien Liquidation

The value of properties acquired by liquidation of tax title liens based on the last assessed valuation of such properties as of December 31, was as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 485,800.00
2020	485,800.00
2019	485,800.00

Note 5. Sewer Utility Service Charges

The following is a three-year comparison of sewer utility charges (rents) and collections for the current and previous two years.

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2021	\$ 49,222.97	\$ 284,104.05	\$ 333,327.02	\$ 292,573.98	87.77%
2020	21,674.52	281,500.44	303,174.96	248,260.00	81.88%
2019	24,951.06	223,106.51	248,057.57	224,754.22	90.60%

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 6. Fund Balances Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2021	\$ 2,236,812.99	\$ 1,110,000.00	49.62%
2020	2,308,980.49	950,000.00	41.14%
2019	2,134,315.55	664,031.00	31.11%
Sewer Utility Operating Fund:			
2021	\$ 120,277.35	\$ 4,904.00	4.08%
2020	83,447.51	33,855.34	40.57%
2019	45,512.59	13,460.00	29.57%

Note 7. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

Note 8. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2021:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 7,057.61	\$ 609,457.55
State and Federal Grant Fund	572,502.30	-
Animal Control Trust	-	5,826.80
Trust Other Fund	10,000.00	1,230.81
Open Space Trust Fund	154.04	-
General Capital Fund	7,408.17	-
Utility Operating Fund	19,393.04	30,424.00
Utility Capital Fund	30,424.00	-
	<u>\$ 646,939.16</u>	<u>\$ 646,939.16</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 9. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2021.

	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2021</u>
Land	\$ 1,261,300.00	\$ -	\$ -	\$ 1,261,300.00
Buildings and Improvements	1,430,900.00	-	-	1,430,900.00
Machinery & Equipment	2,780,321.37	114,211.23	34,684.65	2,859,847.95
	<u>\$ 5,472,521.37</u>	<u>\$ 114,211.23</u>	<u>\$ 34,684.65</u>	<u>\$ 5,552,047.95</u>

Note 10. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The 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.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2020, the State's pension contribution was less than the actuarial determined amount. 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. For the year ended December 31, 2021, the Township's contractually required contribution to PERS plan was \$145,406.

Components of Net Pension Liability - At December 31, 2020, the Township's proportionate share of the PERS net pension liability was \$2,167,551. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Township's proportion measured as of June 30, 2020, was 0.01329% which was a decrease of 0.002323% from its proportion measured as of June 30, 2019.

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Balances at December 31, 2020 and December 31, 2019

	<u>12/31/2020</u>	<u>12/31/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 325,256	\$ 574,618
Deferred Inflows of Resources	1,598,613	1,467,028
Net Pension Liability	2,167,551	2,813,735
Township's portion of the Plan's total Net Pension Liability	0.01329%	0.01562%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2020, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2020 measurement date is \$(119,159). This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$145,406 to the plan in 2021.

At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 39,468	\$ 7,665
Changes of Assumptions	70,318	907,574
Net Difference between Projected and Actual Earnings on Pension Plan Investments	74,089	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	141,381	683,374
	<u>\$ 325,256</u>	<u>\$ 1,598,613</u>

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending Dec 31,	<u>Amount</u>
2021	\$ (498,403)
2022	(339,322)
2023	(241,773)
2024	(164,684)
2025	<u>(29,175)</u>
	<u><u>\$ (1,273,357)</u></u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

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

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 2,750,041	\$ 2,167,551	\$ 1,704,799

*Note that the information presented above for the Public Employees' Retirement System is in accordance with Local Finance Notice 2021-10, which differs from the requirements of *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*.

Note 11. Postemployment Benefits Other Than Pensions

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) 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. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 11. Postemployment Benefits Other Than Pensions (continued)

service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2020 were \$5,512,481,278 and \$12,598,993,950, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Net OPEB Liability

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 11. Postemployment Benefits Other Than Pensions (continued)

depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Initial Fiscal Year Applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 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
PERS	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 the defined benefit plan that the member is enrolled in and his or her age.	

OPEB Obligation and OPEB (benefit) Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Township's as of June 30, 2020 was \$4,994,722. The Township's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the OPEB Obligation associated with the Township was based on projection of the State's long-term contributions to the OPEB plan associated with the Township relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the Township was 0.02783%, which was a increase of 0.23148% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized an OPEB (benefit) expense in the amount of (\$65,551) for the State's proportionate share of the OPEB (benefit) expense attributable to the Township. This OPEB (benefit) expense was based on the OPEB plans June 30, 2020 measurement date.

Actuarial assumptions used in the July 1, 2019 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.

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 11. Postemployment Benefits Other Than Pensions (continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% 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 2021 and 2022 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% decreasing to a 4.5% long-term trend rate after eight years.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. 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.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Township	\$ 5,904,816.69	\$ 4,994,722.00	\$ 4,274,299.30
State of New Jersey's Total Nonemployer OPEB Liability	21,216,688,254.00	17,946,612,946.00	15,358,051,000.00

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:

The following presents the net OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 11. Postemployment Benefits Other Than Pensions (continued)

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Township	\$ 4,133,137.61	\$ 4,994,722.00	\$ 6,122,978.57
State of New Jersey's Total Nonemployer OPEB Liability	14,850,840,718.00	17,946,612,946.00	22,000,569,109.00

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2020:

Collective Balances at December 31, 2020 and December 31, 2019

	12/31/2020	12/31/2019
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Collective Deferred Outflows of Resources	\$ 3,168,345,589.00	\$ 11,158,226.00
Collective Deferred Inflows of Resources	7,333,043,620.00	8,761,825,481.00
Collective Net OPEB Liability	17,946,612,946.00	13,546,071,100.00
Township's Portion	0.027831%	0.025932%

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2021	\$ (964,720,007.00)
2022	(965,594,678.00)
2023	(967,008,484.00)
2024	(968,300,349.00)
2025	(660,258,014.00)
Thereafter	361,183,501.00
	<u>\$ (4,164,698,031.00)</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.87, 8.05, 8.14 and 8.04 years for the 2020, 2019, 2018 and 2017 amounts, respectively.

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 11. Postemployment Benefits Other Than Pensions (continued)

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

	<u>June 30, 2019</u>
Active Plan Members	62,547
Retirees Currently Receiving Benefits	<u>30,614</u>
Total Plan Members	<u>93,161</u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

Service Cost	\$ 605,949,339.00
Interest on the Total OPEB Liability	497,444,533.00
Change of Benefit Terms	1,034,142.00
Differences Between Expected and Actual Experience	541,506,395.00
Changes of Assumptions	3,074,968,821.00
Contributions From the Employer	(292,404,377.00)
Contributions From Non-Employer Contributing Entity	(35,011,940.00)
Net Investment Income	(2,858,334.00)
Administrative Expense	<u>9,913,267.00</u>
Net Change in Total OPEB Liability	4,400,541,846.00
Total OPEB Liability (Beginning)	<u>13,546,071,100.00</u>
Total OPEB Liability (Ending)	<u>\$ 17,946,612,946.00</u>

*Note that the information presented above is in accordance with Local Finance Notice 2021-10, which differs from the requirements of *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 12. Municipal Debt

The following schedule represents the Township's summary of debt, as filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 8,260,395.00	\$ 5,810,895.00	\$ 6,886,395.00
Utility:			
Bonds, Notes and Loans	580,000.00	610,000.00	635,000.00
	<hr/>	<hr/>	<hr/>
Total Debt Issued	8,840,395.00	6,420,895.00	7,521,395.00
	<hr/>	<hr/>	<hr/>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	-	-	-
Utility:			
Bonds, Notes and Loans	30,400.00	30,400.00	30,400.00
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	30,400.00	30,400.00	30,400.00
	<hr/>	<hr/>	<hr/>
Total Gross Debt	<u>\$ 8,870,795.00</u>	<u>\$ 6,451,295.00</u>	<u>\$ 7,551,795.00</u>
	<hr/>	<hr/>	<hr/>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	\$ 601.00	\$ 601.00	\$ 601.00
Utility:			
Self Liquidating Debt	610,400.00	640,400.00	665,400.00
	<hr/>	<hr/>	<hr/>
Total Deductions	611,001.00	641,001.00	666,001.00
	<hr/>	<hr/>	<hr/>
Total Net Debt	<u>\$ 8,259,794.00</u>	<u>\$ 5,810,294.00</u>	<u>\$ 6,885,794.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 1,620,000.00	\$ 1,620,000.00	\$ -
Regional School Debt	2,425,351.52	2,425,351.52	-
General Debt	8,260,395.00	601.00	8,259,794.00
Utility Debt	610,400.00	610,400.00	-
	<hr/>	<hr/>	<hr/>
	\$ 12,916,146.52	\$ 4,656,352.52	\$ 8,259,794.00

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 12. Municipal Debt (continued)

Net Debt \$8,259,794.00 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$1,265,897,024, equals 0.652%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2021 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 44,306,395.84
Net Debt	<u>8,259,794.00</u>
Remaining Borrowing Power	<u>\$ 36,046,601.84</u>

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 298,558.95
Deductions:	
Operating and Maintenance Costs	\$ 162,000.00
Debt Service	<u>55,661.77</u>
Total Deductions	<u>217,661.77</u>
Excess/(Deficit) in Revenue	<u>\$ 80,897.18</u>

*If Excess in Revenues all Utility Debt is Deducted

General Debt

A. Serial Bonds Payable

On December 23, 2014, the Township issued \$5,890,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 1.50% to 3.00% and mature on July 1, 2026.

Principal and interest due on the outstanding bonds is as follows:

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 12. Municipal Debt (continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 535,000.00	\$ 73,562.50	\$ 608,562.50
2023	525,000.00	60,187.50	585,187.50
2024	515,000.00	45,750.00	560,750.00
2025	510,000.00	30,300.00	540,300.00
2026	500,000.00	15,000.00	515,000.00
	<u>\$ 2,585,000.00</u>	<u>\$ 224,800.00</u>	<u>\$ 2,809,800.00</u>

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2021:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2021</u>
Series 2021-A	7/7/2021	7/6/2022	1.00%	\$ 2,160,395.00
Series 2021-B	10/13/2021	7/6/2022	1.00%	<u>3,515,000.00</u>
				<u>\$ 5,675,395.00</u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

C. Bonds and Notes Authorized But Not Issued

The Township had no bonds and notes authorized but not issued in the General Capital Fund at December 31, 2021.

Sewer Utility Debt

A. Serial Bonds Payable

On March 11, 2013, the Township issued \$810,000.00 of Utility Revenue Bonds. The Bonds were issued at interest rates varying from 3.375% to 5.000% and mature on December 1, 2035.

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 12. Municipal Debt (continued)

Principal and interest due on the outstanding bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 30,000.00	\$ 24,287.50	\$ 54,287.50
2023	30,000.00	22,787.50	52,787.50
2024	35,000.00	21,287.50	56,287.50
2025	35,000.00	19,537.50	54,537.50
2026	35,000.00	17,787.50	52,787.50
2027-2031	215,000.00	60,168.76	275,168.76
2032-2035	200,000.00	16,875.00	216,875.00
	<u>\$ 580,000.00</u>	<u>\$ 182,731.26</u>	<u>\$ 762,731.26</u>

B. Bond Anticipation Notes Payable – Short Term Debt

The Township had no bond anticipation notes outstanding in the Utility Capital Fund at December 31, 2021.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2021, the Township had \$30,400.00 in various Utility bonds and notes authorized but not issued.

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Township is as follows:

	Balance December 31, <u>2020</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2021</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 3,075,000.00	\$ -	\$ 490,000.00	\$ 2,585,000.00	\$ 535,000.00
Bond Anticipation Notes	2,735,895.00	5,675,395.00	2,735,895.00	5,675,395.00	5,675,395.00
	<u>\$ 5,810,895.00</u>	<u>\$ 5,675,395.00</u>	<u>\$ 3,225,895.00</u>	<u>\$ 8,260,395.00</u>	<u>\$ 6,210,395.00</u>
Utility Capital:					
Utility Bonds	\$ 610,000.00	\$ -	\$ 30,000.00	\$ 580,000.00	\$ 30,000.00
	<u>\$ 610,000.00</u>	<u>\$ -</u>	<u>\$ 30,000.00</u>	<u>\$ 580,000.00</u>	<u>\$ 30,000.00</u>

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 13. Deferred School Taxes

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local and regional school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

	Balance, December 31,	
<u>Local Taxes</u>	<u>2021</u>	<u>2020</u>
Total Balance of Local Tax	\$ -	\$ -
Deferred Taxes	-	-
Local Tax Payable	<u>\$ -</u>	<u>\$ -</u>

	Balance, December 31,	
<u>Regional Tax</u>	<u>2021</u>	<u>2020</u>
Total Balance of Regional Tax	\$ 3,657,541.77	\$ 3,512,355.21
Deferred Taxes	<u>724,910.00</u>	<u>724,910.00</u>
Regional Tax Payable	<u>\$ 2,932,631.77</u>	<u>\$ 2,787,445.21</u>

Note 14. 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 benefits of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 15. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$40,542.49 at December 31, 2021. The Township has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2021, the Township has reserved in the Other Trust Fund \$24,902.44 to fund compensated absences in accordance with NJSA 40A:4-39.

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 16. Risk Management

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

Joint Insurance Pool

The Township is a member of the Municipal Excess Liability Joint Insurance Fund. The Fund provides the Township with the following coverage:

Crime and Excess Crime Policy	\$ 2,000,000.00
Worker's Compensation & Employer's Liability	\$ 2,000,000.00
General Liability	\$ 2,000,000.00
Property Damage	\$ 2,000,000.00
Automobile Liability	\$ 2,000,000.00

Contributions to the Funds are based on actuarial assumptions determined by the Funds' actuaries. The Fund publishes its own financial report for the year ended December 31, 2021 which can be obtained on the Fund's website.

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed 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 unemployment trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Payable Cancelled</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ 10,399.62	\$ -	\$ 266.22	\$ 89,132.53
2020	357.85	-	235.98	78,999.13
2019	1,256.28	3,796.49	234.90	78,877.26

Note 17. Contingencies

Grantor Agencies

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2021, the Township estimates that no material liabilities will result from such audits.

**TOWNSHIP OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 17. Contingencies (continued)

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.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2021.

Note 18. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2021 the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

<u>Description</u>	<u>Balance December 31, 2021</u>	<u>2022 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:			
Overexpenditure of Appropriations	\$ 125.00	\$ -	\$ 125.00
Utility Operating Fund:			
Overexpenditure of Appropriation Reserves	11,015.38	11,015.38	-
General Capital Fund:			
Expenditure Without Appropriation	355,000.00	-	355,000.00

Note 19. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2021 and June 8, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. No items have come to the attention of the Township that would require disclosure.

SUPPLEMENTARY EXHIBITS

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CURRENT FUND

DRAFT

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**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$ 6,567,535.55
Increased By Receipts:		
Revenue Accounts Receivable	\$ 1,765,492.25	
Miscellaneous Revenue Not Anticipated	141,617.60	
Prepaid Taxes	303,509.67	
Taxes Receivable	29,407,434.26	
Tax Title and Other Liens	3,272.17	
Due from State of NJ Senior & Veterans Deductions	207,641.70	
Appropriation Reimbursements	192,862.57	
Due to State of NJ - Inspection Fees	16,101.00	
Due to State of NJ - Marriage Licenses	825.00	
Due from Municipal Open Space Trust Fund	15,546.34	
Due from Animal Control Trust Fund	2,595.60	
Due to General Capital Fund	10,000.00	
Federal and State Unappropriated	57,450.24	
Federal and State Receivables	712,167.89	
		<u>32,836,516.29</u>
Subtotal		39,404,051.84
Decreased By Disbursements:		
2021 Budget Appropriation	5,882,330.91	
2020 Budget Appropriation	517,440.58	
Local District School Taxes	12,758,088.00	
Regional School Taxes	7,766,634.44	
County Taxes	4,944,613.58	
Municipal Open Space Taxes	199,782.00	
Due to General Capital Fund	96.32	
Tax Overpayments	46,715.81	
Due to State of NJ - Inspection Fees	15,016.00	
Due to State of NJ - Marriage Licenses	900.00	
Federal and State Grant - Appropriated Reserves	192,839.46	
		<u>32,324,457.10</u>
Balance, December 31, 2021		<u><u>\$ 7,079,594.74</u></u>

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF CASH - CHANGE FUND
YEAR ENDED DECEMBER 31, 2021**

Office
Tax/Utility Collector
Municipal Clerk
Construction Office

	Balance
	December 31,
	<u>2021</u>
\$	150.00
	50.00
	<u>40.00</u>
\$	<u><u>240.00</u></u>

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2021**

Year	Balance December 31, 2020	2021 Levy	Added Taxes	Collections 2020	2021	Due From (To) State of New Jersey	Cancelled	Transferred To Tax Title Liens	Balance December 31, 2021
Arrears	\$ 19,358.68	\$ -	\$ -	-	\$ 17,626.61	\$ -	\$ -	\$ -	\$ 1,732.07
2019	501.17	-	-	-	501.17	-	-	-	-
2020	345,557.96	-	-	-	368,434.15	(9,897.63)	(12,978.56)	-	-
Subtotal	365,417.81	-	-	-	386,561.93	(9,897.63)	(12,978.56)	-	1,732.07
2021	-	29,867,634.39	23,088.93	280,667.51	28,955,590.55	220,802.69	79,513.66	44,492.66	309,656.25
\$	365,417.81	\$ 29,867,634.39	\$ 23,088.93	\$ 280,667.51	\$ 29,342,152.48	\$ 210,905.06	\$ 66,535.10	\$ 44,492.66	\$ 311,388.32
Cash Receipts									
Tax Overpayments Applied				\$ 29,407,434.26					
Tax Overpayments Created				(86,208.22)					
				\$ 29,342,152.48					
General Purpose				\$ 29,867,634.39					
Added Taxes (54:4-63.1 et seq)				23,088.93					
Total				\$ 29,890,723.32					
Analysis of Property Tax Levy									
Tax Levy:									
Local District School Tax				\$ 12,758,088.00					
Regional High School Tax Payable				7,911,821.00					
County Tax				\$ 4,302,413.74					
County Open Space Tax				252,475.40					
County Library Tax				382,297.09					
Due County for Added Taxes				3,819.92					
Total County Tax				4,941,006.15					
Municipal Open Space Tax				199,782.00					
Due Municipal Open Space for Added Taxes				154.04					
Total Municipal Open Space Tax				199,936.04					
Local Taxes for Municipal Purposes				4,070,811.10					
Add: Additional Tax Levied				9,061.03					
Total Local Tax for Municipal Purposes Levied				4,079,872.13					
				\$ 29,890,723.32					

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 1,046,540.44
Increased By:	
Transfers From Taxes Receivable	<u>44,492.66</u>
	1,091,033.10
Decreased By:	
Cash Receipts	<u>3,272.17</u>
Balance, December 31, 2021	<u><u>\$ 1,087,760.93</u></u>

**SCHEDULE OF TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 51,537.65
Increased By:	
Overpayments Created	<u>86,208.22</u>
	137,745.87
Decreased By:	
Overpayments Refunded	\$ 46,715.81
Overpayments Applied to Taxes	<u>20,926.44</u>
	<u>67,642.25</u>
Balance, December 31, 2021	<u><u>\$ 70,103.62</u></u>

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF TAX PENALTY RECEIVABLE
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 1,760.02
Increased By:	
Tax Penalties Assessed	<u>5,397.79</u>
	7,157.81
Decreased By:	
Cash Receipts	<u>6,412.44</u>
Balance, December 31, 2021	<u><u>\$ 745.37</u></u>

**SCHEDULE OF PREPAID TAXES
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 280,667.51
Increased By:	
Cash Receipts on 2022 Taxes	<u>303,509.67</u>
	584,177.18
Decreased By:	
Prepaid Taxes Applied in the Current Year	<u>280,667.51</u>
Balance, December 31, 2021	<u><u>\$ 303,509.67</u></u>

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY -
SENIOR CITIZEN AND VERAN DEDUCTIONS
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$ 166,779.62
Increased By:		
Cash Receipts		<u>207,641.70</u>
		374,421.32
Decreased By:		
Senior Citizen and Veterans Deductions per Tax Billings	\$ 218,250.00	
Deductions Allowed by Tax Collector - 2021 Taxes	9,250.00	
Deductions Disallowed by Tax Collector - 2021 Taxes	(6,697.31)	
Deductions Disallowed by Tax Collector - Prior Taxes	<u>(9,897.63)</u>	
		<u>210,905.06</u>
Balance, December 31, 2021		<u><u>\$ 163,516.26</u></u>

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2021 and 2020	<u><u>\$ 485,800.00</u></u>
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**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021**

	Balance December 31, <u>2020</u>	Accrued in <u>2021</u>	<u>Collections</u>	Balance December 31, <u>2021</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 12,500.00	\$ 12,500.00	\$ -
Other Licenses	-	710.00	710.00	-
Fees and Permits	-	83,270.50	83,270.50	-
Interest and Costs on Taxes	-	85,961.44	85,961.44	-
Interest on Investments and Deposits	-	30,906.65	30,906.65	-
Energy Receipts Tax	-	1,100,389.00	1,100,389.00	-
Garden State Trust Fund	-	8,427.00	8,427.00	-
Fees and Permits	-	240,702.00	240,702.00	-
Interlocal Service Agreements:				
Mansfield Township Municipal Court	5,478.35	75,662.78	78,063.74	3,077.39
Springfield Township - Tax Collector Services	-	14,382.00	14,382.00	-
Rental Income Good Farm	-	34,116.00	34,116.00	-
Cable TV Franchise Fees	-	49,693.92	49,693.92	-
Housing Inspections	-	26,370.00	26,370.00	-
	<u>\$ 5,478.35</u>	<u>\$ 1,763,091.29</u>	<u>\$ 1,765,492.25</u>	<u>\$ 3,077.39</u>

TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

	Balance December 31, <u>2020</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
GENERAL GOVERNMENT				
Human Resources (Personnel):				
Other Expenses	\$ 236.50	\$ 236.50	\$ -	\$ 236.50
Executive:				
Salaries and Wages	5,023.69	1,023.69	-	1,023.69
Other Expenses	7,930.87	9,915.28	4,398.22	5,517.06
Municipal Clerk:				
Salaries and Wages	97.51	97.51	-	97.51
Other Expenses	2,367.02	2,367.02	-	2,367.02
Data Processing:				
Salaries and Wages	0.24	0.24	-	0.24
Other Expenses	1,584.69	1,784.10	1,411.21	372.89
Financial Administration:				
Salaries and Wages	-	1.00	-	1.00
Other Expenses	470.42	470.42	-	470.42
Audit Services:				
Other Expenses	1,653.72	1,653.72	1,653.72	-
Revenue - Administration (Tax Collection):				
Salaries and Wages	82.75	82.75	-	82.75
Other Expenses	1,324.42	1,432.99	207.57	1,225.42
Tax Assessment - Administration				
Salaries and Wages	1,066.19	1,066.19	-	1,066.19
Other Expenses:				
Revision of Tax Map	61.47	132.99	-	132.99
Miscellaneous	3,708.00	8,208.00	6,603.00	1,605.00
Legal Services:				
Other Expenses	6,047.04	6,047.04	2,439.20	3,607.84
Engineering Services:				
Other Expenses	13,732.63	59,304.32	42,763.99	16,540.33
Historical Sites Office:				
Salaries and Wages	-	260.00	260.00	-
Other Expenses	255.00	255.00	-	255.00
Municipal Court:				
Other Expenses	1,875.25	1,875.25	-	1,875.25
Land Use - Administration:				
Planning Board:				
Salaries and Wages	406.70	406.70	-	406.70
Other Expenses:				
Legal	2,000.17	2,000.17	2,000.17	-
Engineering	101.95	101.95	101.95	-
Miscellaneous	1,167.00	2,791.00	1,624.00	1,167.00
Zoning Board of Adjustment:				
Salaries and Wages	1.69	1.69	-	1.69
Other Expenses:				
Legal	5,672.25	5,672.25	176.00	5,496.25
Engineering	134.50	500.00	365.50	134.50
Miscellaneous	1,010.24	2,633.24	1,660.50	972.74
Planner				
Other Expenses	6,796.47	6,796.47	1,929.03	4,867.44

TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

	Balance December 31, <u>2020</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Zoning Board: Salaries and Wages	0.05	0.05	-	0.05
INSURANCE				
General Liability	2,000.00	2,000.00	-	2,000.00
Employee Group Health	79,063.05	79,063.05	-	79,063.05
Unemployment Insurance	1.30	1.30	-	1.30
Other Insurance Premiums	214.84	7,939.48	7,790.64	148.84
Flexible Spending Account	4,450.00	4,450.00	50.00	4,400.00
PUBLIC SAFETY:				
Office of Emergency Management:				
Other Expenses	1,512.53	1,550.27	37.74	1,512.53
Aid to Volunteer Fire Companies:				
Other Expenses	117.61	1,731.64	1,614.03	117.61
Reverse 911 Coordinator	3.25	3.25	-	3.25
Reverse 911 Social Media Coordinator	-	100.00	100.00	-
Parking Offenses Adjudication Acct/POAA	1,000.00	1,000.00	-	1,000.00
PUBLIC WORK FUNCTIONS				
Streets and Road Maintenance:				
Salaries and Wages	18,329.01	9,829.01	-	9,829.01
Other Expenses	5,585.85	116,481.56	110,382.64	6,098.92
Other Public Works Functions:				
Shade Tree	125.00	125.00	-	125.00
Other Expenses	926.06	2,961.01	1,884.95	1,076.06
Recycling:				
Other Expenses	970.29	970.29	-	970.29
Garbage and Trash Removal:				
Salaries and Wages	12,824.69	12,824.69	2,984.48	9,840.21
Other Expenses	2,292.30	2,292.30	-	2,292.30
Buildings and Grounds:				
Salaries and Wages	17,147.00	17,147.00	-	17,147.00
Other Expenses	21,869.35	75,348.07	54,146.05	21,202.02
Vehicle Maintenance:				
Other Expenses	9,335.66	134,822.44	133,515.75	1,306.69
HEALTH AND HUMAN SERVICES				
Vital Statistics:				
Salaries and Wages	416.12	416.12	-	416.12
Other Expenses	601.50	826.50	210.00	616.50
Environmental Commission:				
Salaries and Wages	750.00	750.00	-	750.00
Other Expenses	1,000.00	1,000.00	-	1,000.00
Animal Control Services:				
Other Expenses	1,523.81	1,523.81	1,500.00	23.81
Welfare/Administration of Public Assistance:				
Other Expenses	110.00	110.00	-	110.00

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021**

	Balance December 31, <u>2020</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
PARK AND RECREATION FUNCTIONS				
Maintenance of Parks:				
Other Expenses	835.15	10,201.22	9,057.33	1,143.89
Celebration of Public Events:				
Other Expenses	17,353.25	14,371.15	507.78	13,863.37
SANITATION				
Landfill/Solid Waste Costs:				
Other Expenses - Contractual	31,054.74	34,159.74	33,667.92	491.82
UNCLASSIFIED				
Registration of Bonds	400.00	400.00	-	400.00
JIF Wellness Program	406.06	406.06	-	406.06
CODE ENFORCEMENT AND ADMINISTRATION				
Uniform Construction Code Enforcement:				
Salaries and Wages	2,278.59	2,279.59	-	2,279.59
Other Expenses	5,852.86	8,105.02	2,629.31	5,475.71
Sub Code Officials:				
Plumbing Inspector:				
Salaries and Wages	92.15	92.15	-	92.15
Fire Protection Official:				
Salaries and Wages	173.51	173.51	-	173.51
UTILITY EXPENSES AND BULK PURCHASES				
Electricity	538.05	1,695.17	1,562.92	132.25
Street Lighting	19,890.69	21,155.51	15,084.83	6,070.68
Telecommunications	737.42	1,051.12	343.73	707.39
Water	607.82	790.79	221.83	568.96
Propane	2,000.00	2,000.00	-	2,000.00
Fuel Oil	2,301.51	2,301.51	1,364.53	936.98
Natural Gas	973.17	1,176.64	203.47	973.17
Gasoline/Diesel	6,041.15	6,706.78	1,590.50	5,116.28
Fire Hydrants	4,550.14	5,680.38	2,260.48	3,419.90
Sewerage Processing	351.61	981.19	657.58	323.61
STATUTORY EXPENDITURES:				
Contribution To:				
Social Security System (O.A.S.I.)	2,031.17	2,031.17	-	2,031.17
Defined Contribution Retirement Plan	188.13	188.13	-	188.13
PERS - Reto from 2012/13	0.30	0.30	-	0.30

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021**

	Balance December 31, <u>2020</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATIONS EXCLUDED FROM CAPS				
Stormwater Permits (NJDEP)				
Street Division:				
Salaries and Wages	32,309.42	32,309.42	845.44	31,463.98
Other Expenses	488.75	54,933.99	38,621.52	16,312.47
Emergency Services Volunteer Length of Service				
Awards Program (LOSAP)	46,000.00	46,000.00	22,600.00	23,400.00
Emergency Service Coronavirus 19	10,437.41	12,417.41	1,980.00	10,437.41
Shared Service Agreements:				
Township of Mansfield:				
Municipal Court				
Other Expense	1,200.00	1,200.00	-	1,200.00
Township of Tabernacle:				
Other Expenses	7,500.00	7,500.00	-	7,500.00
Township of Lumberton				
Vehicle Fueling	41,328.29	41,328.29	4,847.57	36,480.72
Total General Appropriations	<u>\$ 484,898.99</u>	<u>\$ 904,020.56</u>	<u>\$ 519,857.08</u>	<u>\$ 384,163.48</u>
Appropriation Reserves		\$ 484,898.99		
Reserve for Encumbrances		<u>419,121.57</u>		
		<u>\$ 904,020.56</u>		
			\$ 517,440.58	
			<u>2,416.50</u>	
			<u>\$ 519,857.08</u>	

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 419,121.57
Increased By:	
Charges to 2021 Appropriations	<u>157,615.43</u>
	576,737.00
Decreased By:	
Transferred to Appropriation Reserves	<u>419,121.57</u>
Balance, December 31, 2021	<u><u>\$ 157,615.43</u></u>

**SCHEDULE OF ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 24,785.00
Increased By:	
Transfers from Appropriation Reserves	<u>2,416.50</u>
Balance, December 31, 2021	<u><u>\$ 27,201.50</u></u>

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ -
Increased By:	
Levy for Calendar Year 2021	<u>12,758,088.00</u>
	12,758,088.00
Decreased By:	
Cash Disbursements	<u>12,758,088.00</u>
Balance, December 31, 2021	<u><u>\$ -</u></u>

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		
School Tax Payable	\$ 2,787,445.21	
School Tax Deferred	<u>724,910.00</u>	
		\$ 3,512,355.21
Increased By:		
Levy (School Year July 1, 2021 to June 30, 2022)		<u>7,911,821.00</u>
		11,424,176.21
Decreased By:		
Cash Disbursements		<u>7,766,634.44</u>
Balance, December 31, 2021		
School Tax Payable	2,932,631.77	
School Tax Deferred	<u>724,910.00</u>	
		<u>\$ 3,657,541.77</u>
Local District School Tax Liability:		
Cash Payments		\$ 7,766,634.44
School Tax Payable December 31, 2021		<u>2,932,631.77</u>
Total		10,699,266.21
School Tax Payable December 31, 2020		<u>2,787,445.21</u>
Amount Charged To 2021 Operations		<u>\$ 7,911,821.00</u>

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF MUNICIPAL OPEN SPACE TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$	(15,546.34)
Increased By:			
Levy for Calendar Year 2021	\$	199,782.00	
Added Taxes		154.04	
Cash Receipts - Interfund Returned		<u>15,546.34</u>	
			<u>215,482.38</u>
			199,936.04
Decreased By:			
Cash Disbursements			<u>199,782.00</u>
Balance, December 31, 2021		<u>\$</u>	<u>154.04</u>

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$	8,030.87
Increased By:			
County Tax Levy	\$	4,302,413.74	
County Open Space Tax Levy		252,475.40	
County Library Tax Levy		382,297.09	
County Added & Omitted Taxes		<u>3,819.92</u>	
			<u>4,941,006.15</u>
			4,949,037.02
Decreased By:			
Cash Disbursements			<u>4,944,613.58</u>
Balance, December 31, 2021		\$	<u><u>4,423.44</u></u>
 Prior Year County Open Space Taxes		\$	603.52
County Added & Omitted Taxes			<u>3,819.92</u>
		\$	<u><u>4,423.44</u></u>

**TOWNSHIP OF SOUTHAMPTON
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY -
INSPECTION FEES
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 4,039.00
Increased By:	
Cash Receipts	<u>16,101.00</u>
	20,140.00
Decreased By:	
Cash Disbursements	<u>15,016.00</u>
Balance, December 31, 2021	<u><u>\$ 5,124.00</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY -
MARRIAGE LICENSE FEES
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 275.00
Increased By:	
Cash Receipts	<u>825.00</u>
	1,100.00
Decreased By:	
Cash Disbursements	<u>900.00</u>
Balance, December 31, 2021	<u><u>\$ 200.00</u></u>

**TOWNSHIP OF SOUTHAMPTON
GRANT FUND
SCHEDULE OF FEDERAL & STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021**

	Balance December 31, <u>2020</u>	Increased By Revenue Anticipated <u>2021</u>	Cash Receipts <u></u>	Cancelled	Balance December 31, <u>2021</u>
State Grants:					
Clean Communities Program	\$ -	\$ 34,135.33	\$ 34,135.33	\$ -	\$ -
Recycling Tonnage Grant	22,125.00	13,742.00	13,741.56	-	22,125.44
NJDOT - Hawkin Road Reconstruction	250,000.00	-	-	-	250,000.00
NJDOT - Stagecoach Road Resurface	68,392.00	-	63,476.47	-	4,915.53
NJDOT - Retreat Road Resurfacing	246,000.00	-	-	-	246,000.00
NJDOT - Retreat Road Resurfacing - 2021	-	176,000.00	-	-	176,000.00
Federal Grants:					
Community Development Block Grant	65,000.00	-	-	-	65,000.00
Community Development Block Grant - Phase III	1,740.00	-	-	-	1,740.00
Burlington County Emergency Management Assistance	-	10,000.00	10,000.00	-	-
COVID-19 American Rescue Plan	-	528,314.53	528,314.53	-	-
Local Grants:					
Burlington County - Municipal Park Development	62,500.00	-	62,500.00	-	-
	<u>\$ 715,757.00</u>	<u>\$ 762,191.86</u>	<u>\$ 712,167.89</u>	<u>\$ -</u>	<u>\$ 765,780.97</u>

**TOWNSHIP OF SOUTHAMPTON
GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL & STATE GRANTS - APPROPRIATED
YEAR ENDED DECEMBER 31, 2021**

	Balance December 31, 2020	2021 Authorizations	Transferred From Encumbrances	Expended	Encumbered	Cancelled	Balance December 31, 2021
STATE GRANTS							
Clean Communities Program - 2015	\$ 16,135.19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,135.19
Clean Communities Program - 2019	-	-	467.80	467.80	-	-	-
Clean Communities Program - 2020	21,107.17	-	5,821.73	23,006.91	-	-	3,921.99
Clean Communities Program - 2021	-	34,135.33	-	2,474.73	-	-	31,660.60
Recycling Tonnage Grant - 2020	20,863.66	-	95.00	6,546.32	-	-	14,412.34
Recycling Tonnage Grant - 2021	-	13,742.00	-	6,734.72	6,788.25	-	219.03
NJDOT - Hawkin Road Reconstruction - Phase II	68,086.87	-	181,913.13	153,608.98	28,304.15	-	68,086.87
NJDOT - Stagecoach Road Resurface	4,915.53	-	-	-	-	-	4,915.53
NJDOT - Retreat Road Resurfacing	246,000.00	-	-	-	-	-	246,000.00
NJDOT - Retreat Road Resurfacing - 2021	-	176,000.00	-	-	-	-	176,000.00
Total State	377,108.42	223,877.33	188,297.66	192,839.46	35,092.40	-	561,351.55
FEDERAL GRANTS							
Burlington County CDBG Holly Blvd - Phase II	60,000.00	-	-	-	-	-	60,000.00
Burlington County CDBG - Phase III	-	-	1,740.00	-	1,740.00	-	-
Burlington County Emergency Management Assistance	-	10,000.00	-	-	-	-	10,000.00
COVID-19 American Rescue Plan	-	528,314.53	-	-	50,000.00	-	478,314.53
Total Federal	60,000.00	538,314.53	1,740.00	-	51,740.00	-	548,314.53
LOCAL GRANTS							
Matching Funds for Grants	4,965.95	-	-	-	-	-	4,965.95
Reserve OTB Retaining Wall	50,000.00	-	-	-	-	-	50,000.00
Total Local	54,965.95	-	-	-	-	-	54,965.95
Total	\$ 492,074.37	\$ 762,191.86	\$ 190,037.66	\$ 192,839.46	\$ 86,832.40	\$ -	\$ 1,164,632.03

**TOWNSHIP OF SOUTHAMPTON
GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL & STATE GRANTS - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2021**

	Balance December 31, <u>2020</u>	Cash <u>Receipts</u>	Balance December 31, <u>2021</u>
Recycling Tonnage Grant	\$ 7,713.15	\$ -	\$ 7,713.15
Burlington County Grant	21,655.45	-	21,655.45
Coronavirus Relief Fund	-	57,450.24	57,450.24
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	\$ 29,368.60	\$ 57,450.24	\$ 86,818.84
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TRUST FUND

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**TOWNSHIP OF SOUTHAMPTON
TRUST FUND
SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2021**

	Animal Control	Other Trust Funds - Chief	Municipal Open Space	Other Trust Funds - Tax
Balance, December 31, 2020	\$ 14,325.40	\$ 429,033.23	\$ 388,753.69	\$ 438,400.01
Increased By Receipts:				
Due To:				
Current Fund	727.39	-	-	-
State of New Jersey	940.20	-	-	-
Dog Licenses Collected	5,040.80	-	-	-
Reserve for:				
Future Use	-	-	200,230.44	-
Other Receipts	114.40	246,330.29	-	589,847.69
	<u>21,148.19</u>	<u>675,363.52</u>	<u>588,984.13</u>	<u>1,028,247.70</u>
Decreased By Disbursements:				
Dog Fund Expenditures	1,218.00	-	-	-
Due to State of New Jersey	939.60	-	-	-
Due to Current Fund	2,614.19	-	15,546.34	-
Current Year Appropriations	-	-	100,000.00	-
Other Reserves	-	151,617.99	-	418,247.69
	<u>4,771.79</u>	<u>151,617.99</u>	<u>115,546.34</u>	<u>418,247.69</u>
Balance, December 31, 2021	<u><u>\$ 16,376.40</u></u>	<u><u>\$ 523,745.53</u></u>	<u><u>\$ 473,437.79</u></u>	<u><u>\$ 610,000.01</u></u>

**TOWNSHIP OF SOUTHAMPTON
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$	11,723.60
Increased By:			
Cancelled Prior Outstanding Checks	\$	114.40	
Dog License Fees Collected		<u>5,040.80</u>	
			<u>5,155.20</u>
			16,878.80
Decreased By:			
Expenditures Under R.S. 4:19-15:11		1,218.00	
Statutory Excess		<u>5,118.00</u>	
			<u>6,336.00</u>
			<u><u>\$ 10,542.80</u></u>

License Fees Collected

2020	\$	5,005.00
2019		<u>5,537.80</u>
		<u><u>\$ 10,542.80</u></u>

**TOWNSHIP OF SOUTHAMPTON
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 6.20
Increased By:	
2021 License Fees	<u>940.20</u>
	946.40
Decreased By:	
Payments	<u>939.60</u>
Balance, December 31, 2021	<u><u>\$ 6.80</u></u>

**TOWNSHIP OF SOUTHAMPTON
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO CURRENT FUND
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$	2,595.60
Increased By:			
Interest Receipts	\$	18.59	
Cash Receipts		708.80	
Statutory Excess		<u>5,118.00</u>	
			<u>5,845.39</u>
			8,440.99
Decreased By:			
Cash Disbursement			<u>2,614.19</u>
Balance, December 31, 2021		\$	<u><u>5,826.80</u></u>

**TOWNSHIP OF SOUTHAMPTON
TRUST FUND
SCHEDULE OF VARIOUS TRUST FUND RESERVES
YEAR ENDED DECEMBER 31, 2021**

	Balance December 31, <u>2020</u>	<u>Receipts</u>	Cash <u>Disbursed</u>	Balance December 31, <u>2021</u>
General Escrow	\$ 211,286.27	\$ 112,045.69	\$ 129,461.99	\$ 193,869.97
Accumulated Absences	22,902.44	2,022.38	22.38	24,902.44
Third Party Tax Title Liens	75,000.01	332,347.69	232,347.69	175,000.01
Tax Sale Premiums	363,400.00	257,500.00	185,900.00	435,000.00
Recreation	8,695.83	5.52	2,504.93	6,196.42
Snow Removal	89,027.79	80,816.37	78.54	169,765.62
Unemployment	78,999.13	10,399.62	266.22	89,132.53
Public Events	18,053.01	21,040.71	19,283.93	19,809.79
Street Lighting Improvements	1,000.60	-	-	1,000.60
Abandoned Property Maintenance	10,000.00	20,000.00	-	30,000.00
	<u>\$ 878,365.08</u>	<u>\$ 836,177.98</u>	<u>\$ 569,865.68</u>	<u>\$ 1,144,677.38</u>

Cash - Chief Financial Officer	\$ 246,330.29	\$ 151,617.99
Cash - Tax Collector	589,847.69	418,247.69
	<u>\$ 836,177.98</u>	<u>\$ 569,865.68</u>

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GENERAL CAPITAL FUND

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**TOWNSHIP OF SOUTHAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$	684,339.84
Increased By:			
Due to Current Fund - Interest Earned on Deposits	\$	1,715.30	
Due to Current Fund		96.32	
Budget Appropriation:			
Capital Improvement Fund		200,000.00	
Reserve for Fire Truck		25,000.00	
Reserve for Public Works Equipment		33,901.00	
Reserve for Fire Truck - Insurance Proceeds		306,575.00	
Due From Current Fund - BAN Paydown		565,500.00	
Premium on Bond Anticipation Notes Issued		30,122.58	
Bond Anticipation Notes		5,675,395.00	
			<u>6,838,305.20</u>
			7,522,645.04
Decreased by:			
Improvement Authorizations		45,214.57	
Contracts Payable		31,746.35	
Due to Current Fund - Interest Earned on Deposits		1,536.87	
Deferred Charge - Expenditure Without Appropriation		355,000.00	
Bond Anticipation Notes		2,735,895.00	
			<u>3,169,392.79</u>
Balance, December 31, 2021		\$	<u><u>4,353,252.25</u></u>

TOWNSHIP OF SOUTHAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2021

	Balance December 31, 2020	Receipts		Disbursements			Balance December 31, 2021
		Budget Appropriation	Anticipation Notes	Miscellaneous	Improvement Authorizations	Anticipation Notes	
Fund Balance	\$ 92,418.84	\$ -	\$ 30,122.58	\$ -	\$ -	\$ -	\$ 122,541.42
Capital Improvement Fund	250,250.00	200,000.00	-	-	-	(185,000.00)	265,250.00
Deferred Charge - Expenditure without Appropriation	-	-	-	-	-	-	(355,000.00)
Reserve to Pay Debt Service	601.00	-	-	-	-	-	601.00
Reserve for Assessment Revaluation	2,000.00	-	-	-	-	-	2,000.00
Reserve for Fire Truck	92,425.00	25,000.00	-	306,575.00	-	-	399,000.00
Reserve for Public Works Equipment	50,000.00	33,901.00	-	-	-	(25,000.00)	83,901.00
Down Payment of Capital Improvements	321.00	-	-	-	-	-	321.00
Due to/(from) Current Fund	2,317.08	-	-	1,811.62	-	-	(7,408.17)
Encumbrances Payable	650.00	-	-	-	-	-	18,350.00
Contracts Payable	114,393.07	-	-	-	31,746.35	-	282,646.72
Ordinance							
Number							
2013-17	511.50	-	507,395.00	290,000.00	-	807,395.00	511.50
2017-04	55,645.94	-	1,653,000.00	275,500.00	20,214.57	1,928,500.00	35,431.37
2019-07	17,500.00	-	-	-	-	-	-
2019-08	4,456.41	-	-	-	-	-	4,456.41
2020-06	850.00	-	-	-	-	-	650.00
2021-08	-	-	-	-	25,000.00	-	-
2021-13	-	-	-	-	-	-	-
Acquisition of Various Capital Equipment and the							
Reconstruction and/or Resurfacing of Various Roads	-	-	3,040,000.00	-	-	-	3,200,000.00
- Various Road Reconstruction and Resurfacing	-	-	285,000.00	-	-	-	300,000.00
- Various Equipment - Public Works	-	-	190,000.00	-	-	-	-
- Various Equipment - Fire Department	-	-	-	-	-	-	-
	\$ 684,339.84	\$ 258,901.00	\$ 5,705,517.58	\$ 873,886.62	\$ 76,960.92	\$ 2,735,895.00	\$ 4,353,252.25

**TOWNSHIP OF SOUTHAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 250,250.00
Increased By:	
Budget Appropriation	<u>200,000.00</u>
	450,250.00
Decreased By:	
Down Payment for Improvement Authorizations	<u>185,000.00</u>
Balance, December 31, 2021	<u><u>\$ 265,250.00</u></u>

**TOWNSHIP OF SOUTHAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 3,075,000.00
Decreased By:	
Bond Principal Paid	<u>490,000.00</u>
Balance, December 31, 2021	<u><u>\$ 2,585,000.00</u></u>

TOWNSHIP OF SOUTHAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2021

Ordinance No.	Improvement Description	Balance December 31, 2020	Current Year Authorizations	Notes Paid By Budget Appropriation	Balance December 31, 2021	Analysis of Balance	
						Bond Anticipation	Notes
2013-17	Purchase Fire Truck and Real Property	\$ 807,395.00	\$ -	\$ 300,000.00	\$ 507,395.00	\$	507,395.00
2017-04	Reconstruction and/or Repaving of Various Roads	1,928,500.00	-	275,500.00	1,653,000.00		1,653,000.00
2021-13	Acquisition of Various Capital Equipment and the Reconstruction and/or Resurfacing of Various Roads	-	3,515,000.00	-	3,515,000.00		3,515,000.00
		<u>\$ 2,735,895.00</u>	<u>\$ 3,515,000.00</u>	<u>\$ 575,500.00</u>	<u>\$ 5,675,395.00</u>	<u>\$</u>	<u>5,675,395.00</u>

**TOWNSHIP OF SOUTHAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2021**

Ordinance Date	Improvement Description	Balance December 31, 2020		2021 Authorizations	Encumbrances Reclassified	Expended	Contracts Payable	Balance December 31, 2021	
		Funded	Unfunded					Funded	Unfunded
2013-17	Purchase Fire Truck and Real Property	\$ -	\$ 511.50	-	\$ -	-	\$ -	-	\$ 511.50
2017-04	Reconstruction and/or Repaving of Various Roads	-	55,645.94	-	-	20,214.57	-	-	35,431.37
2019-07	Replacement/Repair of Public Works Vehicles	17,500.00	-	-	-	17,500.00	-	-	-
2019-08	Repair and Pave Various Township Roads	4,456.41	-	-	-	-	-	4,456.41	-
2020-06	Municipal Building and Recreation Facility Impr.	850.00	-	-	650.00	850.00	-	650.00	-
2021-08	Purchase Fire Tanker Truck	-	-	25,000.00	-	25,000.00	-	-	-
2021-13	Acquisition of Various Capital Equipment and the Reconstruction and/or Resurfacing of Various Roads	-	-	-	-	-	-	-	-
	- Various Road Reconstruction and Resurfacing	-	-	3,200,000.00	-	-	-	160,000.00	3,040,000.00
	- Various Equipment - Public Works	-	-	300,000.00	-	-	-	15,000.00	285,000.00
	- Various Equipment - Fire Department	-	-	200,000.00	-	-	200,000.00	-	-
		\$ 22,806.41	\$ 56,157.44	\$ 3,725,000.00	\$ 650.00	\$ 63,564.57	\$ 200,000.00	\$ 180,106.41	\$ 3,360,942.87

Reserve for Fire Truck \$ 25,000.00
 Capital Improvement Fund 185,000.00
 Deferred Charges - Unfunded 3,515,000.00
\$ 3,725,000.00

Cash Disbursed \$ 45,214.57
 Encumbrances Payable 18,350.00
\$ 63,564.57

**TOWNSHIP OF SOUTHAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 650.00
Increased By:	
Current Year Charges for Improvement Authorizations	<u>18,350.00</u>
	19,000.00
Decreased By:	
Reclassified to Improvement Authorizations	<u>650.00</u>
Balance, December 31, 2021	<u><u>\$ 18,350.00</u></u>

**SCHEDULE OF CONTRACTS PAYABLE
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 114,393.07
Increased By:	
Contracts Executed in the Current Year	<u>200,000.00</u>
	314,393.07
Decreased By:	
Cash Disbursements	<u>31,746.35</u>
Balance, December 31, 2021	<u><u>\$ 282,646.72</u></u>

**TOWNSHIP OF SOUTHAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2021**

Purpose	Date of Issue	Amount of Original Issue	Maturities of 2021		Interest Rate	Balance December 31, 2020	Decreased	Balance December 31, 2021
			Date	Principal				
2014 Refunding Bonds	12/23/2014	\$ 5,890,000.00	7/1/2022	\$ 535,000.00	2.50%	\$ 3,075,000.00	\$ 490,000.00	\$ 2,585,000.00
			7/1/2023	525,000.00	2.75%			
			7/1/2024	515,000.00	3.00%			
			7/1/2025	510,000.00	3.00%			
			7/1/2026	500,000.00	3.00%			
						\$ 3,075,000.00	\$ 490,000.00	\$ 2,585,000.00

**TOWNSHIP OF SOUTHAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2021**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>December 31, 2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31, 2021</u>
2013-17	Statutory Excess Purchase of Fire Truck and Real Property	10/11/2013	7/9/2020 7/7/2021	7/8/2021 7/6/2022	1.250% 1.000%	\$ 807,395.00 -	\$ - 507,395.00	\$ 807,395.00 -	\$ - 507,395.00
2017-04	Reconstruction and/or Repaving of Various Roads	7/18/2017	7/9/2020 7/7/2021	7/8/2021 7/6/2022	1.250% 1.000%	1,928,500.00 -	- 1,653,000.00	1,928,500.00 -	- 1,653,000.00
2021-13	Acquisition of Various Capital Equipment and the Reconstruction and/or Resurfacing of Various Roads	10/13/2021	10/13/2021	7/6/2022	1.000%	-	3,515,000.00	-	3,515,000.00
						<u>\$ 2,735,895.00</u>	<u>\$ 5,675,395.00</u>	<u>\$ 2,735,895.00</u>	<u>\$ 5,675,395.00</u>
						Issuance of Notes			
						Paid By Budget Appropriation			
						Paid By Open Space Trust Fund			
						Renewal			
						\$ 3,515,000.00			
						-			
						565,500.00			
						-			
						10,000.00			
						<u>2,160,395.00</u>			
						<u>\$ 5,675,395.00</u>			
						<u>\$ 2,735,895.00</u>			

**TOWNSHIP OF SOUTHAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2021**

<u>Ordinance No.</u>	<u>Improvement Description</u>	Balance December 31, 2020	2021 <u>Authorizations</u>	<u>BANS Issued</u>	Balance December 31, 2021
2021-13	Acquisition of Various Capital Equipment and the Reconstruction and/or Resurfacing of Various Roads	\$ -	\$ 3,515,000.00	\$ 3,515,000.00	\$ -
		\$ -	\$ 3,515,000.00	\$ 3,515,000.00	\$ -

SEWER UTILILTY FUND

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**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2021**

	Operating	Capital
Balance, December 31, 2020	\$ 82,387.62	\$ 100,000.00
Increased By Receipts:		
Consumer Accounts Receivable	\$ 292,773.49	\$ -
Miscellaneous Revenue Not Anticipated	5,984.97	-
Reserve for Maintenance to Sewer Plant	-	50,000.00
Due to Operating Fund - Interest Earned on Deposits	-	139.03
	<u>298,758.46</u>	<u>50,139.03</u>
	381,146.08	150,139.03
Decreased By Disbursements:		
2021 Budget Appropriations	182,463.07	-
2020 Appropriation Reserves	38,828.42	-
Accrued Interest on Bonds	25,786.77	-
Due to Operating Fund - Interest Earned on Deposits	-	139.03
	<u>247,078.26</u>	<u>139.03</u>
Balance, December 31, 2021	<u>\$ 134,067.82</u>	<u>\$ 150,000.00</u>

**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH
YEAR ENDED DECEMBER 31, 2021**

		Balance December 31, <u>2021</u>
Capital Improvement Fund		\$ 28,824.00
Due from Sewer Utility Operating Fund		(30,424.00)
Reserve for Maintenance to Sewer Plant		150,000.00
<u>Ordinance Number</u>	<u>Improvement Description</u>	
2014-08	Preliminary Cost Associated with Improvement to Sewer System	<u>1,600.00</u>
		<u><u>\$ 150,000.00</u></u>

**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$	49,222.97
Increased by:			
Overpayments Collected	\$	2,274.00	
Rents Levied - Net		<u>284,104.05</u>	
			<u>286,378.05</u>
			335,601.02
Decreased By:			
Cash Collections		292,773.49	
Overpayments Applied		2,074.49	
Transfer to Liens		<u>690.00</u>	
			<u>295,537.98</u>
Balance, December 31, 2021		\$	<u><u>40,063.04</u></u>

**SCHEDULE OF SEWER LIENS RECEIVABLE
YEAR ENDED DECEMBER, 31 2021**

Balance, December 31, 2020	\$	9,048.00
Increased By:		
Transfer from Current Year Receivable		<u>690.00</u>
		9,738.00
Decreased By:		
Adjustment		<u>6,748.37</u>
Balance, December 31, 2021	\$	<u><u>2,989.63</u></u>

**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021**

	Balance December 31, <u>2020</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	<u>Overexpenditure</u>
Operating: Other Expenses	\$ 27,304.94	\$ 27,813.04	\$ 38,828.42	\$ 11,015.38
	<u>\$ 27,304.94</u>	<u>\$ 27,813.04</u>	<u>\$ 38,828.42</u>	<u>\$ 11,015.38</u>
Appropriation Reserves		\$ 27,304.94		
Encumbrances Payable		<u>508.10</u>		
		<u>\$ 27,813.04</u>		

**SCHEDULE OF RESERVE FOR ENCUMBRANCES
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 508.10
Increased By:	
Charges to Current Year Appropriations	<u>1,060.37</u>
Subtotal	1,568.47
Decreased By:	
Transfer to Appropriation Reserve	<u>508.10</u>
Balance, December 31, 2021	<u>\$ 1,060.37</u>

**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 2,148.96
Increased By:	
Budget Appropriation	<u>25,661.77</u>
	27,810.73
Decreased By:	
Interest Paid in Cash	<u>25,786.77</u>
Balance, December 31, 2021	<u><u>\$ 2,023.96</u></u>

Analysis of Balance, December 31, 2021

<u>Outstanding December 31, 2021</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$ 580,000.00	Various	12/1/2021	12/31/2021	1 Month	<u>\$ 2,023.96</u>
					<u><u>\$ 2,023.96</u></u>

**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2021**

<u>Number</u>	<u>Description</u>	<u>Date</u>	<u>Ordinance</u>	<u>Amount</u>	<u>Balance</u>	
					<u>Funded</u>	<u>Unfunded</u>
					<u>December 31, 2021 & 2020</u>	
2014-08	Preliminary Cost Associated with Improvement to Sewer System	5/20/2014	\$	32,000.00	\$ 1,600.00	\$ 30,400.00
			\$		<u>\$ 1,600.00</u>	<u>\$ 30,400.00</u>

**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2021**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding 2021		Interest Rate	Balance	
			Date	Principal		December 31, 2020	December 31, 2021
Refunding Bonds	3/11/2013	\$ 810,000.00	12/1/22-23	\$ 30,000.00	5.000%	\$ 610,000.00	\$ 30,000.00
			12/1/24-26	35,000.00	5.000%		
			12/1/27-28	40,000.00	5.000%		
			12/1/2029	45,000.00	5.000%		
			12/1/30-31	45,000.00	3.375%		
			12/1/32-35	50,000.00	3.375%		
						<u>\$ 610,000.00</u>	<u>\$ 30,000.00</u>
						\$ 610,000.00	\$ 580,000.00

**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 16,824.00
Increased By:	
Sewer Operating Budget Appropriations	<u>12,000.00</u>
Balance, December 31, 2021	<u><u>\$ 28,824.00</u></u>

**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2021**

<u>Ordinance Number</u>	<u>Description</u>	<u>Date of Ordinance</u>	<u>Amount</u>	<u>Balance December 31, 2021 & 2020</u>
2014-08	Preliminary Cost Associated with Improvement to Sewer System	5/20/2014	\$ 32,000.00	<u>\$ 32,000.00</u>
				<u><u>\$ 32,000.00</u></u>

**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF USDA LOANS AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2021**

<u>Ordinance Number</u>	<u>Description</u>	<u>Date of Ordinance</u>	<u>Balance December 31, 2021 & 2020</u>
2014-08	Preliminary Cost Associated with Improvement to Sewer System	5/20/2014	\$ 30,400.00
			<u>\$ 30,400.00</u>

**TOWNSHIP OF SOUTHAMPTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2021**

	Balance December 31, 2021 & 2020
Sewer:	
Construction of Sewerage Collection System in the Village of Vincentown	<u>\$ 2,295,000.00</u>
	<u><u>\$ 2,295,000.00</u></u>

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TOWNSHIP OF SOUTHAMPTON

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENTAL AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**TOWNSHIP OF SOUTHAMPTON
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

***Finding 2021-001**

Criteria or specific requirement:

N.J.A.C. 5:31-7 requires an effective accounting system to include double- entry accounting for all transactions resulting in a general ledger.

Condition:

Although the subsidiary accounting records were balanced, the general ledger for all funds was not properly maintained and as a result material audit adjustments were needed in order to achieve proper presentation in the financial statements.

Cause:

Internal control policies and procedures are not in place to properly maintain the Township's general ledger.

Effect or potential effect:

Non-compliance with N.J.A.C. 5:31-7.

Recommendation:

That the general ledger for all funds be accurately and completely maintained to ensure adequate control over the preparation of the financial statements and related footnotes.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

***Finding 2021-002**

Criteria or specific requirement:

N.J.S.A. 40A:4-57 states that no officer, board, body or commission shall, during any fiscal year, expend any money, incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such service.

TOWNSHIP OF SOUTHAMPTON
SCHEDULE OF FINANCIAL STATEMENT FINDINGS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

Finding 2021-002 (continued)

Condition:

- The Township's Current Fund Statement of Expenditures reflects over-expenditures of budget appropriations.
- The Township's Utility Operating Fund Statement of Appropriation Reserves reflects over-expenditures of reserve budget appropriations.
- The Township's General Capital Fund reflects expenditures of funds not authorized for spending.

Cause:

Lack of oversight.

Effect or potential effect:

Non-compliance with N.J.S.A. 40A:4-57.

Recommendation:

That the Township should only expend funds as appropriated (N.J.S.A. 40A:4-57).

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

Finding 2021-003

Criteria or specific requirement:

Good internal control requires the preparation of an analysis of the balance detailing the amount of withholdings payable to the various payroll agencies.

Condition:

The Township did not maintain an analysis of the balance detailing the amount of withholdings payable to the various payroll agencies for the year ended December 31, 2021.

Cause:

Lack of oversight.

Effect or potential effect:

By not maintaining an analysis of the balance of the payroll agency account liabilities, the Township risks material misstatements within their records.

**TOWNSHIP OF SOUTHAMPTON
SCHEDULE OF FINANCIAL STATEMENT FINDINGS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Finding 2021-003 (continued)

Recommendation:

That the Township prepare a monthly analysis of the balance detailing the amount of withholdings payable to the various payroll agencies. This analysis should be prepared shortly after the close of each month.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

**TOWNSHIP OF SOUTHAMPTON
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

Finding No. 2020-001

Condition:

The general ledger for all funds was not properly maintained and as a result material audit adjustments were needed in order to achieve proper presentation in the financial statements.

Current Status:

This finding has not been corrected. See Finding 2021-001.

Finding No. 2020-002

Condition:

The Township's Utility Operating Fund Statement of Appropriation Reserves reflect over-expenditures of reserve budget appropriations.

Current Status:

This finding has not been corrected. See Finding 2021-002.

FEDERAL AWARDS

N/A – No Federal Single Audit in prior year.

STATE FINANCIAL ASSISTANCE

N/A – No State Single Audit in prior year.

TOWNSHIP OF SOUTHAMPTON

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2021:

NAME	TITLE	AMOUNT OF BOND
Michael Mikulski	Mayor	
Ronald Heston	Deputy Mayor	
William Raftery	Committeeman	
Elizabeth Rossell	Committeewoman	
James Young	Committeeman	
Kathleen Hoffman	Township Administrator/Municipal Clerk	A
Nancy Gower	Treasurer/Chief Financial Officer	A
Leo Midure	Tax Assessor 6/15/2021 Term	
Troy Macpherson	Tax Assessor 6/18/2021	
Melissa Chesla	Tax Collector	A
Dennis P. McInerney	Municipal Court Judge	A
Lori Hall-David	Court Administrator	A
George Morris	Counsel	

(A) Covered under the Blanket Bond Coverage through the Burlington County Municipal Joint Insurance Fund for \$1,000,000.

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

Honorable Mayor and Members
of the Township Council
Township of Southampton
Southampton, New Jersey

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2021.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$44,000 for the year ended December 31, 2021.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold "for the performance of any work, or the furnishing of any materials, supplies or labor" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

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Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 4, 2021 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Southampton, County of Burlington, State of New Jersey, that the interest charged on delinquent taxes or assessments shall be, from the effective date of this resolution, eight percent (8%) per annum on the first \$1,500.00 of delinquency, and eighteen percent (18%) per annum on any amount in excess of \$1,500.00.

That the Township Committee determines that the penalties to be charged for tax delinquencies in excess of \$10,000.00 shall be six percent (6%) provided the delinquency exists in the calendar year following the year of delinquency.”

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

OTHER COMMENTS (FINDINGS):

***Finding 2021-01** (*Finding 2021-001 in the Schedule of Financial Statements Findings Section*)

The general ledger for all funds was not properly maintained and as a result material audit adjustments were needed in order to achieve proper presentation in the financial statements.

***Finding 2021-02** (*Finding 2021-002 in the Schedule of Financial Statements Findings Section*)

The Township's Current Fund and Utility Operating Fund Statements of Expenditures reflect over-expenditures of budget appropriations. The Township's General Capital Fund also reflects expenditures of funds not authorized for spending.

Finding 2021-03 (*Finding 2021-003 in the Schedule of Financial Statements Findings Section*)

The Township did not maintain an analysis of the balance detailing the amount of withholdings payable to the various payroll agencies for the year ended December 31, 2021.

*Denotes Prior Year Finding.

RECOMMENDATIONS:

Finding 2021-01

That the general ledger for all funds be accurately and completely maintained to ensure adequate control over the preparation of the financial statements and related footnotes.

Finding 2021-02

That the Township should only expend funds as appropriated (N.J.S.A. 40A:4-57).

Finding 2021-03

That the Township prepare a monthly analysis of the balance detailing the amount of withholdings payable to the various payroll agencies. This analysis should be prepared shortly after the close of each month.

APPRECIATION

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Registered Municipal Accountant
RMA No. 573

Medford, New Jersey
June 8, 2022