

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 25, 2020

**NEW ISSUE
BOOK-ENTRY ONLY**

**RATING: S&P “AA-”
(See “RATING” herein)**

In the opinion of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Bond Counsel, under current law, interest on the Refunding Bonds is includable in gross income for federal income tax purposes. In the opinion of Bond Counsel, interest on the Refunding Bonds and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act. See “TAX MATTERS” herein.

\$3,350,000*
TOWNSHIP OF MAPLE SHADE
COUNTY OF BURLINGTON, NEW JERSEY
WATER AND SEWER UTILITY REFUNDING BONDS (FEDERALLY TAXABLE), SERIES 2020
(BOOK-ENTRY ONLY) (NON-CALLABLE)

DATED: Date of Delivery

DUE: October 15, as shown on inside front cover

The \$3,350,000* aggregate principal amount of Water and Sewer Utility Refunding Bonds (Federally Taxable), Series 2020 (the “Refunding Bonds”) are general obligations of the Township of Maple Shade, in the County of Burlington, New Jersey (the “Township”) and shall be issued in fully registered book-entry-only form without coupons. The principal of the Refunding Bonds shall be paid on the respective maturity dates thereof upon presentation and surrender of the Refunding Bonds at the principal office of the Township, as bond registrar and paying agent (the “Paying Agent”). Interest on the Refunding Bonds is payable semiannually on October 15 and April 15 (“Interest Payment Dates”), commencing April 15, 2021, in each year until maturity. The Refunding Bonds are not subject to redemption prior to their stated maturity dates.

Upon initial issuance, the Refunding Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), which will act as securities depository for the Refunding Bonds. So long as Cede & Co. is the registered owner of the Refunding Bonds, payments of principal of and interest on the Refunding Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants (as herein defined) which will, in turn, remit such payments to the Beneficial Owners (as herein defined) of the Refunding Bonds. Purchasers will not receive certificates representing their ownership interest in the Refunding Bonds purchased. For so long as any purchaser is a Beneficial Owner of a Refunding Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC participant to receive payment of the principal of and interest on such Refunding Bond.

The Refunding Bonds are authorized and issued under and pursuant to the Local Bond Law of the State of New Jersey constituting Chapter 169 of the Laws of 1960, effective January 15, 1962, as amended, Ordinance No. 2019-23 of the Township, finally adopted by the Township Council on December 5, 2019 and duly published as required by law, and the bond resolution of the Township Council of the Township duly adopted on February 27, 2020 (the “Resolution”).

The proceeds of the Refunding Bonds will be used to: (i) refund the outstanding callable principal amount of the Township’s originally issued \$5,650,000 Water and Sewer Utility Bond, Series 2010, dated December 21, 2010 and delivered to the Burlington County Bridge Commission (the “Commission”) in connection with the issuance of the Commission’s \$17,765,000 County-Guaranteed Pooled Loan Revenue Bonds, Series 2010B, maturing on October 15 in the years 2022 through and including 2030 in the aggregate principal amount of \$3,110,000; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Refunding Bonds.

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of and interest on the Refunding Bonds. The Refunding Bonds are general obligations of the Township payable as to principal and interest from ad valorem taxes to be levied upon all taxable property in the Township without limitation as to rate or amount. See “SECURITY AND SOURCE OF PAYMENT” herein.

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices, to obtain information essential to the making of an informed investment decision.

The Refunding Bonds are offered when, as and if issued and delivered to the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Paramus, New Jersey, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Township Attorney, Eileen Fahey, Esquire, Moorestown, New Jersey. Phoenix Advisors, LLC has served as Municipal Advisor to the Township in connection with the Refunding Bonds. It is expected that the Refunding Bonds will be available for delivery to DTC on or about September 22, 2020.



*Preliminary, subject to change.

This is a Preliminary Official Statement "deemed final", complete with the exception of the specific information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission. The Township has authorized distribution of this Preliminary Official Statement to prospective purchasers and others. Upon the sale of the Refunding Bonds described herein, the Township will deliver a final Official Statement within seven (7) business days following such sale.

\$3,350,000*
WATER AND SEWER UTILITY REFUNDING BONDS (FEDERALLY TAXABLE), SERIES 2020

MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIP NUMBERS

<u>Year</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.**</u>
2021	65,000	%	%	565335
2022	350,000			565335
2023	350,000			565335
2024	355,000			565335
2025	360,000			565335
2026	365,000			565335
2027	370,000			565335
2028	375,000			565335
2029	385,000			565335
2030	380,000			565335

*Preliminary, subject to change.

** CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of holders only at the time of issuance of the Bonds and the Township does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**TOWNSHIP OF MAPLE SHADE
MUNICIPAL BUILDING
200 STILES AVENUE
MAPLE SHADE, NEW JERSEY 08052**

Mayor

Claire B. Volpe

Township Council

J. Nelson Wiest (Deputy Mayor)
Charles Kauffman
Louis A. Manchello
Sandra Nunes

Township Manager

Susan Danson

Township Chief Financial Officer

Brenda Sprigman

Tax Collector

Christine Taylor

Township Clerk/Registrar

Andrea T. McVeigh

Township Solicitor

Eileen Fahey, Esquire
Moorestown, New Jersey

Township Auditor

Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel

DeCotiis, FitzPatrick, Cole & Giblin, LLP
Paramus, New Jersey

Municipal Advisor

Phoenix Advisors, LLC
Bordentown, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Refunding Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Township. The information contained herein has been obtained from the Township, DTC and other sources which are believed to be reliable; however, such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation or warranty of the Township. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, ordinances, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Township during normal business hours.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Township from time to time (collectively, the "Official Statement"), may be treated as a "Final Official Statement" with respect to the Refunding Bonds described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Township.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Refunding Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement. If given or made, such other information or representation must not be relied upon as having been authorized by the Township or the Purchaser. This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used in whole or in part for any other purpose.

DeCotiis, FitzPatrick, Cole & Giblin, LLP, has not participated in the preparation of the financial statements or statistical information contained in this official statement, nor has it verified the accuracy, completeness, or fairness thereof, and accordingly, express no opinion with respect thereto.

IN CONNECTION WITH THIS OFFERING, THE PURCHASER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE REFUNDING BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TOWNSHIP AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT
OF THE
TOWNSHIP OF MAPLE SHADE
IN THE COUNTY OF BURLINGTON, NEW JERSEY

**\$3,350,000* WATER AND SEWER UTILITY REFUNDING BONDS (FEDERALLY TAXABLE), SERIES
2020**

INTRODUCTION

This Official Statement (the "Official Statement") which includes the cover page and the appendices attached hereto, has been prepared by the Township of Maple Shade (the "Township"), in the County of Burlington (the "County"), State of New Jersey (the "State"), to provide certain information in connection with the sale and issuance by the Township of its \$3,350,000* Water and Sewer Utility Refunding Bonds (Federally Taxable), Series 2020 (the "Refunding Bonds"), dated the date of delivery thereof.

This Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12").

THE REFUNDING BONDS

General Description

The Refunding Bonds will be issued in the aggregate principal amount of \$3,350,000*, will be dated their date of issuance and bear interest from that date at the rates set forth on the inside front cover page hereof. Interest on the Bonds will be payable semiannually on October 15 and April 15 ("Interest Payment Dates"), commencing on April 15, 2021, in each year until maturity. The Refunding Bonds will mature on October 15 in each of the years and in the principal amounts shown on the inside front cover page of this Official Statement. The Refunding Bonds are not subject to redemption prior to maturity.

The Refunding Bonds will be issued in fully registered book-entry only form without coupons in the principal denominations of \$5,000 or any integral multiple of \$1,000 in excess thereof. The principal of the Refunding Bonds will be payable to the registered owners thereof at maturity upon presentation and surrender of the Refunding Bonds at the offices of the Township, as bond registrar and paying agent ("Paying Agent"). Interest on each Refunding Bond shall be payable on each Interest Payment Date of such Refunding Bond to the registered owner of record thereof appearing on the registration books kept by the Township for such purpose at the Township as of the close of business on the first day of the calendar month containing each Interest Payment Date ("Record Date").

So long as The Depository Trust Company, New York, New York ("DTC"), or its nominee, Cede & Co., is the registered owner of the Refunding Bonds, payments of the principal of and interest on the Refunding Bonds will be made by the Township or a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to Direct Participants, which will in turn remit such payments to the Beneficial owners of the Refunding Bonds. Disbursements of such payments to the DTC Participants ("DTC Participants") is the responsibility of DTC and disbursements of such payments to the Beneficial Owners (as herein defined) of the Refunding Bonds is the responsibility of the DTC Participants and not the Township. See "THE REFUNDING BONDS - Book-Entry Only System" herein.

*Preliminary, subject to change.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds with respect to the Refunding Bonds.

Sources of Funds:

Par Amount of Refunding Bonds	\$
Total Sources of Funds:	\$

Uses of Funds:

Deposit to Escrow Fund	\$
Costs of Issuance (1)	
Underwriter's Discount	
Total Uses of Funds	\$

(1) Includes, legal fees, municipal advisor fees, printing costs, rating agency's fees, escrow agent, rounding amount, additional proceeds and miscellaneous expenses incurred in connection with the issuance of the Refunding Bonds.

BOOK-ENTRY ONLY SYSTEM

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Refunding Bonds, payment of principal and interest and other payments on the Refunding Bonds to Direct and Indirect Participants (defined below) or Beneficial Owners (defined below), confirmation and transfer of beneficial ownership interests in the Refunding Bonds and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations as to the completeness or accuracy of such information.

DTC will act as securities depository for the Refunding Bonds. The Refunding Bonds will be issued as fully-registered Refunding Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Refunding Bonds, in the principal amount of such maturities, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial

relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Refunding Bonds on DTC’s records. The ownership interest of each actual purchaser of a Refunding Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Refunding Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Refunding Bonds, except in the event that use of the book-entry system for the Refunding Bonds is discontinued.

To facilitate subsequent transfers, all Refunding Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Refunding Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Refunding Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Refunding Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Refunding Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Refunding Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Refunding Bonds may wish to ascertain that the nominee holding the Refunding Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Refunding Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Refunding Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Refunding Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Paying Agent, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC nor its nominee, or the Township as Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Refunding Bonds at any time by giving reasonable notice to the Township as Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates will be printed and delivered.

The Township may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.

NEITHER THE TOWNSHIP NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE REFUNDING BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE REFUNDING BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE REFUNDING BONDS.

Discontinuation of Book-Entry Only System

If the Township, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Refunding Bonds at any time, the Township will attempt to locate another qualified Securities Depository. If the Township fails to find such Securities Depository, or if the Township determines, in its sole discretion, that it is in the best interest of the Township or that the interest of the Beneficial Owners might be adversely affected if the book-entry only system of transfer is continued (the Township undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination) the Township shall notify DTC of the termination of the book-entry only system.

In the event that the book-entry only system for the Refunding Bonds is discontinued upon receipt of the Refunding Bond certificates from DTC and the Participant information, the Township will authenticate (or cause to be authenticated) and deliver definitive Refunding Bonds to the holders thereof, and the principal of and interest on the Refunding Bonds will be payable and the Refunding Bonds may thereafter be transferred or exchanged in the manner described in the bond certificates so provided.

AUTHORIZATION AND PURPOSE OF THE REFUNDING BONDS

The Refunding Bonds have been authorized and are issued pursuant to the laws of the State, including the Local Bond Law, Chapter 2 of Title 40A of the New Jersey Statutes, as amended (the "Local Bond Law"), a refunding bond ordinance of the Township finally adopted on December 5, 2019 and by a resolution duly adopted by the Township on February 27, 2020 (the "Resolution").

The proceeds of the Refunding Bonds will be used to: (i) refund at par (the "Redemption Price") on October 15, 2021 (the "Redemption Date") the outstanding callable principal amount of the Township's originally issued \$5,650,000 Water and Sewer Utility Bonds, Series 2010, dated December 21, 2010 and delivered to the Burlington County Bridge Commission (the "Commission") in connection with the issuance of the Commission's \$17,765,000 County-Guaranteed Pooled Loan Revenue Bonds, Series 2010B and maturing on October 15 in the years 2022 through and including 2030 in the aggregate principal amount of \$3,110,000 (the "Refunded Bonds"); and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Refunding Bonds.

Pursuant to an Escrow Deposit Agreement ("Escrow Agreement"), dated the date of issuance of the Refunding Bonds, between the Township and TD Bank, National Association, Cherry Hill, New Jersey, as escrow agent ("Escrow Agent"), the Township will irrevocably deposit direct noncallable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations"), with the Escrow Agent, which Government Obligations will bear interest at such rates and will

mature at such times and in such amounts so that, when paid in accordance with their terms, sufficient moneys will be available to make full and timely payment of the redemption price of and interest on the Refunded Bonds.

SECURITY AND SOURCE OF PAYMENT

The Refunding Bonds are general obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal of and the interest on the Refunding Bonds. The Refunding Bonds are direct obligations of the Township and, to the extent that other monies are not available, the Township is required by law to levy ad valorem taxes upon all taxable property within the Township for the payment of the principal of and interest on the Refunding Bonds without limitation as to rate or amount.

MARKET PROTECTION

On August 18, 2020, the Township sold its \$12,000,000 Bond Anticipation Notes, Series 2020, consisting of \$7,200,000 General Capital Bond Anticipation Notes and \$4,800,000 Water/Sewer Capital Bond Anticipation Notes, which are expected to close on September 1, 2020. The Township does not expect to issue tax anticipation notes during the remainder of 2020, but may issue bond anticipation notes or special emergency note as may be necessary.

NO DEFAULT

The Township has never defaulted in the payment of any bonds or notes, nor are any payments of principal of or interest on the Township's indebtedness past due.

CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required to be appropriated for the financing of expenditures for municipal purposes for which bonds are authorized. All bonds and notes issued by the Township are general full faith and credit obligations.

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. An annual, independent audit of the local unit's accounts for the previous year must be performed by a licensed Registered Municipal Accountant. The audit, conforming to the Division of Local Government Services "Requirements of Audit," includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director within six months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion.

The chief financial officer of every local unit must file annually with the Director a verified statement of financial condition of the local unit and all constituent boards, agencies or commissions.

The annual audit report is filed with the Township Clerk and is available for review during business hours.

Debt Limits

The authorized bonded indebtedness of a municipality in the State of New Jersey is limited by statute, subject to the exceptions noted below, to an amount equal to 3-1/2% of its equalized valuation basis. The equalized valuation basis of the municipality is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements and certain class II railroad property within its boundaries as annually determined by the State Board of Taxation.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Exceptions to Debt Limits-Extensions of Credit

The debt limit of the Township may be exceeded with the approval of the Local Finance Board, in the Division of Local Government Services, Department of Community Affairs, State of New Jersey, a State regulatory agency (the "Board"). If all or any part of a proposed debt authorization would exceed its debt limit, the Township must apply to the Board for an extension of credit. If the Board determines that a proposed debt authorization would not materially impair the ability of the Township to meet its obligations or to provide essential services, or makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued without the approval of the Board to fund certain bonds and notes, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes).

Short-Term Financing

The Township may issue bond anticipation notes to temporarily finance capital improvements. Bond anticipation notes, which are general obligations of the Township, may be issued for a period not exceeding one year. Generally, bond anticipation notes may not be outstanding longer than 10 years. Additionally, beginning in the third year, the amount of outstanding notes that may be renewed is decreased by not less than the minimum amount required for the first year principal payment of bonds in anticipation of which such notes are issued.

School Debt Subject to Voter Approval

State Law permits the school district, upon approval of the voters, to authorize school district debt, including, debt in excess of its independent debt limit by using the available borrowing capacity of the Township. If such debt is in excess of the school district debt limit and the remaining borrowing capacity of the Township, the State Commissioner of Education and the Local Finance Board must approve the proposed debt authorization before it is submitted to the voters.

MUNICIPAL BUDGET

Pursuant to the Local Budget Law (N.J.S.A. 40A:4-1 et seq.) the Township is required to have a balanced budget in which debt service is included in full for each fiscal year.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. The Township must adopt an operating budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division (the "Director") prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director is required to review the adequacy of such appropriations, among others, for certification.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units. Local budgets,

by law and regulation, must be in balance on a "cash basis". No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof (N.J.S.A. 40A:4-10).

The principal sources of Township revenues are real estate taxes and miscellaneous revenues.

In any year, the municipality may authorize, by resolution, the issuance of tax anticipation notes which may be issued in anticipation of the collection of taxes for such year. Tax anticipation notes, are limited in amount by law and must be paid off in full by a municipality within one hundred and twenty (120) days after the close of the fiscal year.

Real Estate Taxes

The general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to delinquent property taxes. N.J.S.A. 40A:4-29 delineates anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

Section 41 of the Local Budget Law provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of such preceding fiscal year."

The provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget. The reserve requirement is calculated as follows:

Levy Required to Balance Budget

$$\frac{\text{Prior Year's Percentage of Current Tax Collections (or lesser \%)}}{\text{Total Taxes to be Levied}} = \text{Levy Required to Balance Budget}$$

Miscellaneous Revenues

Section 26 of the Local Budget Law provides: "no miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit." The exception to this is the inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar fiscal year.

Limitations on Municipal Appropriations and Tax Levy

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "cost-of-living adjustment". The cost-of-living adjustment is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the cost-of-living adjustment subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may

increase the tax levy up to 3.5% over the prior years' tax levy in years when the cost-of-living adjustment is 2.5% or less.

Additionally, P.L. 2007, c. 62, effective April 3, 2007, imposed a 4% cap on the tax levy of a municipality, county, fire district, or solid waste collection district, with certain exclusions and allowing waivers by the Local Finance Board, and on July 13, 2010, P.L. 2010, c. 44 was approved, effective for budget years following enactment, reducing the tax levy cap to 2% and limiting the exclusions to amounts required to be raised by taxation for capital expenditures, including debt service as defined by law, certain pension contributions and health care costs in excess of 2% and extraordinary costs directly related to a declared emergency. Voter approval may be requested to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

Neither the tax levy limitation nor the "Cap Law" limits the obligation of the Township to levy *ad valorem* taxes upon all taxable property within the Township to pay debt service on its bonds or notes.

Deferral of Current Expense

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed 3% of the adopted operating budget, consent of the Director must be obtained. The exceptions are certain enumerated quasi-capital projects such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, revaluation of real property, codification of ordinances, master plan preparations and contractually required severance liabilities, which may be amortized over five years.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited until the last two months of the year and, although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval by the governing body.

Fiscal Year

The Township's fiscal year is the calendar year. Chapter 75 of the Pamphlet Laws of 1991 of New Jersey required municipalities with populations in excess of 35,000 or which received Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption is granted. Municipalities not meeting the criteria for a mandatory change have the option to choose to change to the State fiscal year. The Township did not meet the criteria to change to the State fiscal year and does not presently intend to optionally make such a change in the future.

Budget Process

Primary responsibility for the Township's budget process lies with the Township Council. As prescribed by the Local Budget Law, adoption should occur by the end of March, however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Township operates under a temporary budget which may not exceed 26.25% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Township may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

TAX MATTERS

In the opinion of DeCotiis, FitzPatrick, Cole & Gibling, LLP, Bond Counsel, to be delivered at the time of original issuance of the Refunding Bonds, under current law, interest on the Refunding Bonds is includable in gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Ownership of

the Refunding Bonds may result in other federal income tax consequences to certain taxpayers. No opinion is expressed regarding any other federal tax consequences arising with respect to the Refunding Bonds.

In the opinion of Bond Counsel, under current law, interest on the Refunding Bonds and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE REFUNDING BONDS.

LITIGATION

To the knowledge of the Township Attorney, there is no litigation of any nature now pending or threatened that seeks to restrain or enjoin the issuance or the delivery of the Refunding Bonds, the levy or the collection of any taxes to pay the principal of or the interest on the Refunding Bonds or in any manner questioning the authority or the proceedings for the issuance of the Refunding Bonds or for the levy or the collection of the taxes, affecting the validity of the Refunding Bonds or the levy or the collection of taxes or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers of the Township to their respective offices.

Additionally, there is at present no single action pending or threatened against the Township which would impose an undue financial burden on the Township. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Township is a party-defendant in certain law suits, none of a kind unusual for a Township of its size, and none of which, in the opinion of the Township Attorney, would adversely impair the Township's ability to pay its Bondholders. All of the Township's tort actions are being defended by either an insurance company or insurance underwriters. Pending municipal real estate tax appeals are limited in number. The Township would fund the ultimate liability arising from tax appeals from amounts currently reserved, succeeding years' budgets or fund balance. Such resolution would not in any way endanger the Township's ability to pay its Bondholders.

THE FEDERAL BANKRUPTCY ACT

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901 *et seq.*, as amended by Public Law 95-598, approved November 6, 1978, and as further amended on November 3, 1988, by an Act to Amend the Bankruptcy Law to Provide for Special Revenue Bonds, and for Other Purposes, and on October 22, 1994, by the Bankruptcy Reform Act of 1994, and by other bankruptcy laws affecting creditor's rights and municipalities in general. Chapter IX permits any political subdivision, public agency, or instrumentality of a state that is insolvent or unable to meet its debts to file a petition in a bankruptcy court for the ultimate purpose of effecting a plan to adjust its debts. Chapter IX directs such a petitioner to file with the Bankruptcy Court a list of the petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner, with the exception that such petition does not operate as a stay of application of pledged special revenues to the payment of indebtedness secured by such revenues; grants priority to administrative and operational expenses and to debts owed for services or material, up to \$4,000 per individual or corporation, actually provided within ninety (90) days of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; provides that any securities issued under a reorganization plan will be exempt from the securities laws and, therefore, exempt from registration requirements; permits the petitioner, during bankruptcy proceedings, to continue to pay pre-petition debt without prior court approval; and provides that the plan must be accepted by a class of creditors, in writing, by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors. A plan shall not be approved by the Bankruptcy Court unless it is in the best interests of creditors and is feasible.

Reference should also be made to N.J.S.A. 52:27-40 thru 52:27-45.11, which provides that any county, municipality, or other political subdivision of the State has the power to file a petition with any Bankruptcy Court, provided the approval of the municipal finance commission has been obtained, and such petition has been authorized by ordinance

of the governing body of the political subdivision. The powers of the municipal finance commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act. However, the Bankruptcy Act does provide that a municipality must obtain any regulatory or electoral approval necessary under constitutional, statutory, or charter provisions, for actions taken under the reorganization plan.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, sale, issuance and delivery of the Refunding Bonds are subject to the approval of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Paramus, New Jersey, Bond Counsel to the Township, whose approving legal opinion will be substantially in the form provided in Appendix C. Certain legal matters will be passed on for the Township by its Counsel, Eileen Fahey, Esq., Moorestown, New Jersey.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of the arithmetic computations supporting the conclusion that the principal amounts of, and interest earned on, the Government Obligations to be acquired with a portion of the proceeds of the Refunding Bonds, are sufficient to pay the Redemption Price on the Redemption Date and interest on the Refunded Bonds up to the Redemption Date will be independently verified by Bowman & Company LLP, certified public accountants, Voorhees, New Jersey.

CONTINUING DISCLOSURE

The Township has covenanted for the benefit of the holders and beneficial owners of the Refunding Bonds to provide certain financial information and operating data relating to the Township by no later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2020 (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of material events will be provided to the Municipal Securities Rulemaking Board (the “MSRB”) and will be in an electronic format as prescribed by the MSRB and shall be accompanied by such identifying information as is prescribed by the MSRB. The specific nature of the information to be contained in the Annual Report or the event notices is set forth in “APPENDIX D – Form of Continuing Disclosure Certificate.” These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5)(the “Rule”).

In the event that the Township fails to comply with the above-described undertaking and covenants, the Township shall not be liable for any monetary damages, the remedy of the beneficial owners of the Refunding Bonds being specifically limited in the undertaking to specific performance of the covenants.

The undertaking may be amended by the Township from time to time, without the consent of the Bondholders or the beneficial owners of the Refunding Bonds, in order to make modifications required in connection with a change in legal requirements or change in law, which in the opinion of nationally recognized bond counsel complies with the Rule.

Within the five years immediately preceding the date of this Official Statement, the Township previously failed to file, in accordance with the Rule, in a timely manner, under previous filing requirements, operating data for the fiscal year ended December 31, 2016. Additionally, the Township previously failed to file late filing notices in connection with its untimely filings of operating data, as described above. Such notices of late filings have since been filed with the MSRB’s Electronic Municipal Market Access Dataport (“EMMA”). The Township appointed Phoenix Advisors, LLC in January of 2019 to serve as continuing disclosure agent.

MUNICIPAL ADVISOR

Phoenix Advisors, LLC, Bordentown, New Jersey, has served as municipal advisor to the Township with respect to the issuance of the Refunding Bonds (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and the appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

FINANCIAL STATEMENTS

An Excerpt of the Report of Audit of financial statements of the Township for the years ended December 31, 2019, 2018, 2017, 2016 and 2015 is included in Appendix B to this Official Statement. The financial statements of the Township for the years 2015 through and including 2019 have been audited by Bowman & Company LLP, Voorhees, New Jersey, independent certified public accountants, as stated in their report appearing in Appendix B to this Official Statement.

COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus that was first detected in China and has since spread globally, including to the United States, has been declared a pandemic by the World Health Organization. On March 13, 2020, the President of the United States in response to the COVID-19 outbreak, declared a national emergency. The outbreak of this disease has severely affected global economies and financial markets, leading to volatility and a reduction in liquidity in the marketplace.

The Governor of the State (the "Governor") declared a state of emergency and a public health emergency on March 9, 2020. Numerous executive orders to contain the spread of the virus have since been enacted by the Governor, including without limitation, the closure of all non-essential businesses, cancellation of all in-school classes for students, limiting restaurants to take-out and delivery service only, and restrictions on the number of people who can attend gatherings of any kind.

There can be no assurances that additional restrictions and orders will not be issued on a national, statewide or local level to address the COVID-19 pandemic, and such additional restrictions and orders may materially adversely affect the Township's operations and financial condition. All of the short-term and long-term impacts of the COVID-19 pandemic on the economies of the United States, the State and the Township cannot be determined at this time, and such impacts and effects may be materially adverse to the operations and financial conditions of the Township. The Township is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations, however, the Township cannot predict the effect the duration and spread of COVID-19 will have on its financial condition or its operations.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("Rating Agency"), has assigned its rating of "AA-" to the Refunding Bonds based upon the credit worthiness of the Township, at the time of delivery of the Refunding Bonds.

The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Township forwarded to the Rating Agency certain information and materials concerning the Refunding Bonds and the Township. There can be no assurance that the rating will be maintained for any given period of time or that the rating may not be raised, lowered or withdrawn entirely, if in the

Rating Agency's judgment, circumstances so warrant. Any downward change in, or withdrawal of such rating, may have an adverse effect on the marketability or market price of the Refunding Bonds.

UNDERWRITING

The Refunding Bonds have been purchased from the Township by Janney Montgomery Scott LLC, New York, New York, as underwriter ("Underwriter"), pursuant to a purchase contract, at a purchase price of \$_____ consisting of \$_____ par amount of Refunding Bonds plus a net original issue premium of \$_____ less an underwriter's discount in the amount of \$_____. The Underwriter is obligated to purchase all of the Refunding Bonds if any of the Refunding Bonds are purchased.

The Underwriter intends to offer the Refunding Bonds to the public initially at the offering yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Refunding Bonds to the public. The Underwriter may offer and sell the Refunding Bonds to certain dealers (including dealers depositing Refunding Bonds into investment trusts) at yields higher than the public offering yields set forth on the inside front cover page of this Official Statement, and such yields may be changed, from time to time, by the Underwriter without prior notice.

PREPARATION OF OFFICIAL STATEMENT

The Township hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm to the purchaser of the Refunding Bonds, by certificate signed by the Chief Financial Officer, that to her knowledge such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

DeCotiis, FitzPatrick, Cole & Giblin, LLP, Paramus, New Jersey has not participated in the preparation of the financial or statistical information contained in this Official Statement, nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement including information additional to that contained herein may be directed to Brenda Sprigman, Chief Financial Officer, Township of Maple Shade, 200 Stiles Avenue, Maple Shade, New Jersey, 08052-0368, telephone (856) 779-9610, or to the Township's Municipal Advisor, Phoenix Advisors, LLC, at (609) 291-0130.

MISCELLANEOUS

All quotations from summaries and explanations of the provisions of the laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or holders of any of the Refunding Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs in the Township, the County, the State or any of their agencies or authorities, since the date hereof.

This Official Statement has been duly executed and delivered on behalf of the Township by the Chief Financial Officer.

TOWNSHIP OF MAPLE SHADE

By: _____
Brenda Sprigman
Chief Financial Officer

Dated: _____, 2020

APPENDIX A

**ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING
TO THE TOWNSHIP OF MAPLE SHADE, IN THE COUNTY OF BURLINGTON, NEW JERSEY**

GENERAL INFORMATION ON THE TOWNSHIP

General Information

For much of its history, the Township of Maple Shade ("Township") was part of Chester Township which was founded in 1688 and authorized by royal charter in 1712. Over the year, portions of what was once Chester Township have "spun off" to form the Townships of Evesham, Cinnaminson and Moorestown; in 1945 the remaining Township of Chester changed its name to the Township of Maple Shade.

The Township is located in the County of Burlington, New Jersey ("County"), approximately ten miles from center-city Philadelphia. Route I-295 and the New Jersey Turnpike have interchanges immediately east of the Township, while Routes 73 and 38 are within the Township and offer direct access to Camden and Philadelphia.

Maple Shade is primarily a residential community with a small number of industries and the usual businesses. The area of the Township is 3.72 square miles.

Form of Government

The Township is governed by a Council of five (5) elected members who designate a Mayor and a Deputy Mayor from their number. Administrative responsibilities are assigned to a Township Manager. Policy is determined by Council and the Manager is responsible for carrying out such policy.

Planning and Development

The Township utilizes a professional planner who prepares and updates the Township master plan. On an annual basis, the Township adopts a six year (6) capital budget which includes capital equipment and necessary infrastructure improvements for the Township.

Police and Fire Protection

The Township maintains a police force consisting of a Chief, Lieutenants, Sergeants and police officers, headquartered at the Municipal Complex. Fire protection is provided by a volunteer fire company with modern equipment, including several pumpers, a tower ladder truck and a walk-in rescue truck.

Public Works

The Township is served by municipally owned water and sewer systems. Operations and maintenance of the water and sewer utility is contracted to Woodard & Curran Inc..

The two (2) water treatment plants have been rebuilt, four (4) wells put on line, and an interconnection made between the two (2) plants, so the entire Township can be served by one (1) plant, if necessary. With this capability and a storage capacity of 1,250,000 gallons, the area is believed to be well served. However, it is estimated that in the foreseeable future, additional facilities may be needed.

The present sewer treatment facilities have been renovated and were operational on July 17, 1990. This single state-of-the-art treatment plant was built to handle 3.4 million gallons per day. A new filtration system was on-line on May 1, 1991. A long-imposed treatment ban was then lifted.

Township officials accomplished upgrade of the treatment facilities rapidly and cost efficiently.

Rubbish and garbage disposal is by contract with an independent operator, and taken to a County operated landfill.

Library

The library, which is operated by the County, is a spacious new facility and is located in the lower level of the Township's Municipal Complex.

Transportation

The Township is served by the high speed rail line of the Delaware River Port Authority and by Public Service bus transportation facilities. There is also ready access to the New Jersey Turnpike.

Recreation

The Township operates five (5) park areas. The parks are equipped with playground equipment, and there are baseball fields and basketball courts. Also, the Township sponsors leagues for softball, football, basketball, soccer and baseball. The Township has a new soccer field, two new baseball fields and a new street hockey court. It has installed lighting for several of its basketball courts and increased lighting and the football field. Much of this work is done through community volunteers. Indoor facilities at the Municipal Complex provide for recreational activities for all ages year round. The Township has a Senior Citizens Center, a Youth Center and an all-purpose recreation room.

Medical Services

The Township is fortunate in the availability of doctors and medical services. Public health service is provided under a contract with the Moorestown Visiting Nurse Association. There are two (2) convalescent and nursing homes located in the Township. A volunteer first aid squad, with modern equipment, serves the community. Cherry Hill Hospital is approximately one (1) mile from the Township.

Township Employees

	<u>2019</u>	<u>2018</u>	<u>December 31,</u> <u>2017</u>	<u>2016</u>	<u>2015</u>
Permanent	65	66	66	66	67
Part-time	<u>44</u>	<u>42</u>	<u>43</u>	<u>45</u>	<u>44</u>
Total	<u>109</u>	<u>108</u>	<u>109</u>	<u>111</u>	<u>111</u>

Employee Collective Bargaining Units

<u>Collective Bargaining Units</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
PBA Local 267	35	Dec. 31, 2022
Teamsters Local Union 676	10	Dec. 31, 2023

Compensated Absences

Full-time employees are entitled to paid unused sick leave, vacation days and compensatory time in various amounts as outlined in the Township code and contracts between the Township and PBA Local 267 and Teamsters Local Union 676. Unused sick leave, vacation days and compensatory

time may be accumulated and carried forward to the subsequent year, subject to conditions outlined in the Township code and contracts. Upon retirement, employees may be compensated for accumulated unused sick leave, vacation days and compensatory time in accordance with formulas and limits established in the Township code and contracts. For additional information regarding compensated absences, see Appendix B: December 31, 2019 Audited Financial Statements, Note 10.

Pension Plans

Those Township employees who are eligible for pension coverage are enrolled in one of three pension systems established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State. For additional information regarding pension plans, see Appendix B: December 31, 2019 Audited Financial Statements, Note 8.

Township Population (1)

2010 Federal Census	19,131
2000 Federal Census	19,079
1990 Federal Census	19,211
1980 Federal Census	20,525
1970 Federal Census	16,464

Selected Census 2017 Data for the Township(1)

Median household income	\$57,460
Median family income	\$73,701
Per capita income	\$32,023

Township Labor Force (2)

The following table discloses current labor force data for the Township, County and State.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township					
Labor Force	10,582	10,522	10,858	10,794	10,806
Employment	10,239	10,124	10,397	10,318	10,233
Unemployment	343	398	461	476	573
Unemployment Rate	3.2%	3.8%	4.2%	4.4%	5.3%
County					
Labor Force	230,589	227,445	234,179	233,255	232,623
Employment	223,049	218,877	224,582	222,869	220,189
Unemployment	7,540	8,568	9,597	10,386	12,434
Unemployment Rate	3.3%	3.8%	4.1%	4.5%	5.3%
State					
Labor Force	4,493,100	4,422,900	4,518,800	4,530,800	4,537,200
Employment	4,333,300	4,239,600	4,309,700	4,305,500	4,274,700
Unemployment	159,800	183,400	209,100	225,300	262,500
Unemployment Rate	3.6%	4.1%	4.6%	5.0%	5.8%

(1) Source: U.S. Department of Commerce, Bureau of Census.

(2) Source: New Jersey Department of Labor

LARGEST COUNTY PRIVATE EMPLOYERS(1)

Virtua Memorial Hospital	5,473
TD Bank	5,000
Lockheed Martin	3,943
Burlington Stores (Coat Factory)	3,018
Freedom Mortgage	1,590
CVS Corporation	1,575
Amazon Florence	1,500
Automotive Resources International (ARI)	1,277
Deborah Heart and Lung Center	1,195
Viking Yacht Co. Corp.	1,113
Wawa	1,100
B&H Photo	1,100

Building, Zoning and Development Codes

Much of the Township has been developed for residential use, although substantial sites have been developed or are available for nonresidential use.

The Township has established development regulations governing the size of lots for various types of construction. The land requirements are based on the type and nature of the building.

The Township building codes conform to standards of the Uniform Construction Code in New Jersey. These codes and other municipal codes are codified as a basis for improved administration and regulation.

The Township's Municipal Land Use Law gave the Township Zoning Board of Adjustment and Planning Board authority to regulate most land use other than family residential use. In this way, the Township is able to guide the approximate use or development of land to promote the public health, safety, morals and general welfare.

Building Permits Issued (2)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2020 (3)	89	\$843,561
2019	676	26,038,057
2018	542	7,045,766
2017	646	11,300,624
2016	669	14,004,111
2015	606	21,408,695

GENERAL INFORMATION ON THE SCHOOL DISTRICT(4)

Primary and Secondary Education

The School District is a Type II school district that is coterminous with the borders of the Township. The School District provides a full range of educational services appropriate to Pre-K through grade twelve (12).

(1) Source: Burlington County Bridge Commission Department of Economic Development and Regional Planning – 2019.

(2) Source: Township Construction Official

(3) As of February 1, 2020

(4) Source: School District Officials

The Board is composed of nine (9) members elected by the legally qualified voters in the School District to terms of three (3) years on a staggered basis. The President and Vice President are chosen for one (1) year terms from among the members of the Board.

The Board is the policy making body of the School District and has the general responsibility for providing an education program, the power to establish policies and supervise the public schools in the School District, the responsibility to develop the annual School District budget and present it to the legally registered voters in the School District. The Board's fiscal year ends each June 30.

The Board appoints a Superintendent and Board Secretary/Business Administrator who are responsible for budgeting, planning and the operational functions of the School District. The administrative structure of the Board gives final responsibility for both the educational process and the business operation to the Superintendent.

**TOWNSHIP OF MAPLE SHADE SCHOOL DISTRICT
SCHOOL ENROLLMENTS(1)**

<u>Grade</u>	<u>2019</u>	<u>2018</u>	<u>October 15, 2017</u>	<u>2016</u>	<u>2015</u>
Pre-School 3 Yr. (Full day)	2	1	3	--	--
Pre-School 4 Yr. (Full day)	144	6	4	--	--
K (Full day)	185	172	158	168	162
1	169	153	155	164	159
2	144	148	146	137	177
3	151	143	133	163	154
4	140	129	154	142	133
5	130	159	138	135	138
6	156	141	133	134	138
7	139	130	136	145	125
8	122	130	128	125	121
9	110	119	121	107	125
10	104	108	103	108	102
11	110	100	105	94	100
12	101	107	97	103	114
Special Education	<u>442</u>	<u>445</u>	<u>442</u>	<u>431</u>	<u>431</u>
Totals	<u>2,349</u>	<u>2,191</u>	<u>2,156</u>	<u>2,156</u>	<u>2,179</u>

PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY(1)

<u>Name of School</u>	<u>Date Constructed</u>	<u>Grades</u>	<u>Enrollment Oct. 15, 2019</u>	<u>Functional Capacity</u>
Howard R. Yocum School	1959	K to 2	592	1,274
Maude M. Wilkins School	1926	Pre-3 to 4	430	576
Ralph J. Steinhauer School	1953	5 to 6	407	592
Maple Shade High School	1972	7 to 12	<u>920</u>	<u>1,590</u>
Totals			<u>2,349</u>	<u>4,032</u>

(1) Source: School District officials

HIGHER EDUCATION FACILITIES

Rowan College at Burlington County (Formerly Burlington County College)

Rowan College at Burlington County (formerly Burlington County College) ("RCBC" or the "County College") is a comprehensive, publicly supported, coeducational, two-year institution developed by the County and the State and accredited by the Middle States Association of Colleges and Schools. The County College was founded in October 1965 and opened in September 1969. The 225-acre main campus is located on Pemberton-Browns Mills Road in Pemberton Township, while the Mount Laurel campus opened in July 1995. The Freeholder Board sponsors the College, appointing nine of the twelve Trustees.

In June 2015, the Rowan University Board of Trustees approved a resolution to partner with the County College thereby allowing students to obtain a bachelor's degree from Rowan University on the County College's Mount Laurel Campus. The unique partnership provides students the opportunity to seamlessly transition from the community college to the university. RCBC is the first community college in the region to offer junior-level courses as part of the "3+1" program in which students complete 75 percent of a Rowan University degree with the community college before completing their senior year at the university.

In July 2015, RCBC announced a transition from its original Pemberton Campus to the more accessible and modern Mount Laurel Campus. All of the academic programs have been moved to Mount Laurel, leaving only athletics and aquatic classes in Pemberton. An athletic facility is in the plans for Mount Laurel. Located at the intersection of Route 38 and I-295, the 100-acre Mount Laurel campus is already home to the Technology and Engineering Center. Joining it as part of the transformed Mount Laurel campus is a new Health Sciences Center as well as a new Student Success Center - a 78,000 square foot, \$25.4 million state-of-the-art building that will feature a one-stop shop for student services from enrollment to academic planning, knowledge commons library, bookstore, dining area and state-of-the-art technology. This building will serve as the gateway to the newly transformed Mount Laurel campus with a total investment of \$55 million and renovation of 240,000 square feet.

RCBC's fall 2018 enrollment in academic courses was 8,890 students. In addition, the County College serves thousands of other County residents each semester through youth programs, Learning is for Everyone, workforce development, theatrical productions, guest speakers, and art exhibitions.

The Board of Trustees governs the County College and certain fiscal matters are subject to review by the Board of School Estimate. The County College is not permitted to borrow for capital expenditures. Instead, the Board of Trustees and the Board of School Estimate certify the need for funding to the Board, which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law.

Burlington County Institute of Technology

The Burlington County Board of Vocational Education was created by the Board in 1962 after a favorable referendum. The enrollment for the two campuses, Westampton and Medford, is 2,109 students as of October 15, 2019.

The Burlington County Institute of Technology ("BCIT") is governed by a consolidated Board of Education of the Special Services School District and the Vocational School District of the County of Burlington and certain fiscal matters are subject to the review of the Board of School Estimate. BCIT is not permitted to borrow for capital expenditures. Instead, the Board of Education and the Board of School Estimate certify the need for funding to the Board which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law except that no down payment is required.

BCIT contributes to the County workforce each year an average of 462 high school seniors certified in one of thirty-three career and technical programs and, through its Adult School Division, approximately 760 adults who have completed either a certification or licensing program in one of the thirty-five career programs offered. The Superintendent of BCIT is the liaison between the education community of the County and business and industry.

Burlington County Special Services School District

The Burlington County Special Services School District (“Special Services School District”) was created by the Board in June 1972. The Special Services School District is comprised of state-of-the-art facilities located in the Townships of Westampton, Lumberton, Medford, and Mount Laurel and programs are provided for: (1) the orthopedically handicapped, the multiple handicapped, autistic and deaf and hard of hearing; (2) elementary school students with severe emotional and social problems; (3) students ages fourteen (14) through twenty-one (21) with educational needs which are beyond the capabilities of existing local school boards and regions; and (4) trainable mentally retarded young people from ages fourteen (14) to twenty-one (21). The enrollment for the Special Services School District as of October 15, 2019 is 570 students.

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS (1)

The ten largest commercial taxpayers in the Township and their 2020 assessed valuation are listed below:

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	2020 Assessed Valuation
Deerfield Assoc.	Fox Meadow Apartments	\$88,361,200
Maplewood III, LLC	Park Crossing Apartments	51,900,000
Robert Mills Apt.	Robert Mills Apartments	29,141,700
Stoney RA, LLC	Stoney Run Apartments	24,500,000
Holman Enterprises & Holman Automotive Group	Auto Dealership	19,039,260
GBR MS LLC/Blue Saber Prop.	Shopping Ctr., Lowes, etc.	16,250,000
Davis Enterprises	Apartments & Commercial	14,944,200
Pickwick Apartments, LLC & Pickwick Village III, LP	Pickwick Apartments	14,830,400
AFABJ LLC	B J’s Warehouse	9,713,400
Americo Real Estate Co.	Strip Centers	9,300,000

(1) Source: Township Tax Assessor

CURRENT TAX COLLECTIONS (1)

<u>Year</u>	<u>Tax Levy</u>	<u>Current Collection</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2019	\$44,742,897	\$43,934,646	98.19%	\$709,264	1.59%
2018	44,203,242	43,420,822	98.23%	634,626	1.44%
2017	43,589,927	42,878,031	98.37%	644,299	1.48%
2016	42,878,427	41,999,809	97.95%	619,473	1.44%
2015	42,160,432	41,321,139	98.01%	558,171	1.32%

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transfer to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2019	\$634,734	\$6,037	\$584,704	91.25%	-	\$56,067	-
2018	648,897	5,250	506,483	77.43%	\$2,959	144,598	\$108
2017	655,021	4,122	650,834	98.74%	-	3,711	4,598
2016	563,936	5,169	532,768	93.62%	789	-	35,548
2015	637,246	3,750	584,090	91.12%	3,433	47,708	5,765

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by</u>			<u>Balance Dec. 31</u>
		<u>Sale & Transfers</u>	<u>Collections & Transfers</u>	<u>Other Credits</u>	
2019	\$ 170,964	\$21,465	\$5,236	-	\$187,194
2018	150,337	25,851	5,223	-	170,964
2017	144,782	18,054	-	\$12,499	150,337
2016	132,080	21,113	-	8,411	144,782
2015	109,060	23,020	-	-	132,080

(1) Source: Township Reports of Audit

FORECLOSED PROPERTY (1)(2)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Property Dedicated to Township Use</u>		<u>Adjustment to Assessed Balance to Assessed Valuation</u>		<u>Balance Dec. 31</u>
		<u>Use</u>	<u>Canceled</u>	<u>Valuation</u>	<u>Dec. 31</u>	
2019	\$36,649	-	-	-	-	\$36,649
2018	36,649	-	-	-	-	36,649
2017	36,649	-	-	-	-	36,649
2016	36,649	-	-	-	-	36,649
2015	36,649	-	-	-	-	36,649

CURRENT WATER/SEWER COLLECTIONS (1)

<u>Year</u>	<u>Beginning</u>		<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
	<u>Balance</u>	<u>Total Levy</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2019	\$740,267	\$7,963,871	\$7,926,859	91.07%	\$776,970	8.93%
2018	758,924	7,868,288	7,886,145	91.41%	740,267	8.58%
2017	741,084	7,533,961	7,516,122	90.83%	758,924	9.17%
2016	633,266	7,370,191	7,262,373	90.74%	741,084	9.26%
2015	723,724	7,432,768	7,520,948	92.21%	633,266	7.76%

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (3)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (4)</u>			
		<u>Total</u>	<u>County</u>	<u>Local School</u>	<u>Municipal</u>
2020	\$1,286,220,753	\$3.604	\$0.424	\$2.274	\$0.906
2019	1,286,541,255	3.472	0.422	2.149	0.901
2018	1,291,463,846	3.412	0.439	2.092	0.881
2017	1,280,210,634	3.372	0.415	2.076	0.881
2016	1,286,500,032	3.322	0.443	2.018	0.861

(1) Source: Township Reports of Audit

(2) These amounts are reflected on the basis of assessed value in the year of acquisition in accordance with the regulation of the Division of Local Government Services.

(3) Source: Township Tax Collector

(4) Per \$100 of assessed valuation

**RATIO OF ASSESSED VALUATION TO TRUE VALUE
AND TRUE VALUE PER CAPITA (1)**

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value Per Capita (2)</u>
2020	\$1,286,220,660	93.29%	\$1,378,733,691	\$72,068
2019	1,286,541,160	94.79%	1,357,254,099	70,945
2018	1,287,575,875	91.49%	1,407,340,556	73,563
2017	1,276,153,880	97.11%	1,314,132,304	68,691
2016	1,282,778,800	91.14%	1,407,481,677	73,571

REAL PROPERTY CLASSIFICATION (3)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Farm</u>
2020	\$1,286,220,660	\$7,286,950	\$749,140,690	\$274,890,720	\$17,814,200	\$237,088,100	-
2019	1,286,541,160	6,338,150	748,589,690	276,711,020	17,814,200	237,088,100	-
2018	1,287,575,875	7,454,150	747,848,330	276,439,095	18,746,200	237,088,100	-
2017	1,276,153,880	12,167,550	743,825,230	264,341,800	18,731,200	237,088,100	-
2016	1,282,778,800	13,444,200	743,120,700	266,723,900	18,426,200	241,063,800	-

(1) Source: State of New Jersey, Department of Treasury, Division of Taxation

(2) Based on Federal Census 2010 of 19,131

(3) Source: Township Tax Assessor

**TOWNSHIP OF MAPLE SHADE
STATEMENT OF INDEBTEDNESS
AS OF DECEMBER 31, 2019**

The following table summarizes the direct debt of the Township of Maple Shade as of December 31, 2019 in accordance with the requirements of the Local Bond Law of the State of New Jersey (N.J.S.A. 40A:2-2- et. seq.). The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Water/Sewer Utility and debt of the Local School District. Deductions from gross debt to arrive at net debt include local school debt, debt considered to be self-liquidating and cash held for the payment of debt. The resulting net debt of \$30,024,633 represents 2.18% of the average of equalized valuations for the Township for the last three years, within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued		Debt Auth. But Not Issued	Gross Debt	Deductions			Net Debt
	Bonds	Loans			School Debt	Self Liquidating	Reserve for Pmt. of Debt	
General	\$18,131,000	\$354,786	\$5,491,401	\$23,977,187			\$40,500	\$23,936,687
Local School District	61,185,000			61,185,000	\$55,097,054			6,087,946
Water and Sewer Utility	12,183,000	11,713,844	7,150,493	31,047,337		\$31,047,337		
	<u>\$91,499,000</u>	<u>\$12,068,630</u>	<u>\$12,641,894</u>	<u>\$116,209,524</u>	<u>\$55,097,054</u>	<u>\$31,047,337</u>	<u>\$40,500</u>	<u>\$30,024,633</u>

Source: Township Auditor

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements and Second Class Railroad for 2017, 2018 and 2019	\$ 1,377,426,355
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2017, 2018 and 2019	2.18%
2019 Net Valuation Taxable	\$ 1,286,541,255
2019 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$ 1,357,254,194
Gross Debt (1):	
As a percentage of 2019 Net Valuation Taxable	9.03%
As a percentage of 2019 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	8.56%
Net Debt (1):	
As a percentage of 2019 Net Valuation Taxable	2.33%
As a percentage of 2019 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	2.21%
Gross Debt Per Capita (2)	\$ 6,074
Net Debt Per Capita (2)	\$ 1,569

(1) Excluding overlapping debt
(2) Based on 2010 Federal Census of 19,131

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Averaged (2017-2019) Equalized Valuation of Real Property including Improvements (\$1,377,426,355)	\$ 48,209,922
Net Debt (A)	<u>30,024,633</u>
Remaining Borrowing Capacity	<u><u>\$ 18,185,289</u></u>

LOCAL BOARD OF EDUCATION BORROWING CAPACITY(1)

4% of Averaged (2017-2019) Equalized Valuation of Real Property including Improvements (\$1,377,426,355)	\$ 55,097,054
School Debt	<u>61,185,000</u>
Remaining Borrowing Capacity (A)	<u><u>\$ (6,087,946)</u></u>

(A) As reported on the Statement of Indebtedness, the Local Board of Education has issued \$6,087,946 in bonds in excess of its allowable statutory net school debt, thereby utilizing \$6,087,946 of the Township's borrowing capacity.

(1) As of December 31, 2019

**TOWNSHIP OF MAPLE SHADE
OVERLAPPING DEBT
AS OF DECEMBER 31, 2019**

	DEBT ISSUED				Debt Auth. but not Issued
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	
County of Burlington:					
General					
Bonds	\$ 195,644,000	\$ 20,051,390 (1)	\$ 175,592,610	\$ 4,969,271 (2)	
Notes	23,000,000		23,000,000	650,900 (2)	\$ 15,863,827
Loans	6,854,573		6,854,573	193,984 (2)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	409,610,800	409,610,800 (3)			
Solid Waste Utility	43,985,000	43,985,000			2,526,193
	<u>\$ 679,094,373</u>	<u>\$ 473,647,190</u>	<u>\$ 205,447,183</u>	<u>\$ 5,814,155</u>	<u>\$ 18,390,020</u>

- (1) Includes cash on hand, accounts receivable and County College Bonds paid with State Aid.
(2) Such debt is allocated as a proportion of the Issuer's share of the total 2019 Net Valuations on which County taxes are apportioned, which is 2.83% .
(3) Deductible in accordance with N.J.S. 40:37A-80.

**SCHEDULE OF TOWNSHIP DEBT SERVICE
PERMANENT DEBT ONLY
SCHEDULE OF DEBT SERVICE**

Year	Existing Debt (1)(2)						Proposed Debt			Grand Total
	General			Water/Sewer			Water/Sewer Refunding Bonds, Series 2020			
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2020	\$ 2,615,787	\$ 757,612	\$ 3,373,400	\$ 2,150,902	\$ 659,574	\$ 2,810,477				\$ 6,183,877
2021	2,367,346	655,539	3,022,885	2,280,728	525,388	2,806,115	\$ 60,000		\$ 60,000	5,889,000
2022	2,442,916	539,559	2,982,475	2,056,143	449,158	2,505,301	350,000		350,000	5,837,776
2023	1,304,497	417,673	1,722,170	1,859,285	380,883	2,240,167	350,000		350,000	4,312,337
2024	1,385,090	351,330	1,736,420	1,829,805	322,463	2,152,268	355,000		355,000	4,243,688
2025	1,390,695	282,850	1,673,545	1,728,345	262,714	1,991,058	360,000		360,000	4,024,603
2026	1,391,312	214,233	1,605,545	1,749,177	201,534	1,950,711	365,000		365,000	3,921,256
2027	1,384,107	152,404	1,536,511	1,418,482	153,654	1,572,136	370,000		370,000	3,478,647
2028	1,376,679	97,598	1,474,277	773,162	113,889	887,051	375,000		375,000	2,736,328
2029	1,377,015	56,463	1,433,477	780,183	97,874	878,056	385,000		385,000	2,696,534
2030	1,377,357	22,121	1,399,477	770,777	83,090	853,867	380,000		380,000	2,633,344
2031	17,706	1,372	19,077	716,421	66,475	782,896				801,974
2032	18,061	1,016	19,077	686,421	51,400	737,821				756,899
2033	18,425	653	19,077	696,422	37,225	733,647				752,724
2034	18,795	282	19,077	592,124	22,656	614,780				633,857
2035				487,124	9,219	496,342				496,342
2036				117,124	2,531	119,655				119,655
2037				94,220	1,350	95,570				95,570
	<u>\$ 18,485,786</u>	<u>\$ 3,550,705</u>	<u>\$ 22,036,491</u>	<u>\$ 20,786,844</u>	<u>\$ 3,441,075</u>	<u>\$ 24,227,918</u>	<u>\$ 3,350,000</u>	<u>\$ -</u>	<u>\$ 3,350,000</u>	<u>\$ 49,614,409</u>

(1) As of December 31, 2019

(2) Does not include debt service on bonds expected to be refunded by the Refunding Bonds

Source: Township Auditor

**TOWNSHIP OF MAPLE SHADE
2020 MUNICIPAL BUDGET**

CURRENT FUND

Anticipated Revenues:

Fund Balance	\$ 3,301,000
Miscellaneous Revenues:	
Local Revenues	555,000
State Aid Without Offsetting Appropriations	1,709,652
Uniform Construction Code Fees	150,000
Shared Service Agreements	354,110
Public and Private Revenues	618,490
Other Special Items	46,500
Receipts from Delinquent Taxes	550,000
Amount to be Raised by Taxation for Municipal Purpose	<u>11,658,375</u>
 Total Anticipated Revenues	 <u><u>\$ 18,943,127</u></u>

Appropriations:

Within "CAPS":	
Operations	\$ 13,193,763
Excluded from "CAPS":	
Other Operations	20,000
Shared Service Agreements	354,110
Public and Private Programs Off-Set by Revenues	66,013
Capital Improvements	736,500
Debt Service	3,373,401
Reserve for Uncollected Taxes	<u>1,199,339</u>
 Total Appropriations	 <u><u>\$ 18,943,127</u></u>

WATER/SEWER UTILITY FUND

Anticipated Revenues:

Operating Surplus Anticipated	\$ 995,000
Rents	7,861,628
Miscellaneous	<u>137,500</u>
 Total Anticipated Revenues	 <u><u>\$ 8,994,128</u></u>

Appropriations:

Operating	\$ 5,986,400
Capital Improvements	75,000
Debt Service	2,903,728
Deferred Charges and Statutory Expenditures	<u>29,000</u>
 Total Appropriations	 <u><u>\$ 8,994,128</u></u>

**TOWNSHIP OF MAPLE SHADE
CAPITAL PROGRAM 2020-2025**

<u>Project Title</u>	<u>Estimated Total Cost</u>	<u>Capital Improvement Fund</u>	<u>Grants-in- Aid and Other Funds</u>	<u>Bonds and Notes</u>	
				<u>General</u>	<u>Self- Liquidating</u>
General Improvements:					
FACILITIES:					
Municipal Complex Improvements and Other Facility Renovations	\$ 900,000	\$ 45,000		\$ 855,000	
PUBLIC WORKS DEPT:					
Acquisition of Truck & Various Equipment/Tools	370,000	18,500		351,500	
Various Improvements - Storm Drainage System & Inlets	975,000	48,750		926,250	
Various Road Improvements	5,481,500	262,500	\$ 231,500	4,987,500	
Improvements to Recreational Facilities	525,000	13,750	250,000	261,250	
Main Street Crosswalk Visibility Improvements	75,000		75,000		
PUBLIC SAFETY:					
Fire - Acquisition of Equipment & Gear	1,400,000	70,000		1,330,000	
First Aid - Acquisition of Vehicle & Various Equipment	100,000	5,000		95,000	
Police - Acquisition of Vehicles	1,050,000	52,500		997,500	
Police - Various Facility Improvements	70,000	3,500		66,500	
Total General Improvements	10,946,500	519,500	556,500	9,870,500	-
Water/Sewer Utility Improvements:					
SANITARY SEWER:					
WWTP Grit System & Tank Cleaning	400,000	20,000		\$ 380,000	
Sewer Rehabilitation - Haverford	700,000	35,000		665,000	
Sewer System Improvements	1,030,000	51,500		978,500	
WATER:					
Hydrant Replacement Program	150,000	7,500		142,500	
Water Main Replacement/Rehabilitation Program	300,000	15,000		285,000	
Water System Improvements	1,000,000	50,000		950,000	
Total Water/Sewer Utility Improvements	3,580,000	179,000	-	-	3,401,000
Total All Projects	\$ 14,526,500	\$ 698,500	\$ 556,500	\$ 9,870,500	\$ 3,401,000

APPENDIX B

**FINANCIAL STATEMENTS OF THE TOWNSHIP OF MAPLE SHADE,
IN THE COUNTY OF BURLINGTON, NEW JERSEY**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Maple Shade
Maple Shade, New Jersey 08052

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Maple Shade, in the County of Burlington, State of New Jersey, as of December 31, 2019, 2018, 2017, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Maple Shade, in the County of Burlington, State of New Jersey, as of December 31, 2019, 2018, 2017, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Maple Shade, in the County of Burlington, State of New Jersey, as of December 31, 2019, 2018, 2017, 2016 and 2015, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, 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.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Todd R. Saler
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 17, 2020

TOWNSHIP OF MAPLE SHADE
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--
Regulatory Basis

ASSETS	As of December 31				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Cash	\$14,991,658	\$10,991,526	\$10,527,383	\$8,426,826	\$5,367,517
Federal and State Grants Receivable	480,631	757,115	253,349	396,340	523,046
Receivables and other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	709,264	634,734	648,897	655,021	563,936
Tax Title Liens Receivable	187,194	170,964	150,337	144,782	132,080
Property Acquired for Taxes-- Assessed Valuation	36,650	36,650	36,650	36,650	36,650
Revenue Accounts Receivable	147,254	147,763	166,167	168,623	164,334
Other Accounts Receivable	584	407	1,269	18,862	41,323
Interfunds Receivable	428,085	154,255	33,515	60,983	1,279,634
Deferred Charges			94,000	188,000	282,000
Total Assets	\$16,981,318	\$12,893,412	\$11,911,567	\$10,096,086	\$8,390,518
 LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$1,879,386	\$2,303,604	\$1,892,888	\$1,572,103	\$1,316,017
Contracts Payable	101,158	26,278	7,200	79,483	50,222
Accounts Payable		217,809	77,066		
Reserve for Encumbrances	353,459	50,368	194,861	58,007	116,880
Reserve for Federal and State Grants	434,289	434,440	343,696	473,223	488,119
Prepaid Taxes	668,987	461,508	755,786	338,003	311,299
Tax Overpayments	98,069	13,001	13,977	56,491	52,729
Reserve for Expense of Participation in Free County Library--State Aid	375	375	375	375	375
Due to County for Added or Omitted Taxes	7,057	17,788	50,938	16,724	13,102
Interfunds Payable	103,505	103,323	19	404,400	182,644
Local District School Tax Payable	2,317,743	13,130	13,132	13,133	13,130
Reserve for Tax Appeals	177,761	203,248	203,248	203,748	218,248
Due to State of New Jersey:					
License Fes	16,513	4,538	5,088	4,580	1,750
Veterans and Senior Deductions	43,494	44,619	42,619	40,996	42,456
Prepaid Revenues	5,816	5,290	4,288		4,800
Special Emergency Notes			94,000	188,000	282,000
Reserve for Revaluation	166,178	166,178	166,178	166,178	166,178
Reserve for Receivables and Other Assets	1,509,030	1,144,772	1,036,834	1,084,920	2,214,697
Fund Balance	9,098,499	7,683,143	7,009,373	5,395,723	2,915,873
Total Liabilities, Reserves and Fund Balance	\$16,981,318	\$12,893,412	\$11,911,567	\$10,096,086	\$8,390,518

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

TOWNSHIP OF MAPLE SHADE

CURRENT FUND

Statements of Operations and Changes in Fund Balance--
Regulatory Basis

	For the Year Ended December 31				
	2019	2018	2017	2016	2015
Revenue Realized:					
Current Tax Collections	\$43,934,646	\$43,420,822	\$42,878,031	\$41,999,809	\$41,321,139
Delinquent Tax Collections	589,939	511,706	650,834	541,179	584,090
Total Taxes	44,524,586	43,932,528	43,528,865	42,540,989	41,905,229
Miscellaneous Revenues Anticipated	3,203,531	3,325,743	3,005,720	3,468,355	3,976,053
Other Income	2,687,992	2,455,548	2,473,198	3,169,089	3,077,550
Fund Balance Utilized	2,421,000	2,404,000	2,194,800	1,500,000	500,000
Total Income	52,837,108	52,117,818	51,202,583	50,678,432	49,458,832
Expenditures and Encumbrances:					
Operating	11,648,444	11,405,120	11,279,735	10,817,054	10,971,144
Capital Improvements	180,000	692,000	280,000	60,043	411,000
Debt Service	2,685,393	2,905,552	2,799,524	2,805,100	2,246,093
Deferred Charges	13,366	105,203	101,754	108,062	109,453
Pension and Social Security	1,401,270	1,334,950	1,286,865	1,443,747	1,240,349
County Taxes	5,414,961	5,671,378	5,350,300	5,700,699	5,914,725
Local School Tax	27,338,514	26,799,857	26,273,306	25,491,395	24,632,130
Other Expenditures	21,717	5,250	4,122	272,472	27,337
Creation of Reserve for Interfunds	297,087	120,740	18,526	10	1,147,880
Total Expenditures and Encumbrances	49,000,752	49,040,048	47,394,133	46,698,581	46,700,111
Excess in Revenues	3,836,356	3,077,770	3,808,450	3,979,851	2,758,721
Fund Balance, January 1	7,683,143	7,009,373	5,395,723	2,915,873	657,151
	11,519,499	10,087,143	9,204,173	6,895,723	3,415,873
Decreased by:					
Utilized as Revenue	2,421,000	2,404,000	2,194,800	1,500,000	500,000
Fund Balance December 31	\$9,098,499	\$7,683,143	\$7,009,373	\$5,395,723	\$2,915,873

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

TOWNSHIP OF MAPLE SHADE
TRUST FUND
Statements of Assets, Liabilities and Reserves--
Regulatory Basis

	As of December 31				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
ASSETS					
Cash	\$2,413,822	\$1,951,347	\$2,126,159	\$1,974,151	\$2,422,242
Interfunds Receivable	4,205				
Prepaid Payroll	222,150				
Other Accounts Receivable		29,550	9,400	30,344	5,708
Deferred Charges	12,043	13,366	11,203	7,754	14,062
Total Assets	\$2,652,219	\$1,994,263	\$2,146,762	\$2,012,249	\$2,442,013
LIABILITIES AND RESERVES					
Accounts Payable	\$1,432,071	\$983,742	\$1,219,786	\$1,009,660	\$1,459,724
Interfunds Payable	315,284	18,216	14,989	60,983	128,298
Reserve for Special Funds	904,865	992,305	911,988	941,605	853,990
Total Liabilities and Reserves	\$2,652,219	\$1,994,263	\$2,146,762	\$2,012,249	\$2,442,013

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

TOWNSHIP OF MAPLE SHADE
GENERAL CAPITAL FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--
Regulatory Basis

	As of December 31				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
ASSETS					
Cash--Treasurer	\$333,686	\$2,262,912	\$1,542,382	\$2,121,943	\$3,865,633
Interfunds Receivable			19	404,400	182,644
Grants Receivable	250,000			101,500	101,500
Other Accounts Receivable					66,753
Deferred Charges to Future Taxation:					
Funded	18,485,786	6,489,026	8,280,729	10,135,906	11,853,567
Unfunded	5,491,401	17,733,891	15,868,103	12,933,184	12,725,228
Total Assets	\$24,560,874	\$26,485,830	\$25,691,234	\$25,696,933	\$28,795,325
LIABILITIES, RESERVES AND FUND BALANCE					
Serial Bonds	\$18,131,000	\$6,107,000	\$7,872,000	\$9,701,000	\$11,393,000
Loans Payable	354,786	382,026	408,729	434,906	460,567
Bond Anticipation Notes		15,349,661	11,534,591	10,680,722	10,397,240
Reserve for Payment of Bonds and Notes	40,500	54,000	67,500	81,000	96,104
Improvement Authorizations:					
Funded	1,039,073	108,330	397,182	568,840	987,352
Unfunded	3,837,086	2,222,178	4,899,087	3,368,503	3,350,734
Contracts Payable		1,702,851	329,014	778,971	1,917,828
Capital Improvement Fund	104,378	87,914	33,400	31,350	89,957
Reserve for Encumbrances	712,685	135,556	4,570	7,406	7,406
Interfunds Payable	13,500	13,481			
Fund Balance	327,866	322,832	145,159	44,235	95,137
Total Liabilities, Reserves and Fund Balance	\$24,560,874	\$26,485,830	\$25,691,234	\$25,696,933	\$28,795,325

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

TOWNSHIP OF MAPLE SHADE
WATER/SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--
Regulatory Basis

	As of December 31				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
ASSETS					
Operating Fund:					
Cash--Treasurer	\$2,598,643	\$2,301,470	\$2,509,544	\$1,193,946	\$2,751,109
Receivables with Full Reserves:					
Consumer Accounts Receivable	776,970	740,267	758,924	741,084	633,266
Utility Liens Receivable		522		2,028	2,229
Other Accounts Receivable	6,383	1,974	1,585	813	1,200
Total Operating Fund	3,381,996	3,044,233	3,270,054	1,937,872	3,387,805
Capital Fund:					
Cash--Treasurer	91,999	546,821	1,460,561	2,276,561	3,731,551
Deferred Charges			78,479	78,479	
Fixed Capital	69,173,842	67,524,162	30,811,182	30,811,182	30,811,182
Fixed Capital Authorized and Uncompleted	15,157,541	14,959,615	49,972,596	47,587,596	46,120,115
NJ Environmental Infrastructure Loans Receivable		9,301	774,645		911,876
Grants Receivable					78,479
Interfund Receivable	7,201	78,479			64,132
Total Capital Fund	84,430,583	83,118,379	83,097,463	80,753,817	81,717,335
Assessment Trust Fund:					
Cash--Treasurer	-	-	-	-	29
Total Assessment Trust Fund	-	-	-	-	29
Total Assets	\$87,812,579	\$86,162,612	\$86,367,517	\$82,691,689	\$85,105,169

TOWNSHIP OF MAPLE SHADE
WATER/SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--
Regulatory Basis

	As of December 31				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Reserve for Encumbrances	\$290,600	\$6,664	\$392,393	\$6,737	\$302,293
Interfunds Payable	7,201	97,714	18,526		1,215,467
Appropriation Reserves	808,750	877,143	869,028	575,424	210,080
Accrued Interest on Bonds and Notes	253,810	235,619	232,831	201,276	198,890
Accounts Payable				4,006	1,408
Prepaid Water/Sewer Rents		93			128
Water/Sewer Rental Overpayments	30,063	20,696	18,305	10,251	23,175
Reserve for Receivables	783,353	742,763	760,509	743,926	636,696
Fund Balance	1,208,220	1,063,541	978,460	396,253	799,668
Total Operating Fund	3,381,996	3,044,233	3,270,054	1,937,872	3,387,805
Capital Fund:					
New Jersey Environmental Infrastructure					
Loans Payable	11,713,844	12,828,238	11,749,899	12,715,207	13,735,934
Water/Sewer Serial Bonds	12,183,000	7,429,000	8,216,000	9,183,000	9,947,000
Bond Anticipation Notes		4,522,100	6,743,094	2,968,094	3,267,000
Improvement Authorizations:					
Funded	276,658	169,146	190,406	236,892	1,299,507
Unfunded	3,079,479	3,220,181	5,738,284	6,797,408	5,132,023
Capital Improvement Fund	1,643	46,643	46,643	45,893	45,893
Contracts Payable		1,973,150	1,448,978	1,073,484	2,285,551
Reserve for:					
Encumbrances	3,869,142	2,082,745			
Amortization	52,798,272	50,453,601	46,742,122	44,662,442	43,877,222
Deferred Amortization	485,774	390,774	2,222,037	2,102,787	2,102,787
Payment of Debt				968,611	2,738
Fund Balance	22,771	2,801			21,680
Total Capital Fund	84,430,583	83,118,379	83,097,463	80,753,817	81,717,335
Assessment Trust Fund:					
Fund Balance	-	-	-	-	29
Total Assessment Trust Fund	-	-	-	-	29
Total Liabilities, Reserves and Fund Balance	\$87,812,579	\$86,162,612	\$86,367,517	\$82,691,689	\$85,105,169

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

TOWNSHIP OF MAPLE SHADE
WATER/SEWER UTILITY FUND
Statements of Operations and Changes in Operating Fund Balance--
Regulatory Basis

	For the Year Ended December 31				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenue Realized:					
Operating Surplus Anticipated	\$960,000	\$927,341	\$137,000	\$694,558	\$669,000
Rents	7,927,690	7,886,523	7,518,150	7,262,573	7,521,062
Miscellaneous	233,231	85,997	75,857	122,796	110,314
Water/Sewer Utility Capital Surplus				21,680	72,984
Reserve for Payment of Bonds			968,611	33,634	
Other Credits to Income	577,812	577,261	466,195	194,637	323,661
Total Income	9,698,734	9,477,121	9,165,813	8,329,879	8,697,023
Expenditures and Encumbrances:					
Operating	5,868,618	5,797,268	5,727,246	5,563,975	5,467,540
Capital Improvements	50,000		120,000		127,000
Debt Service	2,643,028	2,560,563	2,425,215	2,449,762	2,377,095
Pension and Social Security	28,000	106,479	173,372	25,000	25,000
Other Expenditures	4,409	389	772		2,513
Total Expenditures and Encumbrances	8,594,054	8,464,699	8,446,605	8,038,737	7,999,149
Excess (Deficit) in Revenue	1,104,679	1,012,422	719,208	291,142	697,874
Fund Balance January 1	1,063,541	978,460	396,253	799,668	770,795
	2,168,220	1,990,882	1,115,460	1,090,811	1,468,668
Decreased by:					
Utilized as Revenue	960,000	927,341	137,000	694,558	669,000
Fund Balance December 31	\$1,208,220	\$1,063,541	\$978,460	\$396,253	\$799,668

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

TOWNSHIP OF MAPLE SHADE
Notes to Financial Statements
For the Year Ended December 31, 2019

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Maple Shade (hereafter referred to as the "Township") was part of Chester Township which was founded in 1688 and authorized by royal charter in 1712. Over the years, portions of Chester Township were "spun-off" to form the Townships of Evesham, Cinnaminson and Moorestown; in 1945 the remaining Township of Chester changed its name to the Township of Maple Shade.

The Township is located in the County of Burlington, New Jersey, being approximately 10 miles from Philadelphia center-city. According to the 2010 census, the population is 19,131.

The Township is governed by a Council of five elected members who designate a Mayor and Deputy Mayor from their number. Administrative responsibilities are assigned to the Township Manager. Policy is determined by Council; the Manager is responsible for carrying out such policy.

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

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

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

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

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

Water/Sewer Utility Operating and Capital Funds - The water/sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water/sewer operations.

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

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

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

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

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

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

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

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

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

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

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

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

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

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

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

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

Fund Balance - Fund balances included in the current fund and water/sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

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

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

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Maple Shade School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2018 and decreased by the amount deferred at December 31, 2019.

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

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

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

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is 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 canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2019, the Township's bank balances of \$20,479,553.74 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 18,884,527.45
Uninsured and Uncollateralized	<u>1,595,026.29</u>
Total	<u>\$ 20,479,553.74</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$ 3.472</u>	<u>\$ 3.412</u>	<u>\$ 3.372</u>	<u>\$ 3.322</u>	<u>\$ 3.250</u>
Apportionment of Tax Rate:					
Municipal	0.901	0.881	0.881	0.861	0.861
County	0.422	0.439	0.415	0.443	0.457
Local School District	2.149	2.092	2.076	2.018	1.932

Note 3: PROPERTY TAXES (CONT'D)

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

Assessed Valuation

Year

2019	\$ 1,286,541,255.00
2018	1,291,463,846.00
2017	1,280,210,634.00
2016	1,286,500,032.00
2015	1,294,374,032.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2019	\$ 44,742,896.75	\$ 43,934,646.40	98.19%
2018	44,203,242.47	43,420,822.02	98.23%
2017	43,589,926.84	42,878,030.78	98.37%
2016	42,878,427.07	41,999,809.32	97.95%
2015	42,160,431.46	41,321,139.01	98.01%

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>
2019	\$ 187,193.62	\$ 709,264.21	\$ 896,457.83	2.00%
2018	170,963.76	634,734.18	805,697.94	1.82%
2017	150,336.68	648,897.36	799,234.04	1.83%
2016	144,782.48	655,020.60	799,803.08	1.87%
2015	132,079.84	563,935.72	696,015.56	1.62%

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

<u>Year</u>	<u>Number</u>
2019	13
2018	14
2017	13
2016	14
2015	14

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2019	\$ 36,649.50
2018	36,649.50
2017	36,649.50
2016	36,649.50
2015	36,649.50

Note 5: WATER/SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of water/sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2019	\$740,266.91	\$ 521.70	\$ 7,963,871.10	\$ 8,704,659.71	\$ 7,927,689.97
2018	758,924.00	-	7,868,288.34	8,627,212.34	7,886,523.03
2017	741,084.35	2,028.17	7,553,961.26	8,297,073.78	7,518,149.78
2016	633,266.42	2,229.21	7,370,190.52	8,005,686.15	7,262,573.36
2015	723,723.84	-	7,432,768.19	8,156,492.03	7,521,062.49

Note 6: FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budgets of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2019	\$ 9,098,499.45	\$ 3,301,000.00	36.28%
2018	7,683,143.07	2,421,000.00	31.51%
2017	7,009,372.80	2,404,000.00	34.30%
2016	5,395,723.18	2,194,800.00	40.68%
2015	2,915,872.58	1,500,000.00	51.44%
<u>Water/Sewer Utility Operating Fund</u>			
2019	\$ 1,208,220.44	\$ 995,000.00	82.35%
2018	1,063,541.34	960,000.00	90.26%
2017	978,460.32	927,341.00	94.78%
2016	396,252.54	137,000.00	34.57%
2015	799,668.46	694,558.00	86.86%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2019:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 428,084.88	
Grant Fund		\$ 99,300.72
Trust Dog License Fund		16,034.23
Trust Other Funds		299,249.93
General Capital Fund		13,500.00
Water/Sewer Utility Operating Fund		7,201.00
Water/Sewer Utility Capital Fund	<u>7,201.00</u>	
	<u>\$ 435,285.88</u>	<u>\$ 435,285.88</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2020, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

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

State of New Jersey
 Division of Pensions and Benefits
 P.O. Box 295
 Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans

Plan Descriptions

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10.0% in State fiscal year 2019. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2019 was 15.04% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 is \$257,869.00, and was payable by April 1, 2020. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 was \$271,647.00, which was paid on April 1, 2019. Employee contributions to the Plan during the year ended December 31, 2019 were \$129,892.33.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 10.0% in State fiscal year 2019. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

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

The Township's contractually required contribution rate for the year ended December 31, 2019 was 29.44% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 is \$935,516.00, and was payable by April 1, 2020. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 was \$857,866.00, which was paid on April 1, 2019. Employee contributions to the Plan during the year ended December 31, 2019 were \$324,601.80.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2019 was 3.79% of the Township's covered payroll.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2019 is \$120,587.00, and was payable by April 1, 2020. Based on the PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2018 was \$95,520.00, which was paid on April 1, 2019.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2019, employee contributions totaled \$8,308.58, and the Township's contributions were \$4,420.00. There were no forfeitures during the year.

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

Public Employees' Retirement System - At December 31, 2019, the Township's proportionate share of the PERS net pension liability was \$4,776,789.00. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2019 measurement date, the Township's proportion was 0.0265104923%, which was a decrease of 0.0007995814% from its proportion measured as of June 30, 2018.

At December 31, 2019, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is \$193,826.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2019, the Township's contribution to PERS was \$271,647.00, and was paid on April 1, 2019.

Police and Firemen's Retirement System - At December 31, 2019, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 11,334,081.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	1,789,673.00
	<u>\$ 13,123,754.00</u>

Note 8: PENSION PLANS (CONT'D)

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

Police and Firemen's Retirement System (Cont'd) - The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2019 measurement date, the Township's proportion was 0.0926152051%, which was a decrease of 0.0048672032% from its proportion measured as of June 30, 2018. Likewise, at June 30, 2019, the State of New Jersey's proportion, on-behalf of the Township, was 0.0926152051%, which was a decrease of 0.0048672032% from its proportion, on-behalf of the Township, measured as of June 30, 2018.

At December 31, 2019, the Township's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is \$948,378.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2019, the Township's contribution to PFRS was \$857,866.00, and was paid on April 1, 2019.

At December 31, 2019, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2019 measurement date is \$207,945.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 85,737.00	\$ 95,674.00	\$ 181,411.00	\$ 21,102.00	\$ 71,758.00	\$ 92,860.00
Changes of Assumptions	476,980.00	388,367.00	865,347.00	1,658,008.00	3,663,071.00	5,321,079.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	75,403.00	153,573.00	228,976.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	268,916.00	870,819.00	1,139,735.00	241,637.00	787,256.00	1,028,893.00
Township Contributions Subsequent to the Measurement Date	128,935.00	467,758.00	596,693.00	-	-	-
	<u>\$ 960,568.00</u>	<u>\$ 1,822,618.00</u>	<u>\$ 2,783,186.00</u>	<u>\$ 1,996,150.00</u>	<u>\$ 4,675,658.00</u>	<u>\$ 6,671,808.00</u>

\$128,935.00 and \$467,758.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2020. These amounts were based on an estimated April 1, 2021 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2019 to the Township's year end of December 31, 2019.

Note 8: PENSION PLANS (CONT'D)

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

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

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

Note 8: **PENSION PLANS (CONT'D)**

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

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

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2020	\$ (108,724.00)	\$ (666,188.00)	\$ (774,912.00)
2021	(392,918.00)	(1,312,779.00)	(1,705,697.00)
2022	(422,551.00)	(833,462.00)	(1,256,013.00)
2023	(213,759.00)	(384,048.00)	(597,807.00)
2024	(26,565.00)	(124,321.00)	(150,886.00)
	<u>\$ (1,164,517.00)</u>	<u>\$ (3,320,798.00)</u>	<u>\$ (4,485,315.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

(1) Based on Years of Service

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

For PFRS, pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2019 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%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2019 was 6.28% for PERS and 6.85% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057 for PERS and 2076 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 for PERS and 2076 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability at June 30, 2019, the Plan's measurement date, calculated using a discount rate of 6.28%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease <u>(5.28%)</u>	Current Discount Rate <u>(6.28%)</u>	1% Increase <u>(7.28%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 6,033,860.00	\$ 4,776,789.00	\$ 3,717,528.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of June 30, 2019, the Plan's measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 6.85%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	1% Decrease <u>(5.85%)</u>	Current Discount Rate <u>(6.85%)</u>	1% Increase <u>(7.85%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 15,319,547.00	\$ 11,334,081.00	\$ 8,035,533.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>2,418,986.00</u>	<u>1,789,673.00</u>	<u>1,268,826.00</u>
	<u>\$ 17,738,533.00</u>	<u>\$ 13,123,754.00</u>	<u>\$ 9,304,359.00</u>

Note 8: PENSION PLANS (CONT'D)

Pension Plan Fiduciary Net Position

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

Supplementary Pension Information

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

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.0265104923%	0.0273100737%	0.0269687860%	0.0270690980%
Township's Proportionate Share of the Net Pension Liability	\$ 4,776,789.00	\$ 5,377,217.00	\$ 6,277,902.00	\$ 8,017,090.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,889,156.00	\$ 1,920,296.00	\$ 1,870,956.00	\$ 1,860,408.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	252.85%	280.02%	335.55%	430.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%
	<u>Measurement Date Ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.0231523365%	0.0255025083%	0.0276805114%	
Township's Proportionate Share of the Net Pension Liability	\$ 5,197,236.00	\$ 4,774,767.00	\$ 5,290,296.00	
Township's Covered Payroll (Plan Measurement Period)	\$ 1,620,416.00	\$ 1,800,928.00	\$ 1,927,556.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	320.73%	265.13%	274.46%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%	

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Seven Years)

	<u>Year Ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 257,869.00	\$ 271,647.00	\$ 249,837.00	\$ 240,478.00
Township's Contribution in Relation to the Contractually Required Contribution	\$ (257,869.00)	(271,647.00)	(249,837.00)	(240,478.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 1,714,147.00	\$ 1,865,498.00	\$ 1,881,347.00	\$ 1,842,893.00
Township's Contributions as a Percentage of Covered Payroll	15.04%	14.56%	13.28%	13.05%
	<u>Year Ended December 31,</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 199,048.00	\$ 210,239.00	\$ 208,567.00	
Township's Contribution in Relation to the Contractually Required Contribution	(199,048.00)	(210,239.00)	(208,567.00)	
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	
Township's Covered Payroll (Calendar Year)	\$ 1,814,071.00	\$ 1,682,576.00	\$ 1,802,094.00	
Township's Contributions as a Percentage of Covered Payroll	10.97%	12.50%	11.57%	

Note 8: **PENSION PLANS (CONT'D)**

Supplementary Pension Information (Cont'd)

Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Seven Years)

	<u>Measurement Date Ended June 30,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.0926152051%	0.0877480019%	0.0916711954%	0.0899533283%
Township's Proportionate Share of the Net Pension Liability	\$ 11,334,081.00	\$ 11,873,751.00	\$ 14,152,260.00	\$ 17,183,387.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>1,789,673.00</u>	<u>1,612,853.00</u>	<u>1,585,172.00</u>	<u>1,442,978.00</u>
Total	<u>\$ 13,123,754.00</u>	<u>\$ 13,486,604.00</u>	<u>\$ 15,737,432.00</u>	<u>\$ 18,626,365.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 3,075,468.00	\$ 2,985,424.00	\$ 2,967,372.00	\$ 2,875,128.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	368.53%	397.72%	476.93%	597.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.00%	62.48%	58.60%	52.01%
	<u>Measurement Date Ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.0991908917%	0.0906861153%	0.0956624573%	
Township's Proportionate Share of the Net Pension Liability	\$ 16,521,745.00	\$ 11,407,472.00	\$ 12,717,460.00	
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>1,448,902.00</u>	<u>1,228,393.00</u>	<u>1,185,422.00</u>	
Total	<u>\$ 17,970,647.00</u>	<u>\$ 12,635,865.00</u>	<u>\$ 13,902,882.00</u>	
Township's Covered Payroll (Plan Measurement Period)	\$ 3,141,188.00	\$ 2,864,304.00	\$ 3,002,204.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	525.97%	398.26%	423.60%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%	

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS) (Last Seven Years)

	<u>Year Ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 935,516.00	\$ 857,866.00	\$ 811,307.00	\$ 733,426.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(935,516.00)</u>	<u>(857,866.00)</u>	<u>(811,307.00)</u>	<u>(733,426.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 3,178,104.00	\$ 3,096,640.00	\$ 2,963,288.00	\$ 2,967,584.00
Township's Contributions as a Percentage of Covered Payroll	29.44%	27.70%	27.38%	24.71%
	<u>Year Ended December 31,</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 806,274.00	\$ 696,532.00	\$ 697,932.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(806,274.00)</u>	<u>(696,532.00)</u>	<u>(697,932.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 2,917,114.00	\$ 3,019,542.00	\$ 2,867,227.00	
Township's Contributions as a Percentage of Covered Payroll	27.64%	23.07%	24.34%	

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017, 5.66% 2018, and 6.28% 2019.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 Experience Study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with a 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 was used. For healthy retirees and beneficiaries, 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 was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

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

In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 6.32% 2014, 5.79% 2015, 5.55% 2016, 6.14% 2017, 6.51% 2018 and 6.85% 2019.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2013 - June 30, 2018 Experience Study. For pre-retirement mortality, the Pub-201 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees, the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For beneficiaries mortality, the Pub-2010 General Retiree Below-Median Income Weighted mortality table, unadjusted, and with future improvement from the base year of 2010 on a generational basis was used. For disabled mortality, the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, the mortality improvement scale incorporated the plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**TOWNSHIP OF MAPLE SHADE POSTEMPLOYMENT HEALTH BENEFIT PLAN**

Plan Description - The Township's defined benefit postemployment healthcare plan, the Maple Shade Township Postemployment Benefits Plan (the "Township Plan"), provides OPEB for all eligible permanent full-time employees of the Township. Effective January 1, 2013, the Township Plan is a single-employer defined benefit OPEB plan administered by the Township. The benefit provisions of the Township Plan may be established or amended by the Township Council. The plan does not issue a separate financial report. Prior to 2013, the Township Plan was an agent multiple-employer postemployment healthcare plan administered by the Municipal Reinsurance Health Insurance Fund (the "MRHIF"). No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided - The Township Plan provides, for eligible employees, a cash payment reimbursement annually, subject to certain maximum amounts, to any employee upon retirement from the Township to help defray the cost of obtaining their health insurance. Members of the Policemen's Benevolent Association, Local 267 and the Teamsters Local Union No. 676 become eligible for the benefit upon termination of the employee's active service with the Township with a retirement allowance granted and paid under the provisions of the Police and Firemen's Retirement System (PFRS) of New Jersey or the Public Employees Retirement System (PERS) of New Jersey, which is dependent upon age, years of service and date of hire. Non-union full-time employees become eligible for the benefit upon retirement at age 60 or with 25 years of service, or upon retirement with a disability retirement under the Public Employees Retirement System (PERS) of New Jersey.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF MAPLE SHADE POSTEMPLOYMENT HEALTH BENEFIT PLAN (CONT'D)

Benefits Provided (Cont'd) - For the year ended December 31, 2019, the maximum annual benefit under the Township Plan was as follows:

<u>Plan Participant</u>	<u>Amount</u>
Police Benevolent Association, Local 267	
Superior Officers	\$ 16,000.00
Captains and Lieutenants	17,500.00
Officers	15,000.00
Teamsters Local Union No. 676	7,500.00
Non-Union Full-Time Employees (Hired prior to April 1, 2017)	
Staff	7,000.00
Management	9,000.00

Employees Covered by Benefit Terms - As of January 1, 2019, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	44
Active Employees	59
	103

Total OPEB Liability

The Township's total OPEB liability of \$10,811,472.00 was measured as of December 31, 2019 and was determined by an actuarial valuation as of January 1, 2019.

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

Actuarial Cost Method	Individual Entry Age Normal as a level percentage of payroll
Discount Rate	3.26% - Single Equivalent Interest Rate (SEIR) based upon the S&P Municipal Bond 20 Year High Grade Rate Index
Annual Wage Increases	3.00%
Price Inflation	2.50%
Investment Rate of Return	Not Applicable
Actuarial Value of Assets	Not Applicable
Funding Policy	Pay-as-you-go
Benefit Payable	It is assumed that current and future retirees will purchase insurance sufficient to receive the current maximum allowable reimbursement. Maximum reimbursement amounts for current retirees vary by retiree and were provided in the participant data.
Annual Healthcare Trend	Not applicable; It is assumed that the stipend amounts in force when the Collective Bargaining Agreements expire will not increase thereafter.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF MAPLE SHADE POSTEMPLOYMENT HEALTH BENEFIT PLAN (CONT'D)

Total OPEB Liability (Cont'd)

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

Participation	<i>Future Retirees:</i> 100% of future retirees are assumed to elect coverage at retirement. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made.
	<i>Current Retirees:</i> Based on current coverage election. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made.
Spousal Participation	Not Applicable
Spouse Age	Not Applicable
Mortality - Police	<i>Healthy Active Employees:</i> Pub-2010 Safety Employees Headcount-Weighted Mortality
	<i>Healthy Retirees:</i> Pub-2010 Safety Retirees Headcount-Weighted Mortality
	<i>Surviving Beneficiaries:</i> Pub-2010 Safety Contingent Survivors Headcount-Weighted Mortality
	<i>Disabled Retirees:</i> Pub-2010 Safety Disabled Retirees Headcount-Weighted Mortality
Mortality - All Others	<i>Healthy Active Employees:</i> Pub-2010 General Employees Headcount-Weighted Mortality
	<i>Healthy Retirees:</i> Pub-2010 General Retirees Headcount-Weighted Mortality
	<i>Surviving Beneficiaries:</i> Pub-2010 General Contingent Survivors Headcount-Weighted Mortality
	<i>Disabled Retirees:</i> Pub-2010 General Disabled Retirees Amount-Weighted Mortality
Mortality	Margin for mortality improvements: Scale MP-2019, fully generational
Disability	Participants are assumed to become disabled in accordance with annual rates varying by age.
Withdrawal	Participants are assumed to terminate employment for reasons other than death, disability or retirement in accordance with annual rates varying by age and service.
Retirement	Participants are assumed to retire in accordance with annual rates varying by age and/or service.
Changes Since Prior Valuation	Discount rate was decreased from 3.70% to 3.64% as of the valuation date, then decreased to 3.26% as of the measurement date December 31, 2019.
	Mortality tables were updated from the RPH-2014 Total Dataset Headcount-Weighted Total Dataset Mortality to the Pub-2010 Headcount-Weighted Mortality with "Safety" tables used for the Police groups and the "General" tables for all others.
	Mortality improvement scale was updated from Scale MP-2016 to MP-2019.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF MAPLE SHADE POSTEMPLOYMENT HEALTH BENEFIT PLAN (CONT'D)

Total OPEB Liability (Cont'd)

Discount Rate - The discount rate is the single rate that reflects (1) the long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return, and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale), to the extent that the conditions for use of the long-term expected rate of return are not met. For the total OPEB liability calculation as of December 31, 2019, the discount rate was decreased from 3.64% to 3.26%.

Changes in Total OPEB Liability

Balance at December 31, 2018		\$ 9,796,443.00
Changes for the Year:		
Service Cost	\$ 269,672.00	
Interest Cost	366,534.00	
Net Benefits Paid by Employer	(257,257.00)	
Ad Hoc Postemployment Benefit Changes	197,697.00	
Changes in Assumptions	638,101.00	
Difference between Expected and Actual Experience	<u>(199,718.00)</u>	
Net Changes		<u>1,015,029.00</u>
Balance at December 31, 2019		<u>\$ 10,811,472.00</u>

The Total OPEB Liability increased relative to the expectation from the prior valuation. Below is a summary of the primary drivers of the increase:

- Updated stipends for future retirees per most recent bargaining agreements
- Updated mortality assumption from the RPH-2014 to the Pub-2010 Headcount Weighted Tables for Safety and General employees with mortality improvement scale updated from MP-2016 to MP-2019
- Decreased discount rate from 3.64% to 3.26%

Updated Police stipends from the new bargaining agreements are considered "ad-hoc plan amendments" and the impact on the Total OPEB Liability is recognized entirely in the 2019 OPEB Expense.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF MAPLE SHADE POSTEMPLOYMENT HEALTH BENEFIT PLAN (CONT'D)

Total OPEB Liability (Cont'd)

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the Township as of December 31, 2019, as well as what the Township's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	1.00% Decrease <u>(2.26%)</u>	Current Discount Rate <u>(3.26%)</u>	1.00% Increase <u>(4.26%)</u>
Total OPEB Liability	<u>\$ 9,561,362.00</u>	<u>\$ 10,811,472.00</u>	<u>\$ 12,337,984.00</u>

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates - A 1% increase or 1% decrease in the healthcare trend would have no effect on the Net OPEB Liability.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2019, the Township recognized OPEB expense of \$902,093.00. As of December 31, 2019, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 911,744.00	\$ 399,844.00
Difference Between Expected and Actual Experience		<u>172,619.00</u>
	<u>\$ 911,744.00</u>	<u>\$ 572,463.00</u>

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

Year Ending <u>Dec 31.</u>	
2020	\$ 68,190.00
2021	68,190.00
2022	68,190.00
2023	68,190.00
2024	2,614.00
Thereafter	<u>63,907.00</u>
	<u>\$ 339,281.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF MAPLE SHADE POSTEMPLOYMENT HEALTH BENEFIT PLAN (CONT'D)

Supplementary OPEB Information

In accordance with GASBS No. 75, the following information is also presented for the Township's OPEB Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of Changes in the Township's Total OPEB Liability and Related Ratios

	<u>Plan Measurement Date December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service Cost	\$ 269,672.00	\$ 331,659.00	\$ 277,654.00
Interest Cost	366,534.00	314,384.00	328,149.00
Benefit Payments	(257,257.00)	(242,734.00)	(289,020.00)
Ad Hoc Postemployment Benefit Changes	197,697.00		
Differences Between Expected and Actual Experience	(199,718.00)		
Changes in Assumptions	638,101.00	(552,748.00)	615,704.00
Net Change in Total OPEB Liability	1,015,029.00	(149,439.00)	932,487.00
Total OPEB Liability - Beginning of Fiscal Year	9,796,443.00	9,945,882.00	9,013,395.00
Total OPEB Liability - End of Fiscal Year	<u>\$ 10,811,472.00</u>	<u>\$ 9,796,443.00</u>	<u>\$ 9,945,882.00</u>
Covered-Employee Payroll	\$ 4,691,916.99	\$ 4,843,310.00	\$ 4,843,310.00
Total OPEB Liability as a Percentage of Covered Payroll	230.43%	202.27%	205.35%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms

Benefits for non-union full-time employees hired on or after April 1, 2017 were eliminated.

Updated Police stipends from the new bargaining agreements are considered "ad-hoc plan amendments."

Changes in Assumptions

The discount rate changed from 3.64% as of December 31, 2018 to 3.26% as of December 31, 2019.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

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

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

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

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

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, the Township is considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the Township does not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the Township is required disclose:

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

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township , is not known, however, under the Special Funding Situation, the State's OPEB (benefit) expense, on-behalf of the Township, is \$88,448.00 for the year ended December 31, 2019 representing 2.78% of the Township's covered payroll.

OPEB Liability and OPEB (Benefit) Expense

OPEB Liability - At December 31, 2019 the State's proportionate Share of the Net OPEB liability associated with the Township is \$6,672,692.00. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

OPEB Liability and OPEB (Benefit) Expense (Cont'd)

OPEB Liability (Cont'd) - The State's proportion of the net OPEB liability, on-behalf of the Township, was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the State's proportion on-behalf of the Township was 0.120757% which was a decrease of 0.005932% from its proportion measured as of the June 30, 2018 measurement date.

OPEB (Benefit) Expense - At December 31, 2019, the State's proportionate share of the OPEB (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2019 measurement date, is \$88,448.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Actuarial Assumptions

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

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Not Applicable Under Special Funding Situation	
PFRS:	
Rate for all Years	3.25% to 15.25%

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

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Actuarial Assumptions (Cont'd)

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

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

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

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays the Township's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2019, the Plan's measurement date, calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>\$ 7,715,329.00</u>	<u>\$ 6,672,692.00</u>	<u>\$ 5,825,412.00</u>

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

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

State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>\$ 5,630,930.00</u>	<u>\$ 6,672,692.00</u>	<u>\$ 8,001,635.00</u>
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Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

OPEB Plan Fiduciary Net Position

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

Supplementary OPEB Information

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.000000%	0.000000%	0.000000%
State's Proportion of the Net OPEB Liability Associated with the Township	100.000000%	100.000000%	100.000000%
	<u>100.000000%</u>	<u>100.000000%</u>	<u>100.000000%</u>
Township's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Township	6,672,692.00	7,872,257.00	10,308,934.00
Total	<u>\$ 6,672,692.00</u>	<u>\$ 7,872,257.00</u>	<u>\$ 10,308,934.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 3,156,122.00	\$ 2,983,732.00	\$ 3,004,622.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	211.421%	263.839%	343.103%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Supplementary OPEB Information (Cont'd)

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

The amount of actual contributions that the State made on-behalf of the Township is not known.

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms

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

Changes in Assumptions

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

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

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

Note 10: COMPENSATED ABSENCES

Full-time employees are entitled to paid unused sick leave, vacation days and compensatory time in various amounts as outlined in the Township code and contracts between the Township and PBA Local 267 and Teamsters Local Union 676. Unused sick leave, vacation days and compensatory time may be accumulated and carried forward to the subsequent year, subject to conditions outlined in the Township code and contracts. Upon retirement, employees may be compensated for accumulated unused sick leave, vacation days and compensatory time in accordance with formulas and limits established in the Township code and contracts.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2019, accrued benefits for compensated absences are valued at \$676,233.59.

The Township has established a Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2019, the balance of the fund was \$87,832.55.

Note 11: 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.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT (CONT'D)

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

Note 12 CAPITAL DEBT**General Improvement Bonds****County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2002 –**

On October 15, 2002, the Burlington County Bridge Commission issued \$73,510,000.00 of County-Guaranteed Pooled Loan Revenue Bonds to make loans to certain borrowers in the County of Burlington under a Governmental Loan Program. Under this program, pursuant to a Borrower Purchase Agreement, the Township issued general obligation bonds in the amount of \$7,261,000.00, consisting of \$3,549,000.00 to fund various general improvements and \$3,712,000.00 to fund various water/sewer utility improvements. The bonds were issued with interest rates ranging from 2.0% to 5.0%. In March 2011, \$4,220,000.00 of \$5,441,000.00 outstanding principal was refunded through the issuance of County-Guaranteed Pooled Loan Revenue Refunding Bonds. As of December 31, 2019, the sole remaining maturity of the Series 2002 bonds is due October 15, 2022.

County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2010B -

On December 21, 2010, the Burlington County Bridge Commission issued \$17,675,000.00 of County-Guaranteed Pooled Loan Revenue Bonds to make loans to certain borrowers in the County of Burlington under a Governmental Loan Program. Under this program, pursuant to a Borrower Purchase Agreement, the Township issued general obligation bonds in the amount of \$15,165,000.00, consisting of \$9,515,000.00 to fund various general improvements and \$5,650,000.00 to fund various water/sewer utility improvements. The bonds were issued with interest rates ranging from 2.25% to 5.0%. The final maturity of the bonds is October 15, 2030.

County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2011A -

On March 31, 2011, the Burlington County Bridge Commission issued \$37,785,000.00 of County-Guaranteed Pooled Loan Revenue Refunding Bonds to make loans to certain borrowers in the County of Burlington under the Governmental Loan Program to refinance a portion of the loans made by the Commission to borrowers that were financed with a portion of the proceeds of the Commission's County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2002. The Township issued general obligation bonds in the amount of \$4,150,000.00, consisting of \$2,048,000.00 for general improvements and \$2,102,000.00 for water/sewer utility improvements, to advance refund \$5,441,000.00 of the County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2002. The bonds were issued with interest rates ranging from 3.0% to 5.0%. The final maturity of the bonds is October 15, 2021.

County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017A -

On March 28, 2017, the Burlington County Bridge Commission issued \$18,925,000.00 of County-Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2017A to make loans to certain borrowers in the County of Burlington, including the Township, under the Governmental Loan Program to refinance a portion of the loans made by the Commission to borrowers that were financed with a portion of the proceeds of the Commission's County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2006. The Township issued general obligation bonds in the amount of \$6,067,000.00, consisting of \$2,982,000.00 for general improvements and \$3,085,000.00 for water/sewer utility improvements, to currently refund \$6,207,000.00 of the County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2006. The bonds were issued with interest rates ranging from 3.0% to 4.0%. The final maturity of the bonds is January 15, 2026.

Note 12 CAPITAL DEBT (CONT'D)

General Improvement Bonds (Cont'd)

General Obligation Bonds, Series 2019 - On May 23, 2019, the Township issued \$19,415,000.00 in General Obligation Bonds, consisting of \$13,850,000.00 General Improvement Bonds and \$5,565,000.00 Water/Sewer Utility Bonds, with interest rates ranging from 2.0% to 5.0%. The proceeds of the General Improvement Bonds, together with \$4,661.00 budgeted funds of the Township, were used to refund, on a current basis, \$15,349,661.00 in aggregate principal amount of outstanding bond anticipation notes of the Township and to pay certain costs and expenses incidental to the issuance and delivery of the General Improvement Bonds. The proceeds of the Water and Sewer Utility Bonds were used to refund, on a current basis, \$4,522,100.00 in aggregate principal amount of outstanding bond anticipation notes of the Township, to finance various Water/Sewer Utility improvements in the amount of \$1,477,900.00 and to pay certain costs and expenses incidental to the issuance and delivery of the Water/Sewer Utility Bonds. The final maturity of the bonds is February 15, 2035.

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

<u>Year</u>	<u>General</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,588,000.00	\$ 750,655.00	\$ 3,338,655.00
2021	2,339,000.00	649,140.00	2,988,140.00
2022	2,414,000.00	533,730.00	2,947,730.00
2023	1,275,000.00	412,425.00	1,687,425.00
2024	1,355,000.00	346,675.00	1,701,675.00
2025-2029	6,800,000.00	788,800.00	7,588,800.00
2030-2034	1,360,000.00	20,400.00	1,380,400.00
	<u>\$ 18,131,000.00</u>	<u>\$ 3,501,825.00</u>	<u>\$ 21,632,825.00</u>

Note 12 CAPITAL DEBT (CONT'D)

General Improvement Bonds (Cont'd)

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds (cont'd):

<u>Year</u>	<u>Water/Sewer Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,011,000.00	\$ 490,223.76	\$ 1,501,223.76
2021	1,122,000.00	451,058.76	1,573,058.76
2022	1,171,000.00	400,578.76	1,571,578.76
2023	983,000.00	344,453.76	1,327,453.76
2024	997,000.00	298,433.76	1,295,433.76
2025-2029	4,279,000.00	857,021.30	5,136,021.30
2030-2034	2,250,000.00	212,250.00	2,462,250.00
2035	370,000.00	5,550.00	375,550.00
	<u>\$ 12,183,000.00</u>	<u>\$ 3,059,570.10</u>	<u>\$ 15,242,570.10</u>

General Debt - New Jersey Green Acres Loan

On December 23, 2010, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$213,625.00, at an interest rate of 2.0%. The proceeds were used to fund open space acquisition. Semiannual debt payments are due March and September, with the final maturity payment due March 23, 2027.

<u>Year</u>	<u>General</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 13,562.78	\$ 2,104.85	\$ 15,667.63
2021	13,835.40	1,832.24	15,667.64
2022	14,113.49	1,554.14	15,667.63
2023	14,397.17	1,270.47	15,667.64
2024	14,686.55	981.08	15,667.63
2025-2027	38,020.91	1,148.19	39,169.10
	<u>\$ 108,616.30</u>	<u>\$ 8,890.97</u>	<u>\$ 117,507.27</u>

Note 12: CAPITAL DEBT (CONT'D)

General Debt – New Jersey DEP Restoration Loan

On November 5, 2014, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$306,790.95.00, at an interest rate of 2.0%. The proceeds were used to fund expenses related to the restoration of Steinhauer lake. Semiannual debt payments are due February and August, with the final maturity payment due August 5, 2034.

The following schedule represents the remaining debt service, through maturity, for the New Jersey DEP Restoration Loan:

<u>Year</u>	<u>General</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 14,224.61	\$ 4,852.63	\$ 19,077.24
2021	14,510.53	4,566.71	19,077.24
2022	14,802.18	4,275.06	19,077.24
2023	15,099.71	3,977.53	19,077.24
2024	15,403.21	3,674.03	19,077.24
2025-2029	81,786.51	13,599.69	95,386.20
2030-2034	90,343.17	5,043.03	95,386.20
	<u>\$ 246,169.92</u>	<u>\$ 39,988.68</u>	<u>\$ 286,158.60</u>

General Debt - New Jersey Environmental Infrastructure Loans

On November 4, 2004, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,692,996.00, at no interest, from the fund loan, and \$1,645,000.00 at interest rates ranging from 3.4% to 5.0% from the trust loan. The proceeds were used to fund the replacement of transmission and distribution mains within the Township's water utility system. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2024.

On November 8, 2007, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$5,550,000.00, at no interest, from the fund loan, and \$5,860,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the design and construction of a water treatment system. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2027.

On December 2, 2010, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$474,939.00, at no interest, from the fund loan, and \$445,000.00 at an interest rate of 5.0% from the trust loan. \$237,470.00 of the principal due on the fund loan was forgiven. The proceeds were used to fund the replacement of water mains. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2030. On May 10, 2016, the New Jersey Environmental Infrastructure Trust issued Environmental Infrastructure Refunding Bonds, Series 2016A-R2 to refund a portion of the outstanding New Jersey Environmental Infrastructure Bonds, Series 2010B.

Note 12: CAPITAL DEBT (CONT'D)

General Debt - New Jersey Environmental Infrastructure Loans (Cont'd)

On March 19, 2012, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$789,453.00, at no interest, from the fund loan, and \$480,000.00 at interest rates ranging from 2.0% to 5.0% from the trust loan. \$263,151.00 of the principal due on the fund loan was forgiven. The proceeds were used to fund improvements to the Township's wastewater treatment plant. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2031.

On May 22, 2014, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,362,857.00, at no interest, from the fund loan, and \$445,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the Township's wastewater treatment plant. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2033.

On May 28, 2015, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,475,000.00, at no interest, from the fund loan, and \$455,000.00 at interest rates ranging from 4.0% to 5.0% from the trust loan. The proceeds were used to fund construction expenditures related to the Township's water treatment plant, well house and pumping facilities. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2034.

On May 22, 2018, the Township entered into a loan agreement with the New Jersey Infrastructure Bank (formerly known as the Environmental Infrastructure Trust) to provide \$1,615,099.00, at no interest, from the fund loan, and \$538,366.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the installation of 4,222 replacement water meters with automatic transmitters and automatic transmitters on 550 water meters that were previously replaced, but were not equipped with an automatic meter reading system. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2037.

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

<u>Year</u>	<u>Water/Sewer Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,139,902.32	\$ 239,672.52	\$ 1,379,574.84
2021	1,158,727.79	214,972.52	1,373,700.31
2022	1,175,143.14	189,222.52	1,364,365.66
2023	1,176,284.51	162,572.52	1,338,857.03
2024	1,147,805.41	135,172.52	1,282,977.93
2025-2029	3,975,348.37	306,323.80	4,281,672.17
2030-2034	1,612,165.00	66,596.26	1,678,761.26
2035-2037	328,467.33	7,550.02	336,017.35
	<u>\$ 11,713,843.87</u>	<u>\$ 1,322,082.68</u>	<u>\$ 13,035,926.55</u>

Note 12: CAPITAL DEBT (CONT'D)

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

Summary of Debt

	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>Issued</u>			
General:			
Bonds, Loans, and Notes	\$ 18,485,786.22	\$ 21,838,687.10	\$ 19,815,320.24
Water/Sewer Utility:			
Bonds, Loans, and Notes	<u>23,896,843.87</u>	<u>24,779,338.32</u>	<u>26,708,993.19</u>
Total Issued	<u>42,382,630.09</u>	<u>46,618,025.42</u>	<u>46,524,313.43</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	5,491,401.24	2,384,230.24	4,333,512.24
Water/Sewer Utility:			
Bonds, Loans, and Notes	<u>7,150,493.09</u>	<u>6,860,064.67</u>	<u>5,110,625.67</u>
Total Authorized but not Issued	<u>12,641,894.33</u>	<u>9,244,294.91</u>	<u>9,444,137.91</u>
Total Issued and Authorized but not Issued	<u>55,024,524.42</u>	<u>55,862,320.33</u>	<u>55,968,451.34</u>
<u>Deductions</u>			
Funds Temporarily Held to Pay Bonds and Notes	40,500.00	54,000.00	67,500.00
Self-Liquidating Debt	<u>31,047,336.96</u>	<u>31,639,402.99</u>	<u>31,819,618.86</u>
Total Deductions	<u>31,087,836.96</u>	<u>31,693,402.99</u>	<u>31,887,118.86</u>
Net Debt	<u>\$ 23,936,687.46</u>	<u>\$ 24,168,917.34</u>	<u>\$ 24,081,332.48</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 2.180%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 61,185,000.00	\$ 55,097,054.20	\$ 6,087,945.80
Water/Sewer Utility	31,047,336.96	31,047,336.96	
General	<u>23,977,187.46</u>	<u>40,500.00</u>	<u>23,936,687.46</u>
	<u>\$ 116,209,524.42</u>	<u>\$ 86,184,891.16</u>	<u>\$ 30,024,633.26</u>

Net Debt \$30,024,633.26 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,377,426,355.00 equals 2.180%.

Note 12: CAPITAL DEBT (CONT'D)

Borrowing Power Under NJSA 40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 48,209,922.43
Net Debt	<u>30,024,633.26</u>
Remaining Borrowing Power	<u>\$ 18,185,289.17</u>

**Calculation of "Self-Liquidating Purpose,"
Water/Sewer Utility Per NJSA 40A:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year	\$ 9,120,921.40
Deductions:	
Operating and Maintenance Cost	\$ 5,896,618.00
Debt Service per Water/Sewer Fund	<u>2,643,027.52</u>
	<u>8,539,645.52</u>
Excess in Revenue	<u>\$ 581,275.88</u>

Note 13: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019, the following deferred charge is shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

	<u>Balance Dec. 31, 2019</u>	<u>2020 Budget Appropriations</u>	<u>Balance to Succeeding Years</u>
Dog License Trust Fund:			
Deficit--Dog Fund Expenditures	<u>\$ 12,043.10</u>	<u>\$ 12,043.10</u>	<u>\$ -</u>

The appropriation in the 2020 Budget as adopted is not less than that required by the statutes.

Note 14: SCHOOL TAXES

Local School District Taxes have been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance Dec. 31,</u>	
	<u>2019</u>	<u>2018</u>
Balance of Tax	\$16,145,421.00	\$13,523,966.00
Deferred	<u>13,827,678.00</u>	<u>13,510,836.00</u>
Tax Payable	<u>\$ 2,317,743.00</u>	<u>\$ 13,130.00</u>

Note 15: RISK MANAGEMENT

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

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	-	\$ 8,355.49	\$ 10,859.85	\$ 30,715.86
2018	-	7,664.92	5,058.28	33,220.22
2017	\$ 15,385.48	7,585.64	17,378.85	30,613.58

Joint Insurance Pool - The Township is a member of the Professional Municipal Management Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund. The Funds offer the following lines of coverage to its members:

- Comprehensive General Liability
- Property Damage
- Environmental Liability
- Workers' Compensation
- Employer's Liability
- USL & H
- Auto Physical Damage
- Flood
- Boiler and Machinery
- Environmental Legal Liability
- Employee Dishonesty
- Business Auto Liability
- Employment Practices Liability

Note 15: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd) - The Township is a member of the Professional Municipal Management Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund. The Funds offer the following lines of coverage to its members:

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

- Excess Workers' Compensation
- Excess Employers Liability
- Excess USL & H
- Excess Harbor Marine/Jones Act
- Crime including Excess Public Employee and Public Official Coverage

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

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

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

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended December 31, 2019, which can be obtained at www.pmmjif.org and njmel.org.

Note 16: CONTINGENCIES

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

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

Note 17: CONCENTRATIONS

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

Note 18: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount</u>
General Capital Fund:		
Various Capital Improvements and Other Related Expenses	6/25/2020	\$ 1,891,100.00
Water/Sewer Utility Capital Fund:		
Various Water and Sewer Utility Improvements and Other Related Expenses	6/25/2020	<u>1,504,700.00</u>
		<u>\$ 3,395,800.00</u>

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Township’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Township is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2020.

APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

*An opinion in substantially the following form
will be delivered at Closing, assuming no
material changes in facts or law*

_____, 2020

Mayor and Township Council of the
Township of Maple Shade, in the
County of Burlington, New Jersey

Re: Township of Maple Shade, in the County of Burlington, New Jersey
\$_____ Water and Sewer Utility Refunding Bonds (Federally Taxable),
Series 2020

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Township of Maple Shade, in the County of Burlington, New Jersey (the "Township"), of its Water and Sewer Utility Refunding Bonds (Federally Taxable), Series 2020, in the aggregate principal amount of \$_____ (the "2020 Bonds"). The 2020 Bonds are general obligations of the Township and the full faith, credit and taxing power of the Township is available to pay the principal of and interest on the 2020 Bonds. The 2020 Bonds are dated _____, 2020 and mature on October 15 in the years and in the principal amounts and bear interest at the rates, payable on April 15, 2021 and semiannually thereafter on the fifteenth days of October and April in each year until maturity, as follows:

Year	Principal Amount	Interest Rate
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		

The 2020 Bonds will be initially issued in book-entry form only in the form of one certificate for the principal amount of 2020 Bonds maturing in each year, registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2020 Bonds. DTC will be responsible for maintaining the book-entry system for recording the interests of its participants or the transfers of such interests among such participants. Such participants shall be responsible for maintaining records regarding the beneficial ownership interests in the 2020 Bonds on behalf of individual purchasers. Individual purchases of the 2020 Bonds may be made in the principal amount of \$5,000 or multiples of \$1,000 in excess thereof through book-entries on the books and records of DTC and its participants.

The 2020 Bonds are issued under the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended, and the acts amendatory thereof and supplemental thereto (the "Act"), Bond Ordinance No. 2019-23 of the Township adopted on December 5, 2019 (the "Ordinance"), and a resolution adopted by the Township Council on February 27, 2020 (the "Resolution"). The 2020 Bonds are issued to (i) advance refund \$3,110,000 of the principal payable on the Township's \$5,650,000 Water/Sewer Utility Bond, Series 2010, dated December 21, 2010, payable on October 15 in the years 2022 to 2030, inclusive (the "Refunded Bonds"), and (ii) pay costs of issuance in connection with the issuance of the 2020 Bonds.

In connection with the issuance of the 2020 Bonds, the Township has entered into an Escrow Deposit Agreement dated _____, 2020 (the "Escrow Deposit Agreement"), with TD Bank, National Association, Cherry Hill, New Jersey (the "Escrow Agent"), pursuant to which a portion of the proceeds of the 2020 Bonds will be deposited and held uninvested as cash or invested in direct and general obligations of the United States of America, the maturing principal of which and interest on which shall be used to pay interest on the Refunded Bonds until October 15, 2021 (the "Redemption Date") and to pay the principal of the Refunded Bonds on the Redemption Date. Bowman & Company LLP, Certified Public Accountants, has, based on certain information provided to it, verified the mathematical computation of the adequacy of the maturing principal of and interest on the investments purchased with the proceeds of the 2020 Bonds to make payment of the interest on the Refunded Bonds to and on the Redemption Date and to redeem the Refunded Bonds on the Redemption Date.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the 2020 Bonds, including (a) copies of the Resolution and the Ordinance; (b) such matters of law, including, *inter alia*, the Act; and (c) such other agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the 2020 Bonds as we have deemed necessary. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied upon the proceedings

and other certifications of public officials executed and furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The 2020 Bonds have been duly authorized, issued, executed and sold by the Township; the Ordinance and the Resolution have been duly authorized and adopted by the Township; and the 2020 Bonds, the Ordinance and the Resolution are legal, valid and binding obligations of the Township enforceable in accordance with their respective terms.
2. Interest on the 2020 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended.
3. Under current law, interest on the 2020 Bonds and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act.
4. The power and obligation of the Township to pay the 2020 Bonds is unlimited, and the Township shall be required to levy *ad valorem* taxes upon all taxable property within the Township for the payment of the principal of and interest on the 2020 Bonds without limitation as to rate or amount.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their respective terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 2 and 3 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the 2020 Bonds.

The opinions expressed herein are limited to and based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States of America as of the date hereof, and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions or to any laws or judicial decisions hereafter enacted or rendered.

Mayor and Township Council of the
Township of Maple Shade, in the
County of Burlington, New Jersey
_____, 2020
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We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the 2020 Bonds.

DECOTIIS, FITZPATRICK, COLE & GIBLIN, LLP

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Maple Shade, in the County of Burlington, New Jersey (the "Issuer"), in connection with the issuance by the Issuer of \$_____ aggregate principal amount of Water and Sewer Utility Refunding Bonds (Federally Taxable), Series 2020 (the "Bonds"). The Bonds are being issued pursuant to a Refunding Bond Ordinance duly adopted by the Township Council of the Issuer on December 5, 2019, and a resolution duly adopted by the Township Council of the Issuer on February 27, 2020 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any Bond, including holders of beneficial interests in the Bonds.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" means the MSRB's Electronic Municipal Markets Access System.

"Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b); provided, however that the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of New Jersey.

Section 3. Provision of Annual Reports.

(a) Not later than nine (9) months after the end of the Issuer’s fiscal year, beginning with the fiscal year ending December 31, 2020, the Issuer shall, or shall cause the Dissemination Agent to, provide to the MSRB, in an electronic format as prescribed by the MSRB and accompanied by such identifying information as is prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information which has been made available to the public on the MSRB’s website or filed with the Securities and Exchange Commission; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a timely notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall, if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting standards (GAAS) as from time to time in effect, and as prescribed by the Division of Local Government Services in the Department of Community Affairs of the State pursuant to Chapter 5 of Title 40A of the New Jersey Statutes. If the Issuer’s audited financial statements are not available by the time the Annual Report is required to be provided pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be provided in the same manner as the Annual Report when they become available.

(b) The financial information and operating data consisting of information concerning the Issuer’s debt, overlapping indebtedness, tax rate, levy and collection data, property valuation

and fund balance of the type contained in the Official Statement dated _____, 2020, pertaining to the sale of the Bonds.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer will provide, in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events, to the MSRB through EMMA, notice of any of the following events with respect to the Bonds (each, a “Listed Event”):

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of holders of the Bonds, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect holders of the Bonds, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Upon the occurrence of a Listed Event, the Issuer shall promptly file, in a timely manner not in excess of ten (10) business days after the occurrence of the Listed Event, in an electronic format as prescribed by the MSRB and accompanied by such identifying information as is prescribed by the MSRB, a notice of such occurrence with the MSRB through EMMA. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Bondholders of affected Bonds pursuant to the Resolution.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds and shall create no rights in any other person or entity.

Dated: _____, 2020

TOWNSHIP OF MAPLE SHADE, IN THE
COUNTY OF BURLINGTON, NEW JERSEY

By: _____
Chief Financial Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Township of Maple Shade, in the County of Burlington, New Jersey

Name of Bond Issue: \$_____ aggregate principal amount of Water and Sewer Utility Refunding Bonds (Federally Taxable), Series 2020

Dated Date: _____, 2020

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated _____, 2020. The Issuer anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____

TOWNSHIP OF MAPLE SHADE, IN THE
COUNTY OF BURLINGTON, NEW
JERSEY

By _____
Name: _____
Title _____