

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 4, 2020

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, assuming continuing compliance by the Township (as hereinafter defined) with certain tax covenants described herein, under existing law, interest on the Notes (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and does not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals. In addition, interest on the Notes may be subject to the branch profits tax imposed on certain foreign corporations and to the tax on "excess net passive income" imposed on S corporations. Interest on Notes and any gain from the sale thereof is not included in the gross income of owners thereof under the New Jersey Gross Income Tax Act, as presently executed and construed. See "TAX MATTERS" herein.

\$7,693,000
TOWNSHIP OF VOORHEES
COUNTY OF CAMDEN, NEW JERSEY
BOND ANTICIPATION NOTES OF 2020, SERIES A
Consisting of:
\$6,577,900 General Improvement Notes
\$1,115,100 Sewer Utility Notes
(Non-Callable) (Bank Qualified)

Dated: Date of Delivery

Due: August 18, 2021

The \$7,693,000 principal amount of Bond Anticipation Notes of 2020, Series A, consisting of \$6,577,900 General Improvement Notes (the "General Improvement Notes") and \$1,115,100 Sewer Utility Notes (the "Sewer Utility Notes" together with the General Improvement Notes, the "Notes"), of the Township of Voorhees, County of Camden, New Jersey ("Township"), shall be issued in fully registered book-entry-only form without coupons in minimum denominations of \$5,000 or any integral multiple of \$5,000, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Notes.

The Notes shall be dated and bear interest from August 19, 2020 (date of delivery) at the rate set forth above. The Notes shall mature on August 18, 2021 upon presentation and surrender of the Notes at the offices of the Township. Interest on the Notes is payable at maturity. The Notes are not subject to redemption prior to maturity.

Upon initial issuance, the Notes 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 Notes. So long as Cede & Co. is the registered owner of the Notes, payments of principal of and interest on the Notes will be made by the Township 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 Notes. Purchasers will not receive certificates representing their ownership interest in the Notes purchased. For so long as any purchaser is a Beneficial Owner of a Note, 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 Note.

The Township is issuing the Notes pursuant to: (i) the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); (ii) bond ordinances listed herein, each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on August __, 2020.

The Notes are being issued by the Township to provide funds which will be used to: (i) refund certain bond anticipation notes of the Township, dated November 14, 2019 and maturing on August 20, 2020, (ii) temporarily finance the costs of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Notes.

The Notes are general obligations of the Township and the full faith and credit of the Township are irrevocably pledged for the payment thereof. The Notes are payable ultimately from *ad valorem* taxes that shall be levied upon all taxable real property within the Township without limitation as to rate or amount.

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 Notes are offered when, as and if issued, subject to the prior approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township. Certain legal matters will be passed upon for the Township by its Solicitor, Howard C. Long, Jr., Esquire, of the law firm Wade, Long, Wood & Long, LLC, Laurel Springs, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Notes. Delivery of the Notes is further subject to certain other conditions set forth herein. It is anticipated that the Notes in definitive form will be available for delivery through DTC in New York, New York, on or about August 19, 2020.

MATURITY SCHEDULE

\$7,693,000

BOND ANTICIPATION NOTES OF 2020, SERIES A

Consisting of:

\$6,577,900 General Improvement Notes

\$1,115,100 Sewer Utility Notes

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP¹</u>
August 18, 2021	\$7,693,000	%	%	

¹CUSIP 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 Number listed above is being provided solely for the convenience of holders of the Notes only at the time of issuance of the Notes and the Township does not make any representations with respect to such number or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Notes.

TOWNSHIP OF VOORHEES
COUNTY OF CAMDEN, NEW JERSEY

Mayor and Township Committee

<u>Name</u>	<u>Title</u>
Michael R. Mignogna	Mayor
Jason A. Ravitz	Deputy Mayor
Michelle M. Nocito	Deputy Mayor
Harry A. Platt	Committeeperson
Jacklyn Fetbroyt	Committeeperson

Administrator

Lawrence Spellman, Esq.

Chief Financial Officer/Treasurer

Dean Ciminera

Township Clerk

Dianna Ober

Tax and Sewer Utility Collector

Jennifer J. Dukelow

Solicitor

Wade, Long, Wood & Long, LLC
Laurel Springs, New Jersey

Auditor

Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel

Parker McCay P.A.
Mount Laurel, 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 Notes other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Township. The information contained herein has been provided by the Township and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation or warranty by any underwriter or, as to information from sources other than itself, by 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 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, bond ordinances, agreements, reports and other 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 office of the Township Clerk during normal business hours.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor there be any sale of the Notes 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 representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Township or any underwriter.

Upon issuance, the Notes will not be registered under the Securities Act of 1933, as amended, will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other federal, State, municipal or other governmental entity will have passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER AND/OR PURCHASER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

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OFFICIAL STATEMENT

\$7,693,000
TOWNSHIP OF VOORHEES
County of Camden, New Jersey
BOND ANTICIPATION NOTES OF 2020, SERIES A
Consisting of:
\$6,577,900 General Improvement Notes
\$1,115,100 Sewer Utility Notes
(Non-Callable) (Bank Qualified)

INTRODUCTION

The purpose of this Official Statement, including the cover page hereof and the appendices attached hereto, is to provide certain information relating to the issuance by the Township of Voorhees, County of Camden, New Jersey ("Township"), of \$7,693,000 principal amount of its Bond Anticipation Notes of 2020, Series A, consisting of \$6,577,900 General Improvement Notes (the "General Improvement Notes") and \$1,115,100 Sewer Utility Notes (the "Sewer Utility Notes" together with the General Improvement Notes, the "Notes").

The information contained herein relating to the Township was furnished by the Township unless otherwise indicated.

AUTHORIZATION FOR THE NOTES

The Township is issuing the Notes pursuant to: (i) the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); (ii) various bond ordinances described in the table below (collectively, the "Bond Ordinances"), each duly and finally adopted by the Township Committee and published in accordance with the requirements of Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on August __, 2020.

PURPOSE OF THE ISSUE

The Notes are being issued by the Township to provide funds which will be used to: (i) refund certain bond anticipation notes of the Township, dated November 14, 2019 and maturing on August 20, 2020; (ii) temporarily finance the costs of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Notes.

The capital improvements and equipment to be temporarily financed with the proceeds of the Notes include the following:

General Improvement Notes

Ordinance Number	Purpose/Improvement	Amount Authorized	Notes Outstanding	Notes to be Issued
16-286	Acquisition of Various Pieces of Equipment and Vehicles	\$1,212,200	\$100	\$100
19-340	Acquisition of Vehicles and Equipment	498,750	498,750	498,750
19-345	Road Improvements	1,425,000	1,425,000	1,425,000
19-347	Acquisition and Installation of Traffic Signalization	180,500	180,500	180,500
19-348	Acquisition of Vehicles and Equipment	1,881,950	1,881,000	1,881,950
19-349	Renovations to Various Township Buildings and Improvements to Various Parks Facilities and Public Works Building	1,222,650	1,222,650	1,222,650
20-360	Acquisition of Vehicles and Equipment	516,800	0	516,800
20-370	Acquisition of Vehicles and Equipment	405,650	0	405,650
20-368	Road Improvements	346,750	0	346,750
20-367	Buildings and Grounds	99,750	0	99,750
Total		\$7,790,000	\$5,208,000	\$6,577,900

Sewer Utility Notes

Ordinance Number	Purpose/Improvement	Amount Authorized	Notes Outstanding	Notes to be Issued
17-304	Sewer Utility Improvements	\$1,087,750	\$0	\$750
19-346	Sewer Utility Improvements	2,261,000	0	250
20-361	Sewer Utility Improvements	380,000	0	380,000
20-369	Sewer Utility Improvements	734,350	0	734,100
Total		\$4,463,100	\$0	\$1,115,100

DESCRIPTION OF THE NOTES

General

The Notes will be issued in the principal amount set forth on the inside front cover page, will be dated the date of issuance, will bear interest from that date at the rate set forth on the cover page hereof

and will mature as shown on the inside front cover page. The Notes are **not** subject to redemption prior to their stated maturity date.

The Notes will be issued in fully registered book-entry-only form without coupons in minimum denominations of \$5,000 or any integral multiple of \$5,000, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Notes. The principal of the Notes will be payable to the registered owners thereof at maturity upon presentation and surrender of the Notes at the offices of the Township, acting as paying agent for the Notes. Interest on each Note shall be payable at maturity to the registered owner of record thereof appearing on the registration books kept by the Township.

So long as DTC, or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made directly to Cede & Co., as nominee for DTC. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners (as herein defined) of the Notes is the responsibility of the DTC Participants and not the Township.

Book-Entry-Only System¹

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Notes, payment of principal and interest, and other payments on the Notes to DTC Participants or Beneficial Owners (as each such term is hereinafter defined), confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, DTC 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.

The DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities 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 Note certificate will be issued for the maturity of the Notes, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities 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 3.5 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks,

¹ Source: The Depository Trust Company

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.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all the Notes 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 the Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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.

Redemption notices, if any, shall be sent to DTC. If less than all of the bonds or notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township or its hereafter designated paying agent, if any, as soon as possible after the applicable Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the applicable Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Notes, if any, 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 Township or its hereafter designated paying agent, if any 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, the Township or its hereafter designated paying agent, if any, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or its hereafter designated paying agent, if

any, and 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 Notes at any time by giving reasonable notice to the Township or its hereafter designated paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained, the Notes certificates are required to be printed and delivered.

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

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 neither the Township nor the Underwriters (as hereinafter defined) take any responsibility for the accuracy thereof.

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

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

Discontinuance of Book-Entry-Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Notes, the following provisions would apply: (i) the Notes may be exchanged for an equal principal amount of Notes in other authorized denominations and of the same maturity, upon surrender thereof at the offices of the Township or its hereafter designated paying agent, if any; (ii) the transfer of the Notes may be registered on the books maintained by the Township or its hereafter designated paying agent, if any, for such purposes only upon the surrender thereof to the Township or its hereafter designated paying agent, if any, together with the duly executed assignment in form satisfactory to the Township or its hereafter designated paying agent, if any, for the Notes; and (iii) for every exchange or registration of transfer of the Notes, the Township or its hereafter designated paying agent, if any, may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Notes. In such event, interest on the Notes will be payable by check or draft, mailed on the Interest Payment Date, to the registered owners thereof as of the close of business on the Record Date, whether or not a business day.

SECURITY FOR THE NOTES

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of and interest on the Notes. The Notes are general obligations of the Township and are issued in anticipation of the issuance of bonds and, if not paid from the proceeds of such bonds or other funds, are payable

ultimately from *ad valorem* taxes that shall be levied upon all taxable real property within the Township without limitation as to rate or amount.

The Township may pledge only its own credit and taxing power in respect of the Notes, and has no power to pledge the credit or taxing power of the State or any other political subdivision thereof, nor shall the Notes be deemed to be obligations of said State or any other political subdivision thereof, nor shall said State or any other political subdivision thereof be liable for the payment of principal of or interest on the Notes.

GENERAL INFORMATION REGARDING THE TOWNSHIP

General

General information concerning the Township, including economic, financial, demographic and other relevant data, is set forth in Appendix "A" to this Official Statement.

Financial

Appendix "B" to this Official Statement contains (a) compiled financial statements of the Township for the year ended December 31, 2019 and (b) audited financial statements of the Township for the years ending December 31, 2018, 2017, 2016, 2015 and 2014. The compiled and audited financial data was provided by Bowman & Company LLP, Voorhees, New Jersey, and is included herein in reliance upon the authority of such firm. Bowman & Company LLP, Voorhees, New Jersey, has consented to the inclusion of their report in this Official Statement. Copies of the complete 2019 Annual Financial Statement (unaudited) and Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

CERTAIN PROVISIONS OF THE LAWS OF THE STATE OF NEW JERSEY AND THE UNITED STATES RELATING TO GENERAL OBLIGATION DEBT

Local Bond Law

General - The Local Bond Law governs the issuance of bonds and notes by counties and municipalities for the financing of capital improvements. Among its provisions are the following: (i) the power and obligation to pay any and all bonds and notes issued pursuant to the Local Bond Law shall be unlimited; (ii) the county or municipality shall levy *ad valorem* taxes upon all taxable property therein for the payment of the principal of and interest on such bonds and notes without limitation as to rate or amount; (iii) generally, a down payment that is not less than five percent (5%) of the amount of debt obligations authorized must be appropriated in addition to the amount of debt obligations authorized; (iv) all non-special-assessment bonds shall mature within the period of usefulness or average period of usefulness of the improvements being financed; and (v) after issuance, all bonds and notes shall be conclusively presumed to be fully authorized and issued by all of the laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery.

Debt Limits - The authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to three and one-half percent (3.50%) of its equalized valuation basis. The equalized valuation basis of the Township is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements as annually determined by the New Jersey State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Bonds, notes and long-term loans are included in the computation of debt for the statutory debt limit. The Township, including the issuance of the Notes, will not exceed its three and one half percent (3.50%) debt limit.

Exceptions to Debt Limits – Extensions of Credit - The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval may be granted.

In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for purposes in an amount not exceeding two-thirds (2/3) of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

Short-Term Financing – When approved by bond ordinance, the Township may issue bond anticipation notes to temporarily finance capital improvements. Such notes may not be issued in an aggregate amount exceeding that specified by the ordinance. The notes may not be issued for periods of more than one year, renewable with the final maturity occurring no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original note. After the third year, the amount of the notes that may be renewed annually must be decreased by the minimum amount required for the first year's principal payment for the bond issue in anticipation of which the notes are issued.

Refunding Bonds – Refunding Bonds may be issued pursuant to the Local Bond Law for the purpose of paying, or funding outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-state administered public employee pension system and amounts owing to others for taxes levied in the local unit, or any renewals or extensions thereof, and for paying the cost of issuance of such refunding bonds.

Local Fiscal Affairs Law

The Local Fiscal Affairs Law, Chapter 5 of Title 40A of the New Jersey State Statutes, as amended and supplemented ("Local Fiscal Affairs Law"), governs audits, auditors, public moneys and financial statements of local governmental units, including the Township.

Each local unit is required to cause an annual audit of its books, accounts and financial transactions to be made and completed within six months after the close of its fiscal year by either a Registered Municipal Accountant or, by agreement with the Director ("Director") of the Division of Local Government Services ("Division") in the Department of Community Affairs, by qualified employees of the Division.

An independent examination of the Township's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2018 is on file with the Township Clerk and is available for review during business hours, and is available online at the Township's website: www.voorheesnj.com.

The Local Fiscal Affairs Law also requires that the Chief Financial Officer of the local unit file annually with the Director a verified statement of the financial condition of the local unit as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end local units and August 10 for June 30 fiscal year end local units.

Local Budget Law

The Local Budget Law, Chapter 4 of Title 40A of the State, as amended and supplemented ("Local Budget Law"), governs the budgeting and appropriation of funds by local governmental units.

The Local Budget Law requires local governmental units to adopt a "cash basis" budget in such form that there will be sufficient cash collected to meet all debt service requirements, necessary operations of the local governmental units for the fiscal year and any mandatory payments required to be met during the fiscal year.

No budget shall be adopted unless the Director shall have previously certified their approval thereof.

Each local governmental unit must include in its budget an appropriation for the payment of debt service. The Director is required to examine such appropriation to determine whether it is properly set forth, in addition to determining whether all estimates of revenue contained in the budget are reasonable, accurate and correctly stated.

A statute passed in 1976, as amended (*N.J.S.A. 40A:4-45.1 et seq.*), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c. 89, which revised and made permanent the "Cap Law". Since its inception, the "Cap Law" has been amended and modified several times, most recently on July 13, 2010. While the revised "Cap Law" is more restrictive on the ability of a local unit to increase its overall appropriations, it does not limit the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service on the Notes. The Cap Law provides that a local unit shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year's final appropriations subject to certain exceptions. The "index rate" is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; 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.

Additionally, legislation constituting P.L. 2010, c. 44, was adopted on July 13, 2010 (S-29R1), which, among other things, imposes a two percent (2.00%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments.

Exclusions from the two percent (2.00%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.00%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.00% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 *et seq.*), as annually determined by the Division of Pensions and

Benefits in the Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the "Cap Law" (specifically, *N.J.S.A.* 40A:4-45-46) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2.00%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2.00%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

In response to the outbreak of the Coronavirus (as defined and described under the heading "CERTAIN RISK FACTORS – Recent Healthcare Developments" below), on March 24, 2020, the Local Finance Board released Local Finance Notice 2020-07 specifically permitting emergency appropriations for response to the Coronavirus subsequent to the adoption of a local unit's budget. In particular, such emergency appropriation must be approved by 2/3 vote of the governing body of the local unit and be accompanied by a certification of the Chief Financial Officer stating that the resolution covers expenses incurred during the emergency response to the Coronavirus. Moreover, to the extent that such Coronavirus-related emergency appropriations exceed the cost of providing similar services under non-emergency conditions, the deferred charge to be raised in the following year's budget is an eligible exception to both the levy cap and the appropriations cap.

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

Miscellaneous Revenues

N.J.S.A. 40A:4-26 provides that: "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 [D]irector 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." Such determination may be made by the governing body and the chief financial officer in any year during which the local unit is subject to local examination.

No budget or amendment shall be adopted unless the Director has previously certified the approval of such anticipated revenues.

Real Estate Taxes

Receipts from Delinquent Taxes - Revenues are permitted by *N.J.S.A.* 40A:4-29 to be anticipated in the annual budget for collection of delinquent taxes of prior years. The maximum amount permitted to be anticipated is determined by applying the collection rate of the prior year's delinquent taxes to the total amount of delinquent taxes outstanding at the beginning of the current year.

Current Year Tax Levy and Reserve for Uncollected Taxes - The current year's taxes to be levied are determined by adding the sums of the cash required from taxes to support the municipal, school, county and special district budgets, if any, together with the amount of an appropriation required to be included in the annual municipal budget entitled "Reserve for Uncollected Taxes", less the total of anticipated revenues. The inclusion of the "Reserve for Uncollected Taxes" appropriation in the current year's budget protects the municipality from taxes currently unpaid. The "Reserve for Uncollected Taxes"

is required to be, at a minimum, an amount sufficient to provide for the same percentage of uncollected taxes in the current year as was experienced in the immediately preceding year, the average of the previous three years in accordance with P.L. 2000, c. 126, or the previous year collection percentage after reducing the previous year levy by tax appeal judgments of the county tax board pursuant to R.S.54:3-21 *et seq.*, or the State tax court pursuant to R.S.54:48-1 *et seq.* in accordance with Chapter 56 of P.L. 2010.

N.J.S.A. 40A:4-41 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."

Another provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required for all current budget appropriations and school and county taxes of the current fiscal year. The reserve requirement is calculated as follows:

$$\frac{\text{Levy Required for Current Budget,} \\ \text{School and County Taxes}}{\text{Prior Year's Percentage of Current} \\ \text{Tax Collections (or Lesser \%)}} = \text{Total Taxes to be Levied}$$

In response to the outbreak of the Coronavirus, on May 4, 2020, the Local Finance Board released Local Finance Notice 2020-11 specifically permitting alternative methodologies for calculating the reserve for uncollected taxes. In particular, instead of using the methodology described above for purpose of calculating the reserve for uncollected taxes, one of the following two alternatives may be used: (i) N.J.S.A. 40A:4-41(c) allows for use of the average of the prior three (3) years' tax collection rate to mitigate a short-term decrease in the tax collection rate; or (ii) N.J.S.A. 40A:4-41(d) allows for a municipality to reduce the prior year's certified tax levy by the amount of any tax levy adjustment resulting from a tax appeal judgement. Use of either alternative calculation requires submission to DLGS of a resolution of the governing body and subsequent approval therefrom.

Deferral of Current Expenses

Emergency appropriations (i.e., those made after the adoption of the budget and determination of the tax rate for an unforeseen event or purpose) may be authorized by the governing body of the local governmental units. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3.00%) of the adopted operating budget, consent of the Director of Local Government Services must be obtained.

The exceptions are certain enumerated projects to cover the cost of the extraordinary expense for the repair, or reconstruction of streets, roads or bridges, or other public property damaged by snow, ice, frost or flood, where such expense was not foreseen at the time of the adoption of the budget, which may be amortized over three years; and tax map preparations, revision of ordinances, revaluations, master plan preparation, studies and planning necessary for the installation and construction of a sanitary sewer system, and payments of accumulated sick and vacation time 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 subaccounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

Capital Budget

In accordance with the Local Budget Law, each local unit shall prepare and adopt a capital budget, in conjunction with its annual operating budget, for any year in which it proposes to undertake a capital project. Every local unit which adopts a capital budget must also adopt a three (3) year capital program unless the local unit's population exceeds 10,000 where a six (6) year capital program is required.

Sewer Utility Budget

The Township's public sewer utility is supported, in addition to the general taxing power upon real property, by the revenues generated by the operations of the utility. A separate budget is established for the utility. The anticipated revenues and appropriations for the utility are set forth in a budget, which is required to be balanced and to fully provide for debt service. The regulations regarding anticipation of revenue and deferral of charges apply equally to the budget of the utility. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

Related Constitutional and Statutory Provisions

In the general election of January 2, 1976, as amended by the general election of January 6, 1984, the following Article 8, Section 1, Paragraph 7, with respect to a state income tax, was added to the State Constitution:

No tax shall be levied on personal incomes of individuals, estates and trusts of this State unless the entire net receipts therefrom shall be received into the treasury, placed in a perpetual fund and be annually appropriated, pursuant to formulas established from time to time by the Legislature, to the several counties, municipalities and school districts of this State exclusively for the purpose of reducing or offsetting property taxes. In no event, however, shall a tax so levied on personal income be levied on payments received under the Federal Social Security Act, the Federal Railroad Retirement Act, or any federal law which substantially reenacts the provisions of either of those laws.

A progressive state income tax is currently in effect in the State.

The State Constitution may only be amended after: (i) approval of a proposed amendment by three-fifths (3/5) of all of the members of each house of the State Legislature and approval by a majority vote in a statewide referendum; or (ii) approval in two successive legislative years by a majority of all of the members of each house and approval by a majority vote in a statewide referendum. Amendments failing to receive voter approval may not be resubmitted for voter approval before the third succeeding general election after such disaffirmance.

The Municipal Finance Commission

The Municipal Finance Commission ("Commission") was created in 1931 to assist in the financial rehabilitation of municipalities, which had defaulted in their obligations. The powers of the Commission are exercised today by the Local Finance Board. The previously discussed elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the "Municipal Finance Commission Statutes" are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the State's Superior Court. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations causes the Commission to become operative in that municipality.

The Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. The Commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors and the readjustment of debts under the Federal Municipal Bankruptcy Act. Such Act permits municipalities to have access to bankruptcy court for protection against suits by bondholders and creditors.

The Local Finance Board also serves as the "Funding Commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such Funding Commission for the proposed reorganization of its debt.

Limitation of Remedies Under Federal Bankruptcy Code

The rights and remedies of the registered owners of the Notes are subject to the provisions of Chapter 9 of the Federal Bankruptcy Code of the United States ("Bankruptcy Code"). In general, Chapter 9 permits, under prescribed circumstances, but only after an authorization by the applicable state legislature or by a governmental officer or organization empowered by state law to give such authorization, a political subdivision of a state to file a petition for relief in a bankruptcy court of the United States if it is insolvent or unable to meet its debts as they mature and desires to effect a plan to adjust its debts.

The State has authorized the political subdivisions thereof to file such petitions for relief under the Bankruptcy Code pursuant to and subject to Article 8 of the Act. The Act provides that such petitions may not be filed without the prior approval of the Commission and that no plan of readjustment of the local unit's debts may be filed or accepted by the petitioner without express authority from the Commission to do so.

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE TOWNSHIP EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE COMMISSION, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY OF THE NOTES.

THE SUMMARIES OF AND REFERENCES TO THE STATE CONSTITUTION AND OTHER STATUTORY PROVISIONS ABOVE ARE NOT AND SHOULD NOT BE CONSTRUED AS 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.

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the Township, the School Districts, the Voorhees Township Fire District¹ and the County of Camden ("County"), the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in *N.J.S.A. 54:4-1 et seq.* Special taxing districts are permitted in the State for various special services rendered to the properties located within the special district.

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18.00% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under New Jersey Statutes. Additionally, a 6.00% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. Tax liens retained by the Township are periodically assigned to the Township Solicitor for "in rem foreclosures" in order to acquire title to these properties.

In response to the outbreak of the Coronavirus, the Governor of the State of New Jersey signed Executive Order 130, authorizing municipalities in the State to adopt a resolution instituting a grace period concluding on June 1, 2020 for: (i) the payment of second quarter taxes for municipalities on a calendar year budget cycle; and (ii) the payment of fourth quarter taxes for municipalities on a fiscal year budget cycle. At a meeting held on April 29, 2020, Township Committee adopted Resolution No. 113-20, instituting the above-described grace period for the payment of property taxes. See "CERTAIN RISK FACTORS – Recent Healthcare Developments" below for additional information on temporary changes made to property tax laws and regulations in response to the Coronavirus.

Tax Appeals

The State Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the New Jersey Board of Taxation ("Tax Board") on or before the first day of April of the current tax year for review. The Tax Board has the authority, after a hearing, to decrease, increase or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Tax Board, appeal may be made to

¹ The Township dissolved the previously separate Fire District as of March 1, 2017, and brought the fire protection services in as a municipal department.

the State Tax Court. State Tax Court appeals tend to take several years prior to settlement and any losses in tax collection from prior years are charged directly to operations.

In response to the outbreak of the Coronavirus, on May 28, 2020, the Governor of the State of New Jersey signed legislation (A4157) extending the deadline to file 2020 property tax assessment appeals to July 1, and extending deadlines for county boards of taxation to decide on such cases to September 30, with certain exceptions. The bill took effect on May 28, 2020 and applies retroactively to April 1, 2020.

TAX MATTERS

Federal

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, assuming continuing compliance by the Township with the tax covenants described below, under existing law, interest on the Notes is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, amended ("Code"), and is not a specific item of tax preference for the purpose of the alternative minimum tax imposed on individuals.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Notes received or accrued by a foreign corporation subject to the branch profits tax will be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Notes, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by the Township that it will comply with the applicable requirements of the Code, including requirements relating to, inter alia, the use and investment of proceeds of the Notes and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Township to comply with such covenants could result in the interest on the Notes being subject to federal income tax from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that affect the tax-exempt status of the interest on the Notes.

Ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Notes will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Notes is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means

adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Notes.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has designated the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

Owners of the Notes should consult their own tax advisers as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

New Jersey

Bond Counsel is also of the opinion that interest on the Notes and any gain from the sale thereof is not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to bonds or notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Notes.

PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY FEDERAL AND STATE INCOME TAX LEGISLATION, WHETHER CURRENTLY PENDING OR PROPOSED, REGULATORY INITIATIVES OR LITIGATION. THE OPINIONS EXPRESSED BY BOND COUNSEL ARE BASED UPON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE NOTES AND BOND COUNSEL HAS EXPRESSED NO OPINION AS OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.

LITIGATION

To the knowledge of the Township's Solicitor, Howard C. Long, Jr., Esquire, of the law firm Wade, Long, Wood & Long, LLC, Laurel Springs, New Jersey ("Solicitor"), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Notes, or the levy or the collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for 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. Moreover, to the knowledge of the Solicitor, no litigation is presently pending or threatened that, in the opinion of the Solicitor, would have a material adverse impact on the financial condition of the Township if adversely decided.

RATING

The Notes are not rated.

PREPARATION OF OFFICIAL STATEMENT

The Township hereby states that the descriptions and statements herein and in the Appendices attached hereto, including financial and statistical statements, are true and correct in all material respects, and it will confirm the same to the purchaser of the Notes by certificates signed by various officers and officials of the Township upon issuance and delivery of the Notes.

All of the information has been obtained from sources which the Township considers to be reliable and it makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

The Township compiled Appendix "A" from information obtained from various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto.

Parker McCay P.A. has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein (except under the heading "TAX MATTERS") and, accordingly, will express no opinion with respect thereto.

Bowman & Company LLP only takes responsibility for the financial statements, appearing in Appendix "B" hereto.

UNDERWRITING

The Notes have been purchased from the Township at a public sale by _____, as underwriter (the "Underwriter"), pursuant to a Certificate of Determination and Award, dated August __, 2020. The Underwriter has purchased the Notes in accordance with the Notice of Sale. The Notes are being offered for sale at the yield set forth on the inside front cover of this Official Statement. The Underwriter is obligated to purchase all of the Notes if any of the Notes are purchased.

The Underwriter intend to offer the Notes to the public initially at the offering yield 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 Notes to the public. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing Notes into investment trusts) at a yield higher than the public offering yield set forth on the front cover page of this Official Statement, and such yield may be changed, from time to time, by the Underwriter without prior notice.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, money or other funds belonging to them or within their control in any bonds and notes of the Township, including the Notes, and such bonds and notes are authorized security for any and all public deposits.

NO DEFAULT

There is no record of default in the payment of the principal of or interest on the bonds or notes of the Township.

MUNICIPAL ADVISOR

Phoenix Advisors, LLC, Bordentown, New Jersey, has served as Municipal Advisor to the Township with respect to the issuance of the Notes ("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 the 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.

CERTAIN RISK FACTORS

Recent Healthcare Developments

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus ("Coronavirus"), which was first detected in China and has spread to other countries, including the United States, has been declared a pandemic by the World Health Organization, a national emergency by the President of the United States ("President") and a state of emergency by the Governor of the State ("Governor"). The spread of the Coronavirus has affected global economics and financial markets, which has led to volatility and reduced liquidity. Virtually all sectors of the United States economy, with the exception of essential services, have been reduced or shutdown resulting in significant reductions in the GDP. Additionally, unemployment in the United States has reached historic levels.

In response, and as noted above, the President declared a national emergency on March 13, 2020, which made available federal resources to combat the spread of the virus. Subsequently, the federal government has adopted multiple bills authorizing various forms of aid including, but not limited to, Medicaid expansion, unemployment benefits and paid emergency leave, immediate cash relief for individuals and a broad lending program for businesses and governmental entities. The Federal Reserve has also lowered its benchmark interest rate to nearly zero, introduced a large bond-buying program and established emergency lending and liquidity programs to banks, money market mutual funds, businesses and certain governmental entities.

The State has also taken action to assist residents effected by the Coronavirus. In particular, on March 28, 2020, the Governor announced a ninety (90) day forbearance program for mortgage payments for borrowers economically impacted by the Coronavirus. Additionally, the income tax filing deadline

and the corporation business tax filing deadline has been extended from April 15 to July 15 and the State fiscal year has been extended to September 30, 2020. Further, pursuant to Executive Order 130, the Governor authorized municipalities in the State to adopt a resolution instituting a grace period concluding on June 1, 2020 for: (i) the payment of second quarter taxes for municipalities on a calendar year budget cycle; and (ii) the payment of fourth quarter taxes for municipalities on a fiscal year budget cycle. If instituted, the impact of these changes could result in short and long-term reductions in available tax and other miscellaneous revenue for the Township. As part of a planned multi-stage approach to restart the State's economy, the Governor has signed a series of executive orders beginning on April 29, 2020 permitting the resumption of certain activities. On June 9, 2020, the Governor signed Executive Orders 151 and 152, explicitly rescinding Paragraph 2 of Executive Order 107, thereby lifting the "stay-at-home" order, lifting the limits on indoor and outdoor gatherings and providing for the opening of certain outdoor recreational businesses. Additional executive orders relating to the resumption of certain activities may be executed by the Governor in the future as part of the planned multi-stage approach to restart the State's economy.

The Township cannot predict, and does not predict, the duration, severity or ultimate impact of the Coronavirus, or the intervening legislative and gubernatorial measures in response thereto, upon global, State-wide and local economies and operations, including that of the Township.

The Township has provided and intends to continue to provide essential services in and for the Township including, but limited to, emergency services, core health and human services, and public works, together with certain other vital services the Township deems necessary to remain operations and responsive to public needs. In addition, the Township is closely monitoring the spread and effects of the Coronavirus and interacts regularly with other appropriate governmental agencies in this regard, including taking such actions as it deems beneficial to prevent the spread of the Coronavirus.

Cyber Security

The Township relies on a large and complex technology environment to conduct its various operations. As a result, the Township faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Township has invested in multiple forms of cybersecurity and operational safeguards. Specifically, the Township has an extensive security system in place, including network firewalls and established administrative rights and restrictions, with varying level of approvals, implemented entity-wide, for access to network drives and applications that are reviewed regularly to ensure proper internal control and protections and provide relevant employees and staff with cyberattack training. The Township has installed specific application software to train and assist employees in identifying suspicious emails. In addition, the Township maintains insurance coverage for cyberattacks and related events.

CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12 ("Rule"), promulgated under the Securities Exchange Act of 1934, as amended, by the Securities and Exchange Commission ("Commission"), the Township will, prior to the issuance of the Notes, enter into an agreement substantially in the form set forth in Appendix "D".

The Township has previously entered into continuing disclosure undertakings under the Rule. While the Township has filed its financial information and operating data in each of the past five (5) years, as required by the Rule, certain information, specifically the "Ten Largest Non-Governmental Employers", required in some, but not all, of the Township's continuing disclosure agreements was not

included in the operating data for the years ended December 31, 2014, 2015, 2016, 2017, and 2018. Such information was included in the Township's Official Statements dated August 12, 2014; July 19, 2016; and September 12, 2017, but was not properly incorporated by reference. A separate filing has since been filed on EMMA containing the required information. The Township appointed Phoenix Advisors, LLC, Bordentown, New Jersey in August of 2014 to act as Continuing Disclosure Agent to assist in the filing of certain information on EMMA as required under its obligations.

LEGAL MATTERS

The legality of the Notes will be subject to the approving legal opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township ("Bond Counsel"). Such opinion will be printed on or accompany the Notes and provide, *inter alia*, that the Notes are valid and binding obligations of the Township, and the Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Township without limitation as to rate or amount for the payment of the Notes and interest thereon. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other law affecting creditors' rights or remedies heretofore or hereinafter enacted. Certain legal matters will be passed upon for the Township by its Solicitor.

Bond Counsel has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement (except to the extent, if any, as specifically stated herein) and will express no opinion relating thereto.

The various legal opinions to be delivered concurrently with the delivery of the Notes express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

ADDITIONAL INFORMATION

Additional information may be obtained from Dean Ciminera, Chief Financial Officer of the Township of Voorhees, at 856.429.0281, or the Municipal Advisor at 609.291.0130.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract or agreement with the owners of the Notes.

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

TOWNSHIP OF VOORHEES, NEW JERSEY

By: _____
DEAN CIMINERA, Chief Financial Officer

Dated: August __, 2020

APPENDIX A

GENERAL INFORMATION ON THE TOWNSHIP

GENERAL INFORMATION ON THE TOWNSHIP

History

The Lenni Lenape Indians first settled in the Township of Voorhees ("Township") about three centuries ago. In the 1700s, European settlement of the area was led by several families in what was then called Waterford Township in the County of Gloucester ("County"). They began grist and lumber mills along the creeks and by the 1800s a local economy began to take hold with the establishment of taverns, which served as social centers, and of stagecoach lines which connected the local people to the neighboring region. One stagecoach line passing through the Township began in Philadelphia and went to the Atlantic shore line, a two-day trip.

In 1844, the County was chartered as a county separate from Gloucester County. By the end of the century the local population wanted to establish its own township and sought the assistance of New Jersey Governor Van Voorhees. The Township was chartered on March 1, 1899 in an area encompassing approximately 11.4 square miles located in the central part of the County approximately ten miles southeast of Philadelphia, Pennsylvania.

As World War II ended, the Township began to grow from farmland and countryside to a suburban Township with schools, housing developments and shopping centers. In the late 1960s the Township developed a "town center zone" which contained a full shopping mall, office buildings, apartments and condominiums.

Population in the Township doubled from 6,214 in 1970 to 12,919 in 1980 and nearly doubled again by 1990 to a population of 24,559. According the U.S. Bureau of the Census, the 2010 population was 29,131.

Local Government

The Township government is based on the township committee form of government, which exercises legislative power in the Township. Committee members are elected on an at-large basis for staggered three-year terms. Two members are elected in each of two consecutive years while a single member is elected in the third year. The Mayor is appointed annually by a majority of the Township Committee.

The day-to-day administrative duties are the responsibility of the Township Administrator, who is appointed by the Township Committee. To that end, the Township Administrator keeps the Township Committee informed as to the conduct of the Township affairs, the condition of the Township finances and the welfare and future needs of the Township.

The financial affairs of the Township are administered by the Chief Financial Officer, who reports to the Township Committee. Along with the Township Administrator, the Chief Financial Officer prepares the annual municipal budget, and then maintains it on a daily basis after adoption by the Township Committee. A five-year forecast, for both the operating and capital budgets, is used to assess the Township's future financial needs.

Business Management

The Mayor and Township Committee have taken an active role in the preparation and administration of the Township's annual operating and capital budgets. Joint purchasing agreements, extensive use of state contract purchases, and the solicitation of competitive price proposals for a majority of purchases are just a few measures employed to reduce costs. User fees for Township services are continually examined and increased when needed, and an aggressive tax collection program contributes to the Township's financial well-being.

The Township utilizes an Economic Development Committee (EDC) in order to promote ratable growth through several yearly initiatives. The EDC sponsors a business summit where local businesses come together to share ideas and concerns on how to make their businesses more successful. The EDC is also tasked with reviewing Township-led business initiatives to get feedback from residents and business leaders, and to help ensure the initiatives reflect the desires of the business community.

Local businesses provide contributions to the Voorhees Citizens Event Foundation (VCEF), a 501c(3) corporation that helps to underwrite the production costs of an economic development brochure and calendar. These items provide economic and demographic information to both the business and residential communities. The VCEF was established for the purpose of paying for community events, and bringing our businesses and residents together.

In an effort to retain and assist local businesses, the Township has adopted the “Shop Voorhees” program, where residents receive credit on their property tax bill by frequenting certain local merchants. “Shop Voorhees” is voluntary, and many local businesses take part in the program. Residents use an affinity card that was provided to each residential property owner, and businesses that participate allocate a certain percentage of each purchase to the program.

Fire Protection and Emergency Services

The Township's Fire Department is comprised of one Deputy Chief, one Battalion Chief, three Captains, and 33 full-time firefighters. The daily operations of the Fire Department are managed by a Fire Chief/Official. The Department monitors and establishes locations for fire hydrants throughout the Township, and provides 24/7 fire protection services. Emergency Medical Services are also provided on an around-the-clock basis by 12 full-time and 26 part-time emergency medical technicians. In addition, the Department is outfitted with heavy-duty rescue equipment and a water rescue dive team.

Police

The Township's Police Department is comprised of one Chief, one Deputy Chief, two Captains, four Lieutenants, eight Sergeants, 38 Patrol Officers and 14 Class II Officers, many of whom are college educated. The Department consists of a Traffic Division, a Patrol Division, an Emergency Services Unit, a Criminal Investigation Unit, a K-9 Unit and a Detective Bureau. Thirteen of the 14 Class II Officers patrol the elementary schools, the middle school, two private schools, and the high school on a daily basis. This specialization has allowed the Department to receive over one million dollars in funding for both Federal and State grant programs. Support services include clerical personnel, crossing guards and a computerized criminal justice information system.

Public Works

Township maintenance is designed to maintain neighborhoods in first class condition. The Public Works Department, with a full-time work force of approximately 35, is headed by a Superintendent, and consists of a Road Department, a crew of mechanics, a Sanitation Department, a Parks Department and a Sewer Department.

The Road Department is responsible for the maintenance of over 100 miles of Township roads, including minor road repairs, road signage, street sweeping and snow plowing and removal. The mechanics provide automotive services to the entire fleet of Administrative and Public Works vehicles in a Township-owned garage facility.

The Sanitation Department is responsible for the disposal of trash and the collection of recyclable materials such as paper, vegetative waste and commingled glass and cans. These

expanded recycling efforts have reduced trash disposal costs and even generates a revenue stream when market conditions are right. In concert with dedicated neighborhood residents, civic groups and youth organizations, the Sanitation Department has been able to educate the community in matters of recycling and litter control. Each year sees continued participation in such events as the "Adopt a Road Program" and the "Public Lands Cleanup Day."

Parks and Recreation

A major priority of the Township Committee is the development of aesthetic and safe recreational facilities. The last several years have seen an ongoing Township-wide park redevelopment program, which has led to the installation of new playground equipment, picnic areas, nature trails and athletic facilities. Through the State's Green Acres Program, the Township purchased the North Branch Conservation Area, Lion's Lake, Rabinowitz Park, Stafford Farm, the former Lafferty Asphalt Parcel, Stafford Woods, Kirkwood Forest, Kresson Lake, and Ashland Woods in order to preserve open space. To date, the Township has preserved more than 560 acres for recreation and conservation purposes.

The Township offers to children and adults of the community a wide variety of athletic and cultural opportunities, which are administered through the Community Education & Recreation Office ("CER"). The CER program is also responsible for scheduling the use of gymnasiums and multipurpose rooms, while the Township Parks Department is responsible for the scheduling and maintenance of the recreation fields.

Recreation facilities in the Township include open space areas, athletic fields and courts of all kinds, playground sites and tot lots. Other activities in the Township include community theater, summer camps and youth baseball, softball, soccer, football, basketball and lacrosse for boys and girls.

Sewer and Water Utilities

The Township owns and operates several pumping stations and a sewerage collection system that runs throughout the Township. The sewerage collection system serves virtually the entire Township, while a few properties continue to use septic systems. The current Township rate for each user is \$145.00 per domestic consumer unit per year.

Sewer treatment services are provided by the Camden County Municipal Utilities Authority ("CCMUA"). The CCMUA is an autonomous body that owns and operates the treatment facility, and has established an annual rate of \$352.00 per equivalent dwelling unit for 2019.

The New Jersey-American Water Company ("NJAWC") furnishes virtually the entire Township with water.

Township Employees

A summary of full-time and part-time employees of the Township for the past five (5) years is included below.

	<u>2019</u>	<u>2018</u>	<u>December 31, 2017</u>	<u>2016</u>	<u>2015</u>
Permanent	186	183	170	128	122
Part-time	<u>70</u>	<u>81</u>	<u>73</u>	<u>38</u>	<u>38</u>
Total	<u>256</u>	<u>264</u>	<u>243</u>	<u>166</u>	<u>160</u>

Employee Collective Bargaining Units

Employees are recognized as separate collective bargaining units. The police patrol officers have an approved contract through December 31, 2020. The municipal employees and supervisors have an approved contract through 12/31/20. The public works department has an approved contract through December 31, 2023. The senior police officers and the police sergeants have an approved contract through December 31, 2021. The Fire Department's Senior Officers, Lieutenants, Firefighters and EMT bargaining units all have approved contracts through December 31, 2021.

Compensated Absences

Township employees are entitled to fifteen paid sick leave days each year. For all bargaining units, unused sick leave may be accumulated and carried forward to the subsequent year. Upon retirement, employees are reimbursed at their retirement rate of pay for twenty-five percent (25%) of their unused sick days. All police officers, firefighters, EMT's and public works employees may elect to sell back up to five unused vacation days each year at their current rate of pay. Municipal and non-contractual employees may elect to sell back up to ten vacation days each year at their current rate of pay. All police officers, firefighters and EMT's may also sell back up to one week of unused holiday time as well. (For additional information regarding compensated absences, see Appendix B: Audited Financial Statements, Note 10).

Pension Plans

Those Township employees who are eligible for pension coverage are enrolled in one of two 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: Audited Financial Statements, Note 8).

Township Population(1)

2010 Federal Census	29,131
2000 Federal Census	28,126
1990 Federal Census	24,559
1980 Federal Census	12,919
1970 Federal Census	6,214

Selected Census 2017 Data for the Township (1)

Median household income	\$85,199
Median family income	\$113,576
Per capita income	\$45,586

Township Labor Force (2)

The following table discloses annual average labor force data for the Township.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township					
Labor Force	14,805	14,603	14,767	14,873	14,775
Employed	14,406	14,150	14,268	14,311	14,075
Unemployed	399	453	499	562	675
Unemployment Rate	2.7%	3.1%	3.4%	3.8%	4.6%

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

(2) Source: New Jersey Department of Labor

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County					
Labor Force	253,053	249,945	253,217	255,629	256,492
Employment	242,811	238,357	240,342	241,640	239,733
Unemployment	10,242	11,588	12,875	13,989	16,775
Unemployment Rate	4.0%	4.6%	5.1%	5.5%	6.5%
State					
Labor Force	4,493,100	4,422,900	4,453,500	4,524,300	4,543,817
Employment	4,333,300	4,239,600	4,247,500	4,299,900	4,277,317
Unemployment	159,800	183,400	206,000	224,300	266,525
Unemployment Rate	3.6%	4.1%	4.6%	5.0%	5.9%

Business and Industry

The Township's commercial base includes industrial operations, multi-tenant office centers and shopping centers. Comcast, AAA of South Jersey, Giant Fitness, Edge Fitness, YALE School, Kellman-Brown Academy, and the Guide Post Montessori School all have a major presence in the Township. The Philadelphia Flyers utilize a 66,000 square-foot training and practice facility in the Township. This building also houses medical offices, potential restaurant and retail areas and provides for public ice skating.

In addition, smaller office complexes include Glendale Executive Campus, Laurel Oak Corporate Center, Alluvium Corporate Center, Echelon Professional Center, the Voorhees Corporate Center and the Pavilions at Voorhees. The various complexes are home to Hampton Inn, Wingate and Marriot Hotels, and a Spring Hill Suites.

The Town Center at Voorhees includes a food court, Boscov's and other stores, a Rizzieri Salon and restaurants along "The Boulevard," and the continued construction of a residential component. In addition, the Township municipal building was relocated to the Town Center in May, 2011. Other shopping centers include Eagle Plaza, which recently completed a \$3 million facelift, Avian Plaza, Echelon Village Plaza, The Echo Shoppes, a Target store, that includes a Starbuck's Coffee Shop, a Kohl's store, and the Cedar Hill Shopping Center which includes a Lowe's and BJ'S Wholesale Club.

Health care facilities in the Township are numerous. The Virtua Health System recently moved their operations to a new hospital/health care campus valued at several hundred million dollars. This state-of-the-art facility replaced a 35-year-old hospital, and opened in May, 2011. The Virtua/Rohrer Fitness Center, South Jersey Radiology and the Tatem-Brown Family Practice Center remain at the site of the old hospital. Jefferson University Hospital recently moved its NJ headquarters to Voorhees, and also opened the school's new College of Health Professionals Physician Assistants Program. Cooper Hospital also has a significant presence in the Township. The Cooper Pain Management Center, as well as several other Cooper satellite offices, are located throughout the Township. Additionally, the Township is home to a Children's Hospital of Philadelphia satellite facility, a Bayada Nursing office, a Penn Medicine Proton Therapy Unit, senior citizen communities, several nursing centers, assisted-living quarters and a Bancroft pediatric facility.

Community Development

Much of the Township has been developed for residential use, although substantial sites have been developed or are available for nonresidential use. There are more than 8,000 housing units with approximately 6,600 single-family homes and 1,400 condominium or townhouse residences. In addition, there are more than 2,600 apartment rental units.

Current single-family residential zoning allows minimum lot areas of 9,375 square feet in the R-75 zone and up to a minimum of one acre in the rural residence zone. Multi-family and cluster development is also permitted on larger tracts within the Township, subject to Township Planning Board approval.

The most recent Master Plan update provided a greater diversity of commercial uses in what are now industrial or office zones. The Master Plan also calls for increased buffering between residential and commercial uses to moderate the transition between them.

The Township, along with its Planning and Zoning Boards, and its Economic Development Advisory Committee, works diligently with developers and business owners to create a business-friendly climate, while insuring that proposed development will provide maximum benefit and minimal adverse impact on the Township.

Transportation and Infrastructure

Centrally located between New York City, Washington D.C., Philadelphia and the New Jersey Shore, the Township has excellent highway and transit access. Highway access includes Interstate 295, State Route 73 and the New Jersey Turnpike, the primary interstate route in the New York-Washington corridor.

The Port Authority Transit Company's High Speed Line, with their Ashland station located in the Township, provides an important link to center city Philadelphia for both commuters and shoppers. New Jersey Transit provides public bus transportation, and there is a Township-owned bus available for senior citizens six days a week.

The Township's Capital Improvement Program has reinvested an average of \$3.195 million a year for the last ten years to provide a sound infrastructure. The Engineering Department's Road Management Program ("Program") details those roads recently repaired, as well as those scheduled for future reconstruction or modification. This Program acts in concert with the routine maintenance work performed on a daily basis. Continuing sewer work has seen the completion of a Sewer Master Plan, which details the pump stations and collection system as well as the Township's future sewer requirements.

Township officials have played a significant role in the initiation of and planning for major revitalization and improvement of County roads within the Township. Intersection improvements are being completed on a continuing basis, and increased signalization has taken place over the past few years. A study of traffic in the Township, both existing conditions and future needs, has resulted in a computer program which projects expected traffic from proposed developments. Each developer now pays their fair share of needed circulation improvements, thus taking the burden off of the taxpayers.

TEN LARGEST NON-GOVERNMENTAL EMPLOYERS (1)

<u>Company</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>
Virtua Health System	Healthcare	1,450
Cooper Health System	Healthcare	400
Children's Hospital	Healthcare	300
Lakewood of Voorhees	Nursing Center	290
Comcast Corp.	Cable Services	265
Genesis Eldercare	Nursing Center	225
Jefferson Hospital	Healthcare	200
Cedar Hill Shopping Center	Retail Shopping	190
Boscov's	Department Store	175
Target Store	Retail Shopping	100

Building, Zoning and Development Codes

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 of New Jersey. These codes and other municipal codes are codified as a basis for improved administration and regulation.

The Township adopted the Municipal Land Use Law on February 7, 1977. The Municipal Land Use Law gave the Township Zoning Board of Adjustment 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 and general welfare.

Building Permits Issued(2)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2020(3)	485	\$37,303,917
2019	1,175	22,571,887
2018	1,344	37,841,215
2017	1,629	25,422,079
2016	1,544	33,564,364
2015	1,471	41,802,009

(1) Source: Individual employers as of 10/01/19

(2) Source: Township Construction Official

(3) As of July 1, 2020

GENERAL INFORMATION ON THE SCHOOL DISTRICT (1)

Primary and Secondary Education

As a type II district, the Board of Education of the Township of Voorhees ("School District") functions independently through a nine-member Board, elected by the voters for alternate three-year terms. The School District is located in the Township of Voorhees (the "Township"), in the County of Camden (the "County"), in the State of New Jersey (the "State") and serves students residing in the Township.

The School District has a total of five (5) schools: four (4) elementary schools and one (1) middle school. See "Present School Facilities, Enrollment and Capacities" herein. Special education students are mainstreamed into the public school system.

The Township's high school students along with students from the Boroughs of Berlin and Gibbsboro, attend the Eastern Camden County Regional High School District.

TOWNSHIP OF VOORHEES SCHOOL DISTRICT SCHOOL ENROLLMENTS(1)

<u>Grade</u>	<u>2015</u>	<u>2016</u>	<u>June 30, 2017</u>	<u>2018</u>	<u>2019</u>
Pre-K/Pre-School	67	65	71	80	71
K	255	257	261	274	274
1	290	299	300	316	322
2	316	306	296	309	326
3	296	333	312	312	306
4	343	307	334	329	315
5	344	351	312	349	328
6	352	341	352	331	345
7	355	358	348	360	340
8	<u>402</u>	<u>362</u>	<u>363</u>	<u>348</u>	<u>357</u>
Totals	<u>3,020</u>	<u>2,979</u>	<u>2,949</u>	<u>3,008</u>	<u>2,984</u>

PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY(1)

<u>Name of School</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Enrollment June 30, 2019</u>	<u>Functional Capacity</u>
Voorhees Middle School	1973	1983/1988/2003	6-8	1,042	1,259
Kresson School	1983	1985/2003	K-5	385	539
Signal Hill School	1988	2003	K-5	494	615
E.T. Hamilton School	1970	1983/1988/2003	K-5	393	550
Osage School	1957	1961/1967/1982/ 1988/ 2003	K-5	<u>670</u>	<u>620</u>
Totals				<u>2,984</u>	<u>3,583</u>

(1) Source: School District officials

**EASTERN CAMDEN COUNTY REGIONAL HIGH SCHOOL DISTRICT
ENROLLMENTS(1)(2)**

<u>Grade</u>	<u>2015</u>	<u>2016</u>	<u>October 15, 2017</u>	<u>2018</u>	<u>2019</u>
9	344	321	315	301	312
10	309	346	319	309	301
11	355	311	338	315	300
12	349	345	307	335	318
Special Education	<u>191</u>	<u>196</u>	<u>205</u>	<u>212</u>	<u>208</u>
Totals	<u>1,548</u>	<u>1,519</u>	<u>1,484</u>	<u>1,472</u>	<u>1,439</u>

HIGHER AND OTHER EDUCATION FACILITIES

Rutgers University-Camden Campus

Rutgers University-Camden ("Rutgers"), is a comprehensive, publicly-supported, co-educational four-year institution accredited by the Middle States Association of Colleges and Secondary Schools and funded primarily by the State, was founded in 1950 on a 23.8 acre campus in the City of Camden. For the 2017-2018 school year, there were approximately 5,776 undergraduate students and 1,395 graduate students.

Camden County College

Fully accredited by the Middle States Association of Colleges and Secondary Schools, Camden County College ("College") is a comprehensive publicly supported, co-educational two-year institution developed under the State Department of Higher Education. It is funded in part by the County Board of Chosen Freeholders who appoint an eleven (11) member Board of Trustees. The College has three distinct campuses in Blackwood, Camden and Cherry Hill – along with its satellite locations in Lakeland, Sicklerville and elsewhere throughout the County.

As of the Fall of 2018, full time enrollment was 4,271 and part-time enrollment was 5,404 for a total of 9,675.

Camden County Technical Schools

From a vocational school that opened with 400 students in 12 trade areas in 1928, Camden County Technical Schools ("CCTS") has grown to be one of the largest and most comprehensive technical schools in the nation. The district today encompasses a full range of day and evening programs at campuses in Pennsauken and Gloucester Township. Beginning in 2012, the adult programs were operated by Camden County College as part of the Camden County shared services agreement.

(1) Source: School Business Administrator/Board Secretary

(2) Voorhees Township students only.

For high school students, there are 32 career programs from which to choose. For the 2018-2019 school year, 1,331 students are enrolled at the Gloucester Township Campus, and 772 at the Pennsauken Campus, including 270 Special Education Students between the two campuses. Seniors are offered the opportunity to participate in several of our school-to-career programs and are offered lifetime job placement assistance. In addition, students are offered a full-range of athletics and activities to complement their education. Through Camden County College, high school juniors and seniors at CCTS have various opportunities to earn college credit for college level work completed while in high school. Students may bank the credits earned for future enrollment at colleges and universities.

In addition to the facilities mentioned above, Stockton University, University of Pennsylvania, Temple University, LaSalle University, Villanova University, St. Joseph's University, Drexel University and Rowan University are all within a commuting distance from the Township.

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2020 Assessed Valuation</u>
Virtua Health-Div. of Property Mgmt.	Hospital	\$49,959,300
Foster Sq 1-6%Lowe Ent Invest.	Apartments	33,669,400
HCP III Eagle, LLC	Shopping Center	25,030,300
Cooper Holdings, LLC % Deloitte	Department Store	17,517,500
Del Coop LLC	Insurance Office	17,242,700
SJF CCRC, Inc.	Residential Senior Housing	16,694,500
Village Group Limited Partnership	Apartments	16,412,200
Whitehorse 401 LLC	Office Building	16,299,300
Vista 2016, LLC	Apartments	15,588,500
Village Group Limited Partnership	Apartments	15,370,400

CURRENT TAX COLLECTIONS (2)

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2019(3)	\$126,243,207	\$124,901,258	98.94%	\$1,075,570	0.85%
2018	125,349,815	124,007,670	98.93	1,235,885	0.99
2017	124,036,183	122,752,398	98.96	1,150,051	0.93
2016	121,574,917	120,219,227	98.88	1,315,609	1.08
2015	119,745,886	118,465,822	98.93	1,155,140	0.96

(1) Source: Township Tax Assessor

(2) Source: Annual Reports of Audit, unless otherwise indicated

(3) Information from Annual Compiled Financial Statement

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding Jan. 1</u>	<u>Added</u>	<u>Collected</u> <u>Amount</u>	<u>Percentage</u>	<u>Transferred To Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
2019(2)	\$1,279,636	\$17,098	\$1,130,700	87.19%	\$274	\$16,733	\$149,027
2018	1,178,248	2,252	1,088,219	92.18	6,763	41,767	43,751
2017	1,315,609	2,500	1,106,894	83.98	3,485	179,533	28,197
2016	1,156,787	4,344	1,138,362	98.04	3,099	4,748	14,922
2015	1,226,896	2,776	1,134,943	92.30	---	93,083	1,646

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by Sales and Transfers</u>	<u>Collected</u>	<u>Other Credits</u>	<u>Balance Dec. 31</u>
2019(2)	\$303,806	\$38,082	\$16,232	\$143,797	\$181,859
2018	259,947	56,694	12,835	---	303,806
2017	214,634	45,313	---	---	259,947
2016	178,769	40,572	3,672	1,035	214,634
2015	182,664	39,638	43,533	---	178,769

FORECLOSED PROPERTY (1)(3)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added By Transfer</u>	<u>Adjustment to Assessed Valuation</u>	<u>Gain/Loss on Sale</u>	<u>Sales</u>	<u>Balance Dec. 31</u>
2019(2)	---	\$155,078	\$288,422	---	---	\$443,500
2018	---	---	---	---	---	---
2017	---	---	---	---	---	---
2016	---	---	---	---	---	---
2015	---	---	---	---	---	---

CURRENT SEWER COLLECTIONS (1)

<u>Year</u>	<u>Beginning Balance</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u> <u>Amount</u>	<u>Percentage</u>	<u>Outstanding Dec. 31</u> <u>Amount</u>	<u>Percentage</u>
2019(2)	\$72,636	\$2,300,633	\$2,299,214	96.88%	\$73,341	3.09%
2018	79,427	2,064,384	2,070,496	96.58	72,636	3.39
2017	62,293	2,068,365	2,047,319	96.09	79,427	3.73
2016	58,298	2,070,584	2,062,353	96.87	62,293	2.93
2015	64,620	2,072,161	2,077,602	97.23	58,298	2.73

(1) Source: Annual Reports of Audit, unless otherwise indicated

(2) Information from Annual Compiled Financial Statement

(3) 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.

**NET ASSESSED VALUATIONS AND
ANNUAL TAX RATES (1)**

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (2)</u>					
		<u>Total</u>	<u>County</u>	<u>Local School</u>	<u>Regional High School</u>	<u>Municipal</u>	<u>Fire District</u>
2020	\$3,199,338,511	\$4.090	\$1.010	\$1.500	\$0.669	\$0.911	---
2019	3,194,896,036	3.946	0.967	1.473	0.654	0.852	---
2018	3,189,459,053	3.920	0.979	1.447	0.661	0.833	---
2017(5)	3,178,378,778	3.887	0.984	1.424	0.646	0.799	\$0.034
2016	3,129,697,683	3.870	0.974	1.420	0.652	0.630	0.194

**RATIO OF ASSESSED VALUATION TO TRUE VALUE
AND TRUE VALUE PER CAPITA (6)**

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value Per Capita(3)</u>
2020	\$3,192,254,801	84.19%	\$3,791,726,810	\$130,161
2019	3,187,417,604	89.70	3,553,419,848	121,981
2018	3,181,910,504	91.41	3,480,921,676	119,492
2017	3,170,900,540	90.69	3,496,416,959	120,024
2016	3,122,225,695	91.07	3,428,380,032	117,688

REAL PROPERTY CLASSIFICATION (4)

<u>Year</u>	<u>Assessed Value Land Use Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Farm</u>
2020	\$3,192,254,801	\$50,896,800	\$2,251,857,475	\$672,529,601	\$20,922,300	\$195,114,900	\$933,725
2019	3,187,417,604	50,242,000	2,248,542,675	671,474,200	20,922,300	195,318,300	918,129
2018	3,181,910,504	50,746,000	2,247,941,975	666,078,800	20,907,300	195,318,300	918,129
2017	3,170,900,540	50,817,900	2,238,275,181	664,070,400	20,827,900	195,318,300	1,590,859
2016	3,122,225,695	50,012,900	2,219,870,135	663,363,701	20,611,000	166,777,100	1,590,859

(1) Source: Township's Tax Collector

(2) Per \$100 of assessed valuation

(3) Based upon the 2010 Federal Census of 29,131

(4) Source: Township's Tax Assessor

(5) As of 3/1/17, the Fire District was dissolved.

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

**TOWNSHIP OF VOORHEES
STATEMENT OF INDEBTEDNESS (1)**

The following table summarizes the direct debt of the Township in accordance with the requirements of the Local Bond Law. The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Sewer Utility, and debt of the Local School District. Deductions from gross debt to arrive at net debt include deductible school debt, reserve for payment of debt, open space debt, as well as debt considered to be self-liquidating. The resulting net debt of \$35,902,908 represents .997% of the average of equalized valuations for the Township for the last three years, which is within the 3.5% limit imposed by *N.J.S.A. 40A:2-6*.

	Debt Issued			Authorized But Not Issued	Gross Debt	Deductions				Net Debt
	<u>Bonds</u>	<u>Loans</u>	<u>Notes</u>			<u>School Debt</u>	<u>Open Space Debt</u>	<u>Reserve for Debt Service</u>	<u>Self-Liquidating Debt</u>	
General	\$ 31,454,300	\$ 1,744,953	\$ 10,178,750	\$ 950	\$ 43,378,953		\$ 2,455,653	\$ 5,020,392		\$ 35,902,908
School - Local	3,760,000				3,760,000	\$ 3,760,000				
Sewer Utility	7,392,400		738,250	1,000	8,131,650				\$ 8,131,650	
	<u>\$ 42,606,700</u>	<u>\$ 1,744,953</u>	<u>\$ 10,917,000</u>	<u>\$ 1,950</u>	<u>\$ 55,270,603</u>	<u>\$ 3,760,000</u>	<u>\$ 2,455,653</u>	<u>\$ 5,020,392</u>	<u>\$ 8,131,650</u>	<u>\$ 35,902,908</u>

(1) As of December 31, 2019

Source: Township Auditor

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements for 2017, 2018 and 2019	\$3,600,712,901
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2017, 2018 and 2019	0.997%
2019 Net Valuation Taxable	\$3,199,338,511
2019 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$3,798,810,520
Gross Debt (2):	
As a percentage of 2019 Net Valuation Taxable	1.73%
As a percentage of 2019 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	1.45%
Net Debt (2):	
As a percentage of 2019 Net Valuation Taxable	1.12%
As a percentage of 2019 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	0.95%
Gross Debt Per Capita (3)	\$1,897
Net Debt Per Capita (3)	\$1,232

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Averaged (2017-19) Equalized Valuation of Real Property including Improvements (\$3,600,712,901)	\$126,024,952
Net Debt	<u>35,902,908</u>
Remaining Borrowing Capacity	<u><u>\$90,122,044</u></u>

SCHOOL DISTRICT BORROWING CAPACITY(1)

3% of Averaged (2017-19) Equalized Valuation of Real Property including Improvements (\$3,600,712,901)	\$108,021,387
Gross Debt	<u>3,760,000</u>
Remaining Borrowing Capacity	<u><u>\$104,261,387</u></u>

REGIONAL HIGH SCHOOL DISTRICT BORROWING CAPACITY (1)

3% of Average (2017-19) Equalized Valuation of Real Property including Improvements (\$4,565,518,058)	\$136,965,542
Gross Debt(4)	<u>0</u>
Remaining Borrowing Capacity	<u><u>\$136,965,542</u></u>

(1) As of December 31, 2019

(2) Excluding overlapping debt

(3) Based on 2010 Federal Census of 29,131

(4) Debt portion allocated to the Township \$0

TOWNSHIP OF VOORHEES
OVERLAPPING DEBT AS OF DECEMBER 31, 2019

DEBT ISSUED						
	<u>Debt Outstanding</u>	<u>Deductions</u>		<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	<u>Debt Auth. but not Issued</u>
County of Camden(1):						
General:						
Bonds	\$ 40,475,000	\$ 17,734,529	(2)	\$ 22,740,471	\$ 2,083,027	(4) \$ 44,848,356
Notes	35,461,125			35,461,125	3,248,239	(4)
Loan Agreements	340,001,133			340,001,133	31,144,104	(4)
Bonds Issued by Other Public Bodies Guaranteed by the County	260,305,410	260,305,410	(3)			
	<u>\$ 676,242,668</u>	<u>\$ 278,039,939</u>		<u>\$ 398,202,729</u>	<u>\$ 36,475,370</u>	<u>\$ 44,848,356</u>

(1) Source: County of Camden.

(2) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Refunding Bonds.

(3) Deductible in accordance with N.J.S. 40:37A-80.

(4) Such debt is allocated as a proportion of the Issuer's share of the total 2019 Net Valuation on which County taxes are apportioned, which is 9.16%.

Camden County Municipal Utilities Authority

The Camden County Municipal Utilities Authority ("CCMUA") is a public body corporate and politic of the State and was originally created as the Camden County Sewerage Authority ("Sewerage Authority") by a resolution of the County adopted on December 5, 1967. The Sewerage Authority was reorganized in 1972 as a utilities authority and changed its name to the Camden County Municipal Utilities Authority pursuant to a resolution of the County adopted on April 13, 1972. The CCMUA operates under the supervision of nine commissioners who are appointed by the Board for five-year staggered terms. The County has entered into a deficiency agreement with the CCMUA ("Deficiency Agreement") whereby the County is obligated to pay to the CCMUA any annual charges equal to any deficits in CCMUA revenues necessary to pay or provide for: (i) operation and maintenance expenses of the CCMUA's regional sewer system, (ii) principal and interest payments on bonds and notes of the CCMUA in an aggregate principal amount not to exceed \$685,500,000, and (iii) the maintenance of reserves required under the bond resolution securing the CCMUA's bonds and notes. The obligation of the County pursuant to the provisions of the Deficiency Agreement is a direct and general obligation of the County, and any annual charges are ultimately payable by the County from the levy of *ad valorem* taxes on all the taxable real property within the jurisdiction of the County in amounts sufficient to enable the County to meet its obligations under the Deficiency Agreement. ***To date, no payments have been required to be made by the County pursuant to the Deficiency Agreement.*** The County and the CCMUA may agree to amend the Deficiency Agreement at any time to increase the obligations of the County thereunder.

The CCMUA owns and operates a sewage collection and treatment system which serves all County residents connected to local sewer collection systems. The CCMUA's system does not include the local sewage collection system of any CCMUA participant, but it owns and operates interceptor sewer lines connecting the local systems to the CCMUA's sewage treatment facilities.

The CCMUA is required to charge and collect service charges for the use of its facilities such that revenues of the CCMUA will at all times be adequate to pay all operating and maintenance expenses, including reserves, insurance, extensions and replacements, and to pay punctually the principal of and interest on any bonds and notes of the CCMUA and to maintain reserves and sinking funds therefor as may be required by the terms of any agreements with the holders thereof.

The gross debt as of December 31, 2018 for the CCMUA was \$203,282,026. The County guarantees up to \$685,500,000 of debt issued by the CCMUA.

Camden County Improvement Authority

The Camden County Improvement Authority ("CCIA") is a public body corporate and politic of the State and was created by a resolution of the County Board. The CCIA operates under the supervision of a five (5) member Board who are appointed for five (5) year staggered terms by the County Board. The CCIA has from time to time issued its revenue bonds for projects involving the County and for which the County has a repayment obligation or guaranty. The CCIA also issues conduit debt from time to time which is not included in the overlapping debt as there is no obligation by the taxpayers to repay the associated debt service.

The amount of debt which the County has guaranteed or for which it has a repayment obligation as of December 31, 2018 was \$415,177,178.

TOWNSHIP OF VOORHEES
SCHEDULE OF OUTSTANDING DEBT SERVICE(1)
LOANS AND BONDED DEBT ONLY

<u>Year</u>	<u>General</u>		<u>Sewer Utility</u>		<u>Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2020	\$ 3,895,700	\$ 688,915	\$ 790,000	\$ 165,071	\$ 334,268	\$ 24,299	\$ 5,898,252
2021	3,851,600	612,568	808,400	150,681	339,046	19,492	5,781,787
2022	3,944,000	525,353	635,000	135,974	357,542	14,441	5,612,309
2023	3,650,000	437,955	655,000	122,790	355,010	8,918	5,229,672
2024	3,748,000	357,864	690,000	108,493	359,087	4,544	5,267,988
2025	2,900,000	285,073	595,000	92,555			3,872,628
2026	2,911,000	224,700	609,000	78,790			3,823,490
2027	2,019,000	170,503	417,000	66,325			2,672,828
2028	1,210,000	123,256	309,000	55,197			1,697,453
2029	905,000	93,781	150,000	49,139			1,197,920
2030	905,000	70,944	150,000	45,764			1,171,708
2031	370,000	47,388	160,000	42,202			619,589
2032	370,000	36,288	160,000	38,282			604,569
2033	370,000	25,188	165,000	34,282			594,469
2034	405,000	13,163	175,000	30,074			623,237
2035			175,000	25,524			200,524
2036			180,000	20,887			200,887
2037			185,000	15,937			200,937
2038			190,000	10,849			200,849
2039			194,000	5,529			199,529
	<u>\$ 31,454,300</u>	<u>\$ 3,712,935</u>	<u>\$ 7,392,400</u>	<u>\$ 1,294,343</u>	<u>\$ 1,744,953</u>	<u>\$ 71,694</u>	<u>\$ 44,667,900</u>

(1) As of December 31, 2019.

Source: Township Auditor

**TOWNSHIP OF VOORHEES
2020 MUNICIPAL BUDGET (1)**

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 3,175,000.00
Miscellaneous Revenues:	
Local Revenues	1,451,000.00
State Aid without Offsetting Appropriations	2,231,142.00
Dedicated Uniform Construction Code Fees	351,000.00
Shared Service Agreements	668,290.00
Public and Private Programs Offset with Appropriations	1,013,525.96
Other Special Items of Revenue	2,961,100.00
Receipts from Delinquent Taxes	1,119,942.04
Amount to be Raised by Taxation for Municipal Purposes	<u>28,511,000.00</u>
Total Anticipated Revenues	<u><u>\$ 41,482,000.00</u></u>
Appropriations:	
Within CAPS:	
Operations	\$ 27,764,100.00
Deferred Charges and Statutory Expenditures	4,160,600.00
Excluded from CAPS:	
Other Operations	33,000.00
Shared Service Agreements	678,790.00
Public and Private Programs	1,568,714.96
Capital Improvements	75,000.00
Debt Service	4,456,500.00
Transferred to Board of Education	166,295.04
Reserve for Uncollected Taxes	<u>2,579,000.00</u>
Total Appropriations	<u><u>\$ 41,482,000.00</u></u>

SEWER UTILITY FUND

Anticipated Revenues:	
Fund Balance	\$ 159,000.00
Rents	2,294,000.00
Miscellaneous	112,000.00
Reserve for Payment of Bonds	<u>70,000.00</u>
Total Anticipated Revenues	<u><u>\$ 2,635,000.00</u></u>
Appropriations:	
Operating	\$ 1,521,800.00
Capital Improvement Fund	55,000.00
Debt Service	970,000.00
Deferred Charges and Statutory Expenditures	<u>88,200.00</u>
Total Appropriations	<u><u>\$ 2,635,000.00</u></u>

(1) As adopted

**TOWNSHIP OF VOORHEES
2020 MUNICIPAL BUDGET (1)**

OPEN SPACE FUND

Dedicated Revenues from Trust Fund:	
Amount to be Raised by Taxation	\$ 639,800.00
Reserve Funds	<u>225,200.00</u>
	<u>\$ 865,000.00</u>
Appropriations:	
Maintenance of Lands for Recreation and Conservation:	
Salaries and Wages	\$ 145,400.00
Other Expenses	111,600.00
Debt Service:	
Payment of Bond Principal	556,000.00
Interest on Bonds	<u>52,000.00</u>
	<u>\$ 865,000.00</u>

(1) As adopted

**TOWNSHIP OF VOORHEES
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2020 - 2025 (1)**

	<u>Estimated Total Cost</u>	<u>Budget Appropriations Current Year 2020</u>	<u>Capital Improvement Fund</u>	<u>Grants and Other Funds</u>	<u>Bonds and Notes</u>	
					<u>General</u>	<u>Self Liquidating</u>
Vehicle & Equipment Purchases	\$ 4,971,000.00		\$ 248,550.00		\$ 4,722,450.00	
Road Construction & Overlay	6,865,000.00		293,250.00	\$ 1,000,000.00	5,571,750.00	
Improvements to Buildings & Grounds	4,305,000.00		215,250.00		4,089,750.00	
Traffic Signalization	1,700,000.00		85,000.00		1,615,000.00	
Installation of Sewer Lines, Renovation and Construction of Various Pumping Stations and the Purchase of Miscellaneous Equipment	4,573,000.00		228,650.00			\$ 4,344,350.00
	<u>\$ 22,414,000.00</u>	<u>\$ -</u>	<u>\$ 1,070,700.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ 15,998,950.00</u>	<u>\$ 4,344,350.00</u>

(1) As adopted

APPENDIX B

**FINANCIAL STATEMENTS OF THE
TOWNSHIP OF VOORHEES,
IN THE COUNTY OF CAMDEM, NEW JERSEY**

FOR THE YEAR ENDED 2019
COMPILED FINANCIAL STATEMENTS



INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Voorhees
Voorhees, New Jersey 08043

Management is responsible for the accompanying financial statements of the Township of Voorhees, in the County of Camden, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance-- regulatory basis of the various funds as of December 31, 2019 and the related statements of operations and changes in fund balances-- regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements referred to above have been prepared in conformity with accounting practices prescribed by 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.

Management has elected to omit substantially all of the disclosures required by these regulatory accounting practices. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Township's assets, liabilities, reserves, fund balance, revenues and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Respectfully submitted,

/s/ BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

/s/ Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
February 27, 2020

TOWNSHIP OF VOORHEES

CURRENT FUND

Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2019ASSETS

Regular Fund:

Treasurer:

Cash

\$ 14,750,844.76

Change Fund

925.00

Collector -- Change Fund

200.00

14,751,969.76

Receivables with Full Reserves:

Delinquent Property Taxes Receivable

1,224,596.81

Tax Title Liens Receivable

181,858.80

Property Maintenance Liens Receivable

15,530.84

Property Acquired for Taxes (At Assessed Valuation)

443,500.00

Revenue Accounts Receivable

53,529.26

Due from Federal and State Grant Fund

282,518.72

Due from Trust Fund -- Animal Control

9.64

Due from Trust Fund -- Other

46,181.64

Due from General Capital Fund

8,519.74

2,256,245.4517,008,215.21

Federal and State Grant Fund:

Cash

1,328,676.79

Federal and State Grants Receivable

1,328,676.79\$ 18,336,892.00

(Continued)

TOWNSHIP OF VOORHEES

CURRENT FUND

Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2019LIABILITIES, RESERVES
AND FUND BALANCE

Regular Fund:

Liabilities:

Appropriation Reserves	\$ 1,143,139.48
Reserve for Encumbrances	733,055.86
Due to State of New Jersey:	
Veterans' and Senior Citizens' Deductions	12,471.26
Division of Youth and Family Services	675.00
State Training Fees	5,960.00
Tax Overpayments	51,396.83
Due County for Added and Omitted Taxes	42,339.82
Prepaid Taxes	1,224,388.32
Reserve for Sale of Township Assets	2,119,384.90
Reserve for Workers Compensation Claims	23,076.86
Regional High School Tax Payable	4,843,443.14
Due to Sewer Operating Fund	13,000.00
	<u>10,212,331.47</u>
Reserve for Receivables and Other Assets	2,256,245.45
Fund Balance	<u>4,539,638.29</u>

17,008,215.21

Federal and State Grant Fund:

Appropriated Reserve	793,685.22
Reserve for Encumbrances	3,811.80
Reserve for Contracts Payable	248,661.05
Due to Current Fund	<u>282,518.72</u>

1,328,676.79\$ 18,336,892.00

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF VOORHEES

CURRENT FUND

Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Year Ended December 31, 2019Revenue and Other Income Realized

Fund Balance Utilized	\$ 4,075,000.00
Miscellaneous Revenues Anticipated	8,905,826.41
Receipts from Delinquent Taxes and Tax Title Liens	1,146,932.20
Revenue from Current Taxes	124,901,257.51
Non-Budget Revenue	561,033.31
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	631,055.48
Liquidation of Reserves for:	
Due from Animal Control Fund	15.12
Total Income	<u>140,221,120.03</u>

Expenditures

Budget Appropriations:

Within "CAPS":

Operations - Salaries and Wages	15,280,600.00
Operations - Other Expenses	12,265,500.00
Deferred Charges and Statutory Expenditures	3,768,589.03

Excluded from "CAPS":

Operations - Salaries and Wages	769,016.68
Operations - Other Expenses	1,161,176.54
Capital Improvements--Excluded from "CAPS"	175,000.00
Municipal Debt Service--Excluded from "CAPS"	4,064,975.47
Transferred to Board of Education for Use of Local Schools	163,812.29

Local District School Tax	47,058,338.00
Regional High School Tax	20,893,998.00
County Taxes	30,884,624.83
Due County for Added and Omitted Taxes	42,339.82
Open Space Trust Tax	638,875.20
Other Expenditures:	
Prior Year Senior and Veteran Deductions Disallowed	2,095.40
Creation of Reserve for:	
Due from Federal and State Grant Fund	282,518.72
Due from Trust Other Fund	1,392.92
Due from General Capital Fund	1,048.18

Total Expenditures	<u>137,453,901.08</u>
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Statutory Excess to Fund Balance	2,767,218.95
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Fund Balance

Balance Jan. 1	<u>5,847,419.34</u>
	8,614,638.29
Decreased by:	
Utilized as Revenue	<u>4,075,000.00</u>
Balance Dec. 31	<u>\$ 4,539,638.29</u>

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF VOORHEES**GENERAL CAPITAL FUND**Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2019ASSETS

Cash	\$ 11,594,720.34
Deferred Charges to Future Taxation:	
Funded	33,199,253.30
Unfunded	5,209,700.00
	<hr/>
	\$ 50,003,673.64
	<hr/>

LIABILITIES, RESERVES
AND FUND BALANCE

Improvement Authorizations:	
Funded	\$ 1,764,038.26
Unfunded	2,205,260.89
Contracts Payable	1,980,093.79
Capital Improvement Fund	15,900.00
Reserve for Encumbrances	521,407.39
Due to Current Fund	8,519.74
Reserve for Payment of Bonds	50,392.07
General Serial Bonds	31,454,300.00
Environmental Infrastructure Loan	1,744,953.30
Bond Anticipation Notes	10,178,750.00
Fund Balance	80,058.20
	<hr/>
	\$ 50,003,673.64
	<hr/>

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF VOORHEES
SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2019

ASSETS

Operating Fund:	
Cash--Treasurer	\$ 286,041.68
Due from Sewer Capital Fund	2,636.40
Due from Current Fund	13,000.00
	<u>301,678.08</u>
Receivables with Full Reserves:	
Consumer Accounts Receivable	73,340.63
	<u>73,340.63</u>
Total Operating Fund	<u>375,018.71</u>
Capital Fund:	
Cash--Treasurer	3,456,874.69
Fixed Capital	37,346,277.28
Fixed Capital Authorized and Uncompleted	4,296,900.00
	<u>45,100,051.97</u>
Total Capital Fund	<u>\$ 45,475,070.68</u>

LIABILITIES, RESERVES
AND FUND BALANCE

Operating Fund:	
Liabilities:	
Appropriation Reserves	\$ 11,935.29
Reserve for Encumbrances	8,250.94
Prepaid Sewer Rents	4,263.56
Accrued Interest on Bonds and Notes	42,574.38
Sewer Rent Overpayments	10,378.11
	<u>77,402.28</u>
Reserve for Receivables	73,340.63
Fund Balance	224,275.80
	<u>297,616.43</u>
Total Operating Fund	<u>375,018.71</u>
Capital Fund:	
Due Sewer Operating Fund	2,636.40
Reserve for Encumbrances	26,018.60
Contracts Payable	126,385.00
Improvement Authorizations:	
Funded	2,479,997.94
Unfunded	1,000.00
Capital Improvement Fund	9,300.00
Reserve for:	
Payment of Bonds	73,275.17
Amortization	34,039,931.28
Deferred Amortization	209,846.00
Serial Bonds	7,392,400.00
Bond Anticipation Notes	738,250.00
Fund Balance	1,011.58
	<u>45,100,051.97</u>
Total Capital Fund	<u>\$ 45,475,070.68</u>

TI See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF VOORHEES

SEWER UTILITY FUND

Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Year Ended December 31, 2019Revenue and Other
Income Realized

Operating Surplus Anticipated	\$ 116,741.00
Sewer Rents and Liens	2,299,409.95
Miscellaneous	119,391.35
Utility Capital Surplus	6,509.00
Reserve for Payment of Bonds	70,000.00
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>40,686.90</u>
Total Income	<u>2,652,738.20</u>

Expenditures

Operating	1,410,100.00
Capital Improvements	120,000.00
Debt Service	957,371.36
Deferred Charges and Statutory Expenditures	71,900.00
Other Debits to Expenditures	
Refund of Prior Year Revenue	<u>0.89</u>
Total Expenditures	<u>2,559,372.25</u>

Statutory Excess to Fund Balance	93,365.95
----------------------------------	-----------

Fund Balance

Balance Jan. 1	<u>247,650.85</u>
	341,016.80
Utilized as Revenue:	
Sewer Operating Budget	<u>116,741.00</u>
Balance Dec. 31	<u><u>\$ 224,275.80</u></u>

TI See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF VOORHEES

TRUST FUND

Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2019ASSETS

Animal Control Fund:	
Cash	\$ 10,915.44
Other Funds:	
Cash--Treasurer	2,866,311.94
Cash--Collector	1,482,897.69
Due from Camden County	30,817.91
Police Outside Services Receivable	61,615.89
Developer's Escrow Receivable	53,159.79
	<u>4,494,803.22</u>
Length of Services Awards Program:	
Investments	<u>388,638.45</u>
Municipal Open Space Fund:	
Cash--Treasurer	<u>456,760.57</u>
	<u>\$ 5,351,117.68</u>

LIABILITIES, RESERVES
AND FUND BALANCE

Animal Control Fund:	
Due Current Fund	\$ 9.64
Reserve for Dog Fund Expenditures	9,282.20
Reserve for Encumbrances	<u>1,623.60</u>
	<u>10,915.44</u>
Other Funds:	
Reserve for Developers Contributions	454,906.23
Reserve for POAA	538.54
Reserve for Youth Services	31,924.34
Reserve for Developers' Escrow Deposits	1,042,590.22
Reserve for Tax Title Lien Redemptions	64,639.93
Reserve for Premiums Received at Tax Sale	1,417,100.00
Reserve for Payroll Deductions Payable	167,139.93
Reserve for Unemployment Compensation	70,064.84
Reserve for Police Outside Services	35,177.57
Reserve for Encumbrances	324,437.30
Reserve for Public Defender	6,199.75
Reserve for Self Insurance - Dental	34,243.04
Reserve for Affordable Housing	698,957.29
Reserve for Uniform Fire Safety	11,750.00
Reserve for Sepcial Law Enforcement	88,356.93
Reserve for Federal Forfeitures	595.67
Due to Current Fund	<u>46,181.64</u>
	<u>4,494,803.22</u>
Length of Service Awards Program:	
Reserve for Length of Service Awards Program	<u>388,638.45</u>
Municipal Open Space Fund:	
Reserve for Future Use	<u>456,760.57</u>
	<u>\$ 5,351,117.68</u>

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF VOORHEES
 Selected Information – Substantially All Disclosures Required
 By the Regulatory Basis of Accounting Have Been Omitted
 For the Year Ended December 31, 2019

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Voorhees was incorporated in March, 1899 and is located in southwest New Jersey approximately ten miles southeast of the City of Philadelphia. The population according to the 2010 census is 29,131.

The Township of Voorhees is governed by a five member committee, who designate a Mayor and a Deputy Mayor from their number. Administrative responsibilities are assigned to the Township Administrator. The Township Committee establishes policy. The Administrator is responsible for the day-to-day operations of the Township and implementing and administering policy.

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

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

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

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

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

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

Sewer Utility Operating and Capital Funds - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned 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, sewer utility, and municipal open space funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the Township's length of service awards program, however, are stated at fair value.

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 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 Camden, the Township of Voorhees School District and the Eastern Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Voorhees School District and the Eastern Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31. For the regional high school district, operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, 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 Camden. 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.

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

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

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital 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.

**FOR THE YEARS ENDED 2018, 2017, 2016, 2015 AND
2014 AUDITED FINANCIAL STATEMENTS**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Voorhees
Voorhees, New Jersey 08043

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 Voorhees in the County of Camden, State of New Jersey, as of December 31, 2018, 2017, 2016, 2015 and 2014, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Voorhees, in the County of Camden, State of New Jersey, as of December 31, 2018, 2017, 2016, 2015 and 2014, 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 Voorhees, in the County of Camden, State of New Jersey, as of December 31, 2018, 2017, 2016, 2015 and 2014, 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.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle resulted in a material note disclosure (see note 19). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 12, 2019

TOWNSHIP OF VOORHEES
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE--
REGULATORY BASIS

	As of December 31,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ASSETS					
Cash	\$ 15,788,436	\$ 20,352,877	\$ 11,890,655	\$ 10,389,903	\$ 10,671,121
Federal and State Grants Receivable	1,572,683	978,522	973,974	1,215,659	184,660
Receivables and other Assets					
with Full Reserves:					
Delinquent Property Taxes Receivable	1,279,636	1,178,248	1,315,609	1,156,787	1,226,896
Tax Title Liens Receivable	303,806	259,947	214,634	178,769	182,664
Revenue Accounts Receivable	74,998	110,415	67,586	13,891	22,455
Other Accounts Receivable	26,813	26,813	22,463	95,097	48,724
Interfunds Receivable	52,285	197,364	182,687	34,618	57,427
Deferred Charges				74,000	148,000
	<u>\$ 19,098,657</u>	<u>\$ 23,104,186</u>	<u>\$ 14,667,607</u>	<u>\$ 13,158,723</u>	<u>\$ 12,541,947</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$ 579,292	\$ 902,515	\$ 925,298	\$ 489,720	\$ 521,568
Reserve for Encumbrances	774,263	739,755	450,057	352,663	401,768
Accounts Payable		89,375	37,397		188,354
Contracts Payable			297,082	198,409	
Deposit on Sale of Land		112,500	112,500		
Special Emergency Note Payable				74,000	148,000
Reserve for Federal and State Grants	1,083,105	1,147,771	945,151	1,293,989	336,527
Regional High School Tax Payable	4,923,752	4,672,604	4,601,668	4,288,713	4,105,227
Reserve for Revaluation and Master Plan			18,944	18,944	18,944
Prepaid Taxes	1,152,463	7,886,839	936,651	822,628	1,404,609
Tax Overpayments	31,717	23,216	14,055	14,166	157,295
Due to State of New Jersey	36,915	20,491	19,400	24,199	17,851
Interfunds Payable		262,390			
Due to County for Added or Omitted Taxes	80,900	126,436	114,920	78,799	134,591
Reserve for Workers' Compensation Claims	1,244		1,742	1,569	16,166
Reserve for Contracts Payable	524,000				
Reserve for Proceeds from Sale of Township Property	2,326,050	30,457	48,876	81,011	21,310
Reserve for Receivables and Other Assets	1,737,538	1,772,787	1,802,979	1,479,162	1,538,165
Fund Balance	<u>5,847,419</u>	<u>5,317,049</u>	<u>4,340,888</u>	<u>3,940,751</u>	<u>3,531,571</u>
	<u>\$ 19,098,657</u>	<u>\$ 23,104,186</u>	<u>\$ 14,667,607</u>	<u>\$ 13,158,723</u>	<u>\$ 12,541,947</u>

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

TOWNSHIP OF VOORHEES
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE--
REGULATORY BASIS

	For the Years Ended December 31,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenue Realized:					
Current Tax Collections	\$ 124,007,670	\$ 122,752,398	\$ 120,219,227	\$ 118,465,822	\$ 117,093,346
Delinquent Tax Collections	1,101,054	1,106,894	1,142,034	1,178,476	1,404,290
Total Taxes	125,108,724	123,859,292	121,361,262	119,644,298	118,497,636
Miscellaneous Revenues Anticipated	9,664,590	7,606,439	6,049,733	7,198,763	6,024,641
Non-Budget and Other Income	1,394,287	2,211,350	965,629	755,340	601,287
Liquidation of Reserves	152,553	113,755			
Fund Balance Utilized	3,669,000	3,314,000	2,562,000	2,359,900	1,675,000
Total Income	139,989,153	137,104,836	130,938,624	129,958,301	126,798,564
Expenditures and Encumbrances:					
Operating	29,061,096	26,510,566	19,582,960	20,085,853	18,611,253
Transferred to Board of Education for Use of Local Schools	148,489	155,369	157,459	164,451	161,186
Capital Improvements	174,169	562,500	253,000	170,000	150,000
Debt Service	3,912,878	3,572,021	3,255,089	3,643,917	3,639,170
Deferred Charges and Statutory Expenditures	3,334,091	3,032,862	2,479,898	2,329,775	2,266,048
Local Open Space Tax	639,441	637,445	627,254	639,634	639,953
Special District Tax		1,077,279	6,059,180	5,829,535	5,667,954
Regional High School Tax	21,054,616	20,552,320	20,410,446	19,784,536	19,417,564
County Taxes	31,282,476	31,328,583	30,553,278	30,831,405	30,444,505
Local School Tax	46,145,046	45,254,798	44,435,725	43,694,742	43,150,070
Other Expenditures	30,007	2,500	14,130	15,372	5,575
Creation of Reserve for Interfunds	7,474	128,432	148,070	1	50,265
Total Expenditures and Encumbrances	135,789,783	132,814,675	127,976,487	127,189,221	124,203,542
Excess in Revenues	4,199,370	4,290,161	2,962,137	2,769,080	2,595,022
Adjustments to Income Before Fund Balance: Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	---	---	---	---	---
Statutory Excess to Fund Balance	4,199,370	4,290,161	2,962,137	2,769,080	2,595,022
Fund Balance, January 1	5,317,049	4,340,888	3,940,751	3,531,571	2,611,549
	9,516,419	8,631,049	6,902,888	6,300,651	5,206,571
Decreased by: Utilized as Revenue	3,669,000	3,314,000	2,562,000	2,359,900	1,675,000
Fund Balance December 31	\$ 5,847,419	\$ 5,317,049	\$ 4,340,888	\$ 3,940,751	\$ 3,531,571

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

TOWNSHIP OF VOORHEES
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE--
REGULATORY BASIS

	As of December 31,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ASSETS					
Cash and Investments	\$ 5,866,890	\$ 6,059,252	\$ 3,994,972	\$ 2,216,473	\$ 2,394,453
Due from State of New Jersey	28,358	103,741	75,384		50,000
Interfunds Receivable		262,390		14,350	
Deferred Charges to Future Taxation:					
Funded	32,094,489	35,867,913	28,516,564	23,951,974	27,125,394
Unfunded	4,970,850	450	1,150	3,171,350	454,011
	<u>\$ 42,960,586</u>	<u>\$ 42,293,746</u>	<u>\$ 32,588,069</u>	<u>\$ 29,354,147</u>	<u>\$ 30,023,858</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Serial Bonds	\$ 30,005,850	\$ 33,440,850	\$ 25,756,850	\$ 20,870,850	\$ 23,730,850
Environmental Infrastructure Loan	2,088,639	2,427,063	2,759,714	3,081,124	3,394,544
Bond Anticipation Notes	4,970,750			3,171,000	420,511
Improvement Authorizations:					
Funded	1,253,745	2,270,543	2,887,275	701,628	1,032,359
Unfunded	1,630,149	100	1,150	777,728	33,500
Contracts Payable	2,351,167	3,479,073	468,444	171,705	267,559
Capital Improvement Fund	115,050	216,650	14,850	5,050	200
Reserve for Encumbrances	365,475	252,280	443,707	504,072	1,074,126
Interfund Payables	7,472		113,755	851	862
Reserve for Payment of Bonds and Notes	106,312	153,792	128,675	21,489	30,790
Fund Balance	65,979	53,395	13,650	48,650	38,557
	<u>\$ 42,960,586</u>	<u>\$ 42,293,746</u>	<u>\$ 32,588,069</u>	<u>\$ 29,354,147</u>	<u>\$ 30,023,858</u>

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

TOWNSHIP OF VOORHEES
SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE--
REGULATORY BASIS

	As of December 31,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ASSETS					
Operating Fund:					
Cash	\$ 354,272	\$ 444,104	\$ 424,315	\$ 466,860	\$ 482,183
Interfund Receivables	2,312	902	641	753	33,249
Receivables with Full Reserves:					
Consumer Accounts Receivable	72,636	79,427	62,293	58,298	64,620
Sewer Utility Liens	1,216	760	760	760	1,029
Total Operating Fund	430,437	525,194	488,009	526,671	581,081
Capital Fund:					
Cash	1,673,038	2,074,415	2,109,852	2,099,841	1,931,019
Fixed Capital	36,071,564	35,296,680	33,988,026	33,323,053	33,191,853
Fixed Capital Authorized and Uncompleted	3,242,300	3,280,200	3,532,200	3,032,000	2,743,200
Total Capital Fund	40,986,902	40,651,295	39,630,078	38,454,894	37,866,072
	<u>\$ 41,417,338</u>	<u>\$ 41,176,489</u>	<u>\$ 40,118,087</u>	<u>\$ 38,981,565</u>	<u>\$ 38,447,153</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Reserve for Encumbrances	\$ 26,875	\$ 30,088	\$ 27,009	\$ 11,276	\$ 7,360
Overpayments	6,435	5,907	4,562	5,116	3,837
Appropriation Reserves	32,355	47,663	88,169	47,451	52,469
Accrued Interest on Bonds and Notes	43,268	39,352	38,233	36,336	36,729
Prepayments		4,408	2,922	4,515	
Reserve for Receivables	73,852	80,187	63,053	59,058	65,649
Fund Balance	247,651	317,589	264,060	362,919	415,038
Total Operating Fund	430,437	525,194	488,009	526,671	581,081
Capital Fund:					
Serial Bonds	5,218,150	5,993,150	5,561,150	4,675,150	5,440,150
Bond Anticipation Notes	738,250			497,000	
Improvement Authorizations:					
Unfunded	258,995	850	100	206,770	19,730
Funded	881,459	1,428,367	1,349,281	1,790,342	1,942,071
Capital Improvement Fund	8,300	17,150	44,400	55,300	6,300
Contracts Payable	416,435	506,078	591,170		
Interfunds Payable	2,312	902	641	15,103	659
Reserve for:					
Payment of Bonds and Notes	92,589	112,573	54,226	1,399	31,399
Amortization	33,208,099	32,437,560	31,819,548	31,068,593	30,292,033
Deferred Amortization	148,615	145,320	139,428	114,310	104,870
Encumbrances	7,189	8,418	69,207	20,000	25,000
Fund Balance	6,509	927	927	10,927	3,860
Total Capital Fund	40,986,902	40,651,295	39,630,078	38,454,894	37,866,072
	<u>\$ 41,417,338</u>	<u>\$ 41,176,489</u>	<u>\$ 40,118,087</u>	<u>\$ 38,981,565</u>	<u>\$ 38,447,153</u>

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

TOWNSHIP OF VOORHEES
SEWER UTILITY FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE--
REGULATORY BASIS

	For the Years Ended December 31,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenue Realized:					
Fund Balance Utilized	\$ 219,000	\$ 82,000	\$ 223,000	\$ 246,000	\$ 225,000
Rents	2,070,496	2,047,319	2,062,353	2,077,871	1,896,396
Reserve for the Payment of Debt	60,000	30,000		30,000	50,000
Miscellaneous and Other Credits to Income	143,788	133,834	118,886	157,564	159,910
Total Income	2,493,285	2,293,153	2,404,239	2,511,435	2,331,306
Expenditures and Encumbrances:					
Operating	1,336,600	1,277,500	1,260,300	1,271,400	1,327,000
Capital Improvements	30,000	30,000	50,000	70,000	40,000
Debt Service	909,223	782,624	900,097	905,554	823,944
Deferred Charges and Statutory Expenditures	68,400	67,500	69,700	70,600	61,727
Total Expenditures and Encumbrances	2,344,223	2,157,624	2,280,097	2,317,554	2,252,670
Excess in Revenue	149,062	135,529	124,141	193,881	78,636
Statutory Excess to Fund Balance	149,062	135,529	124,141	193,881	78,636
Fund Balance January 1	317,589	264,060	362,919	415,038	591,402
Decreased by:	466,651	399,589	487,060	608,919	670,038
Utilized by Revenue:					
Current Fund					30,000
Sewer Operating Fund	219,000	82,000	223,000	246,000	225,000
Fund Balance December 31	\$ 247,651	\$ 317,589	\$ 264,060	\$ 362,919	\$ 415,038

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

TOWNSHIP OF VOORHEES
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE--
REGULATORY BASIS

	As of December 31,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ASSETS					
Cash	\$ 4,574,560	\$ 5,217,317	\$ 4,689,797	\$ 4,358,287	\$ 3,808,207
Interfunds Receivable					4,692
Other Accounts Receivable	486,050	585,921	115,966	99,866	733,362
	<u>\$ 5,060,609</u>	<u>\$ 5,803,238</u>	<u>\$ 4,805,763</u>	<u>\$ 4,458,153</u>	<u>\$ 4,546,260</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Other Accounts Payable	\$ 10	\$ 20	\$ 4	\$ 97	\$ 154
Reserve for Encumbrances	60,851	211,906	68,092	77,034	154,507
Interfund Loans	44,813	197,364	68,932	33,767	56,565
Other Liabilities and Special Funds	4,954,935	5,393,948	4,668,735	4,344,543	4,332,942
Prepaid Licenses				2,712	2,094
	<u>\$ 5,060,609</u>	<u>\$ 5,803,238</u>	<u>\$ 4,805,763</u>	<u>\$ 4,458,153</u>	<u>\$ 4,546,260</u>

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

TOWNSHIP OF VOORHEES
Notes to Financial Statements
For the Year Ended December 31, 2018

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Voorhees was incorporated in March, 1899 and is located in southwest New Jersey approximately ten miles southeast of the City of Philadelphia. The population according to the 2010 census is 29,131.

The Township of Voorhees is governed by a five member committee, who designate a Mayor and a Deputy Mayor from their number. Administrative responsibilities are assigned to the Township Administrator. The Township Committee establishes policy. The Administrator is responsible for the day-to-day operations of the Township and implementing and administering policy.

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

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

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

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

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

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

Sewer Utility Operating and Capital Funds - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned 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, sewer utility, and municipal open space funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the Township's length of service awards program, however, are stated at fair value.

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 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 Camden, the Township of Voorhees School District and the Eastern Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Voorhees School District and the Eastern Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31. For the regional high school district, operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2017 and decreased by the amount deferred at December 31, 2018.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Camden. 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.

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

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

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital 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.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2018, the Township adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of adopting Statement No. 75, the Township was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their postemployment benefits plan. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. There is no impact on the financial statements of the Township.

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.

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

As of December 31, 2018, the Township's bank balances of \$29,325,224.91 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 27,350,052.58
Uninsured and Uncollateralized	<u>1,975,172.33</u>
Total	<u>\$ 29,325,224.91</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$ 3.920</u>	<u>\$ 3.887</u>	<u>\$ 3.870</u>	<u>\$ 3.748</u>	<u>\$ 3.701</u>
Apportionment of Tax Rate:					
Municipal	\$.813	\$.780	\$.611	\$.587	\$.587
Municipal Open Space	.020	.019	.019	.020	.020
County	.979	.984	.974	.967	.953
Regional School	.661	.646	.652	.620	.609
Local School	1.447	1.424	1.420	1.371	1.354
Fire District	--- (A)	.034 (A)	.194	.183	.178

(A) The Fire District was dissolved as of 3/1/17 and the District's operations were turned over to the Municipality.

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2018	\$ 3,189,459,053.00
2017	3,178,378,778.00
2016	3,129,697,683.00
2015	3,186,775,596.00
2014	3,185,605,381.00

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):

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 125,349,815.31	\$ 124,007,669.86	98.93%
2017	124,036,183.28	122,752,397.72	98.96%
2016	121,574,917.49	120,219,227.46	98.88%
2015	119,745,885.83	118,465,822.32	98.93%
2014	118,424,571.23	117,093,346.25	98.88%

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>
2018	\$ 303,805.58	\$ 1,279,636.32	\$ 1,583,441.90	1.26%
2017	259,946.83	1,178,248.08	1,438,194.91	1.16%
2016	214,633.94	1,315,608.71	1,530,242.65	1.26%
2015	178,769.43	1,156,786.85	1,335,556.28	1.12%
2014	182,664.01	1,226,896.47	1,409,560.48	1.19%

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

<u>Year</u>	<u>Number</u>
2018	27
2017	26
2016	24
2015	27
2014	28

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The Township has no property acquired by liquidation of tax title liens as of December 31, 2018 or the previous four years.

Note 5: SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year</u> <u>Receivable</u>	<u>Liens</u>	<u>Levy</u>	<u>Total</u>	<u>Cash</u> <u>Collections</u>
2018	\$ 79,427.48	\$ 760.00	\$ 2,064,384.12	\$ 2,144,571.60	\$ 2,070,496.13
2017	62,293.07	760.00	2,068,365.00	2,131,418.07	2,047,318.76
2016	58,297.63	760.00	2,070,584.53	2,129,642.16	2,062,352.85
2015	64,619.57	1,029.38	2,072,160.55	2,137,809.50	2,077,871.66
2014	52,667.56	5,554.33	1,907,721.53	1,965,943.42	1,896,395.75

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:

Current Fund

<u>Year</u>	<u>Balance</u> <u>December 31,</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding Year</u>	<u>Percentage</u> <u>of Fund</u> <u>Balance Used</u>
2018	\$ 5,847,419.34	\$ 4,075,000.00	69.69%
2017	5,317,048.92	3,669,000.00	69.00%
2016	4,340,888.06	3,314,000.00	76.34%
2015	3,940,751.21	2,562,000.00	65.01%
2014	3,531,571.33	2,359,900.00	66.82%

Sewer Utility Fund

<u>Year</u>	<u>Balance</u> <u>December 31,</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding Year</u>	<u>Percentage</u> <u>of Fund</u> <u>Balance Used</u>
2018	\$ 247,650.85	\$ 116,741.00	47.14%
2017	317,589.24	219,000.00	68.96%
2016	264,060.22	82,000.00	31.05%
2015	362,918.84	223,000.00	61.45%
2014	415,037.51	246,000.00	59.27%

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, 2018:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 52,285.04	
Trust - Animal Control		\$ 24.76
Trust - Other		44,788.72
General Capital		7,471.56
Sewer Utility - Operating	2,312.11	
Sewer Utility - Capital		2,312.11
	<u>\$ 54,597.15</u>	<u>\$ 54,597.15</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 2019, 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.nj.gov/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 Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2018. Employers' contribution 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, 2018 was 12.40% 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, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$814,240.00, and was payable by April 1, 2019. 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, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$737,507.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$506,746.28.

Police and Firemen's Retirement System - The contribution policy 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 active member contribution rate was 10% in State fiscal year 2018. Employers' contributions are based on an actuarially determined amount, 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, 2018 was 26.33% 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, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$1,851,504.00, and was payable by April 1, 2019. 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, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$1,632,696.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$714,711.94.

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, 2018 was 2.93% 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, 2018, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2018 is \$206,157.00, and was payable by April 1, 2019. Based on the PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2017 was \$159,516.00, which was paid on April 1, 2018.

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, 2018, employee contributions totaled \$1,270.62, and the Township's contributions were \$692.64. There were no forfeitures during the year.

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

Public Employees' Retirement System - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$16,117,776.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018. 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, 2018 measurement date, the Township's proportion was 0.0818597461%, which was an increase of 0.0022491662% from its proportion measured as of June 30, 2017.

At December 31, 2018, the Township's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$876,224.00. This 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, 2018, the Township's contribution to PERS was \$737,507.00, and was paid on April 1, 2018.

Police and Firemen's Retirement System - At December 31, 2018, 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	\$ 25,626,728.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	3,480,967.00
	<u>\$ 29,107,695.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension 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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018. 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, 2018 measurement date, the Township's proportion was 0.1347551367%, which was a decrease of 0.0497264394% from its proportion measured as of June 30, 2017. Likewise, at June 30, 2018, the State of New Jersey's proportion, on-behalf of the Township, was .189386292%, which was a decrease of .0049020531 from its proportion, on-behalf of the Township, measured as of June 30, 2017.

At December 31, 2018, the Township's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$2,129,494.00. This 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, 2018, the Township's contribution to PFRS was \$1,632,696, and was paid on April 1, 2018.

At December 31, 2018, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the Plan as of the June 30, 2018 measurement date is \$412,315.00. This on-behalf 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, 2018, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 307,368.00	\$ 260,718.00	\$ 568,086.00	\$ 83,108.00	\$ 106,049.00	\$ 189,157.00
Changes of Assumptions	2,655,943.00	2,199,709.00	4,855,652.00	5,153,607.00	6,567,688.00	11,721,295.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	151,186.00	140,202.00	291,388.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	639,780.00	1,691,013.00	2,330,793.00	694,530.00	911,485.00	1,606,015.00
Township Contributions Subsequent to the Measurement Date	407,120.00	925,752.00	1,332,872.00	-	-	-
	<u>\$ 4,010,211.00</u>	<u>\$ 5,077,192.00</u>	<u>\$ 9,087,403.00</u>	<u>\$ 6,082,431.00</u>	<u>\$ 7,725,424.00</u>	<u>\$ 13,807,855.00</u>

\$407,120.00 and \$925,752.00 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, 2019. These amounts were based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2018 to the Township's year end of December 31, 2018.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension 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	-
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
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
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

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension 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>
2019	\$ 94,596.00	\$ 298,703.00	\$ 393,299.00
2020	(216,299.00)	(398,551.00)	(614,850.00)
2021	(1,173,370.00)	(1,319,770.00)	(2,493,140.00)
2022	(932,766.00)	(699,360.00)	(1,632,126.00)
2023	(251,501.00)	(1,455,006.00)	(1,706,507.00)
	<u>\$ (2,479,340.00)</u>	<u>\$ (3,573,984.00)</u>	<u>\$ (6,053,324.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For PFRS, preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvements assumed. Post-retirement mortality rates for male service retirements are based the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvements assumed.

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2018) 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, 2018 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	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2018 was 5.66% for PERS and 6.51% 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 3.87% as of June 30, 2018, 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 rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. 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 2046 for PERS and through 2062 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2046 for PERS and through 2062 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 8: PENSION PLANS (CONT'D)**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, 2018, the Plan's measurement date, calculated using a discount rate of 5.66%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township's Proportionate Share of the Net Pension Liability	\$ 20,266,246.00	\$ 16,117,776.00	\$ 12,637,475.00

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, 2018, the Plan's measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 6.51%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	PFRS		
	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
Township's Proportionate Share of the Net Pension Liability	\$ 34,298,195.00	\$ 25,626,728.00	\$ 18,474,347.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	4,658,842.36	3,480,967.00	2,509,434.38
	<u>\$ 38,957,037.36</u>	<u>\$ 29,107,695.00</u>	<u>\$ 20,983,781.38</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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.nj.gov/treasury/pensions/financial-reports.shtml>.

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information**

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

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

	Measurement Date Ended June 30,		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.0818597461%	0.0796105799%	0.0827615737%
Township's Proportionate Share of the Net Pension Liability	\$ 16,117,776.00	\$ 18,532,071.00	\$ 24,511,605.00
Township's Covered Payroll (Plan Measurement Period)	\$ 5,723,960.00	\$ 5,548,612.00	\$ 5,721,836.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	281.58%	333.99%	428.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%
	Measurement Date Ended June 30,		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0841144874%	0.0848639301%	0.0817823098%
Township's Proportionate Share of the Net Pension Liability	\$ 18,882,017.00	\$ 15,888,849.00	\$ 15,630,225.00
Township's Covered Payroll (Plan Measurement Period)	\$ 5,799,668.00	\$ 5,769,272.00	\$ 5,653,588.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	325.57%	275.40%	276.47%
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 Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 814,240.00	\$ 737,507.00	\$ 735,242.00
Township's Contribution in Relation to the Contractually Required Contribution	(814,240.00)	(737,507.00)	(735,242.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 6,565,107.00	\$ 5,779,769.00	\$ 5,591,359.00
Township's Contributions as a Percentage of Covered Payroll	12.40%	12.76%	13.15%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 723,159.00	\$ 699,606.00	\$ 616,183.00
Township's Contribution in Relation to the Contractually Required Contribution	(723,159.00)	(699,606.00)	(616,183.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 5,690,511.00	\$ 5,705,922.00	\$ 5,693,268.00
Township's Contributions as a Percentage of Covered Payroll	12.71%	12.26%	10.82%

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 Six Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.1347551367%	0.1844815761%	0.1773220925%
Township's Proportionate Share of the Net Pension Liability	\$ 25,626,728.00	\$ 28,480,389.00	\$ 33,873,056.00
State's Proportionate Share of the Net Pension Liability associated with the Township	3,480,967.00	3,190,043.00	2,844,497.00
Total	<u>\$ 29,107,695.00</u>	<u>\$ 31,670,432.00</u>	<u>\$ 36,717,553.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 8,087,932.00	\$ 5,901,396.00	\$ 5,838,412.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	316.85%	482.60%	580.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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	0.1890541187%	0.1802672520%	0.1851993166%
Township's Proportionate Share of the Net Pension Liability	\$ 31,489,826.00	\$ 22,675,948.00	\$ 24,620,578.00
State's Proportionate Share of the Net Pension Liability associated with the Township	2,761,552.00	2,441,819.00	2,294,937.00
Total	<u>\$ 34,251,378.00</u>	<u>\$ 25,117,767.00</u>	<u>\$ 26,915,515.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 6,215,192.00	\$ 5,870,844.00	\$ 6,086,512.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	506.66%	386.25%	404.51%
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 Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 1,851,504.00	\$ 1,632,696.00	\$ 1,445,779.00
Township's Contribution in Relation to the Contractually Required Contribution	(1,851,504.00)	(1,632,696.00)	(1,445,779.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 7,032,906.40	\$ 8,109,871.00	\$ 5,869,499.00
Township's Contributions as a Percentage of Covered Payroll	26.33%	20.13%	24.63%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 1,536,728.00	\$ 1,384,577.00	\$ 1,351,173.00
Township's Contribution in Relation to the Contractually Required Contribution	(1,536,728.00)	(1,384,577.00)	(1,351,173.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 5,905,155.00	\$ 6,117,628.00	\$ 5,891,104.00
Township's Contributions as a Percentage of Covered Payroll	26.02%	22.63%	22.94%

Note 8: PENSION PLANS (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 and 5.66% 2018.

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 and 2018.

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.

For 2015, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

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 and 6.51% 2018.

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 and 2018.

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: LENGTH OF SERVICE AWARDS PROGRAM

Plan Description - The Township's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by the Voorhees Fire District No. 3 Resolution adopted on January 3, 2002 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The voters of the Township approved the adoption of the Plan at the general election held on February 16, 2002, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2002. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Volunteer Firemen's Insurance Services, Inc. ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the Fire Company and Rescue Squad, consisting of the volunteer fire department and the first aid organization, come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Plan Amendments - The Township may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the Township, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the Township's governing body, provided, however, that any amendment required by the IRS, may be adopted by the Township's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the Township shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The Township may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the Township shall notify all participants in writing prior to making any amendment to the Plan.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

The Township elected to contribute up to \$1,674.00 for the year ended December 31, 2018 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2018, the Township's total expenditure, net of forfeitures of \$0.00, to the Plan was \$4,859.00.

Note 9: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

Participant Accounts - Each participant's account is credited with the Township's contribution and Plan earnings, and charged with administrative expenses. For the year ended December 31, 2018, the Township elected to pay substantially all of the Plan's administrative costs. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Township has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the Township to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the Township. These funds, however, are not available for funding the operations of the Township.

Vesting - The Township, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

Payment of Benefits - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

Forfeited Accounts - For the year ended December 31, 2018, no accounts were forfeited.

Investments - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

Plan Information - Additional information about the Township's length of service awards program can be obtained by contacting the Plan Administrator.

Note 10: COMPENSATED ABSENCES

Full-time employees are entitled up to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Five vacation days not used during the year may be accumulated and carried forward. The Township of Voorhees compensates employees for unused sick leave upon retirement and is paid at the rate of 25 percent of the employee's highest daily rate.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2018, accrued benefits for compensated absences are valued at \$1,244,709.76.

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.

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: LEASE OBLIGATIONS

At December 31, 2018, the Township had lease agreements in effect for the following:

Capital:

- One (1) 2016 Ford Interceptor Utility
- Three (3) 2017 Ford Interceptor Utility
- One (1) 2018 Chevy Tahoe
- One (1) 2019 Chevy Tahoe

Operating:

- Seven (7) Konica Minolta Copiers
- Two (2) Mail Machines
- Three (3) Leximark Digital Copiers

Capital Leases - The following is an analysis of the Township's capital leases:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2018</u>	<u>2017</u>
Vehicles	\$ 108,967.26	\$ 74,847.78

The following schedule represents the remaining principal and interest payments, through maturity, for capital leases:

<u>Year</u>	<u>Amount</u>
2019	\$ 55,100.64
2020	45,616.35
2021	15,592.71

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

<u>Year</u>	<u>Amount</u>
2019	\$ 15,254.92
2020	10,069.32
2021	6,434.07
2022	3,550.88

Rental payments under operating leases for the year 2018 were \$18,958.92.

Note 13: CAPITAL DEBT**General Improvement Bonds**

General, Open Space and Sewer Improvement Bonds, Series 2008 - On December 4, 2008, the Township issued \$3,121,550.00 of general improvement bonds, \$1,145,700.00 of open space improvement bonds and \$1,214,750.00 of sewer improvement bonds, with interest rates ranging from 4.25% to 4.375%. The purpose of the bonds is to fund various capital ordinances, specifically 2003-29, 2005-65, 2005-67, 2006-80, 2006-81, 2006-82, 2006-83, 2007-98, 2007-99, 2007-104, 2007-105, 2007-106, 2007-107, 2008-126, 2008-127, 2008-128, 2008-129 and 2008-130. The final maturity of the bonds is November 1, 2020.

General and Sewer Improvement Bonds, Series 2011 - On June 21, 2011, the Township issued \$3,445,600.00 in general improvement refunding bonds and \$1,678,400.00 in sewer improvement bonds, with interest rates ranging from 2.0% to 3.0%. The purpose of the bonds is to fund various capital ordinances, specifically 2009-145, 2009-146, 2009-147, 2009-148, 2010-163, 2010-164, 2010-165, 2010-166, 2010-167, 2010-169 and 2010-176. The final maturity of the bonds is February 1, 2022.

General, Open Space and Sewer Improvement Refunding Bonds, Series 2012 - On March 29, 2012, the Township issued \$1,615,000.00 of general improvement bonds, \$1,160,000.00 of open space improvement bonds and \$310,000.00 of sewer improvement bonds, with interest rates ranging from 2.0% to 4.0, to advance refund \$3,055,000.00 outstanding Series 2003 General Obligation Bonds. The final maturity of the bonds is June 1, 2024.

General and Sewer Improvement Bonds, Series 2013 - On August 7, 2013, the Township issued \$6,613,000.00 in general improvement bonds and \$1,969,000.00 in sewer improvement bonds, with interest rates ranging from 1.000% to 3.375%. The purpose of the bonds is to fund various capital ordinances, specifically 2010-169, 2011-190, 2011-191, 2011-192, 2011-193, 2012-209, 2012-210, 2012-211, 2012-212, 2012-217, 2013-232, 2013-234, 2013-235 and 2013-236. The final maturity of the bonds is May 1, 2028.

General and Sewer Improvement Bonds, Series 2014 - On August 12, 2014, the Township issued \$8,640,000.00 in general improvement bonds and \$1,080,000.00 in sewer improvement bonds, with interest rates ranging from 2.0% to 3.25%. The purpose of the bonds is to fund various capital ordinances, specifically 2010-170, 2014-248, 2014-249, 2014-250 and 2014-251. The final maturity of the bonds is August 15, 2034.

General and Sewer Improvement Bonds, Series 2016 - On July 19, 2016, the Township issued \$7,791,000.00 in general improvement bonds and \$1,654,000.00 in sewer improvement bonds, with interest rates ranging from 1% to 2%. The purpose of the bonds is to fund various capital ordinances, specifically 2014-248, 2014-249, 2014-255, 2014-256, 2015-261, 2015-262, 2015-263, 2015-264, 2015-265, 2016-281, 2016-282, 2016-283, 2016-284, 2016-285 and 2016-286. The final maturity of the bonds is February 1, 2026.

General Bonds, Series 2008 - On December 10, 2008 Fire District No. 3 of the Township of Voorhees issued \$5,500,000.00 in general improvement bonds, with interest rates ranging from 4% to 5.125%. The purpose of these bonds were various construction and renovation projects. These bonds were refunded on May 17, 2016. The final maturity of the bonds was on November 1, 2018. On March 1, 2017 Voorhees Township acquired Fire District No. 3 of the Township of Voorhees and assumed responsibility for the payment of this bond issuance.

Note 13: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

Refunding Bonds, Series 2016 – On May 17, 2016 Fire District No. 3 of the Township of Voorhees issued \$3,500,000.00 of Refunding Bonds to provide funding to refund the callable portion of the outstanding 2008 Bond Issue. The Refunding Bonds were issued at interest rates ranging from 1.5% to 4.0%. The final maturity of the bonds is November 1, 2028. On March 1, 2017 Voorhees Township acquired Fire District No. 3 of the Township of Voorhees and assumed responsibility for the payment of this refunding bond issuance.

General and Sewer Improvement Bonds, Series 2017 - On September 12, 2017, the Township issued \$6,854,000.00 in general improvement bonds and \$1,087,000.00 in sewer improvement bonds, with interest rates ranging from 1.50% to 2.25%. The purpose of the bonds is to fund various capital ordinances, specifically 2016-286, 2017-303, 2017-304, 2017-305, 2017-306 and 2017-307. The final maturity of the bonds is September 15, 2027.

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

<u>Year</u>	<u>General</u>		<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>			
2019	\$ 3,521,550.00	\$ 656,733.96	\$ 824,750.00	\$ 113,069.82	\$ 5,116,103.78
2020	3,595,700.00	580,434.89	690,000.00	93,524.50	4,959,659.39
2021	3,551,600.00	506,774.01	708,400.00	78,704.75	4,845,478.76
2022	3,644,000.00	426,308.76	525,000.00	66,247.50	4,661,556.26
2023	3,350,000.00	345,661.26	540,000.00	55,538.13	4,291,199.39
2024-2028	10,168,000.00	839,651.29	1,930,000.00	107,515.67	13,045,166.96
2029-2033	1,770,000.00	233,337.50			2,003,337.50
2034	405,000.00	13,162.50			418,162.50
	<u>\$ 30,005,850.00</u>	<u>\$ 3,602,064.17</u>	<u>\$ 5,218,150.00</u>	<u>\$ 514,600.37</u>	<u>\$ 39,340,664.54</u>

General Debt - New Jersey Environmental Infrastructure Loans

On October 14, 2004, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$4,744,596.00, at no interest, from the fund loan, and \$1,605,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the upgrading of a storm sewer pumping station and construction of a tide gate. Semiannual debt payments are due February 1st and August 1st through 2024.

Note 13: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Environmental Infrastructure Loans (Cont'd)**

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

<u>Year</u>	<u>Environmental Infrastructure</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2019	\$ 343,685.50	\$ 29,091.52	\$ 372,777.02
2020	334,268.05	24,299.32	358,567.37
2021	339,045.57	19,492.43	358,538.00
2022	357,542.14	14,440.72	371,982.86
2023	355,010.36	8,917.72	363,928.08
2024	359,087.18	4,544.16	363,631.34
	<u>\$ 2,088,638.80</u>	<u>\$ 100,785.87</u>	<u>\$ 2,189,424.67</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 37,065,238.80	\$ 35,867,913.13	\$ 28,516,563.72
Sewer Utility:			
Bonds and Notes	5,956,400.00	5,993,150.00	5,561,150.00
Total Issued	<u>43,021,638.80</u>	<u>41,861,063.13</u>	<u>34,077,713.72</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	100.00	450.00	1,150.00
Sewer Utility:			
Bonds and Notes	750.00	850.00	100.00
Total Authorized but not Issued	<u>850.00</u>	<u>1,300.00</u>	<u>1,250.00</u>
Total Issued and Authorized but not Issued	<u>43,022,488.80</u>	<u>41,862,363.13</u>	<u>34,078,963.72</u>
<u>Deductions</u>			
Funds Temporarily Held to Pay Debt	106,311.68	153,792.37	128,675.17
Open Space Debt	3,014,338.80	3,562,763.13	4,105,413.72
Self-Liquidating	5,957,150.00	5,994,000.00	5,561,250.00
Total Deductions	<u>9,077,800.48</u>	<u>9,710,555.50</u>	<u>9,795,338.89</u>
<u>Net Debt</u>	<u>\$ 33,944,688.32</u>	<u>\$ 32,151,807.63</u>	<u>\$ 24,283,624.83</u>

Note 13: CAPITAL DEBT (CONT'D)**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 .971%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 4,715,000.00	\$ 4,715,000.00	
Sewer Utility	5,957,150.00	5,957,150.00	
General	37,065,338.80	3,120,650.48	\$ 33,944,688.32
	<u>\$ 47,737,488.80</u>	<u>\$ 13,792,800.48</u>	<u>\$ 33,944,688.32</u>

Net debt \$33,944,688.32 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$3,496,642,940.33, equals .971%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 122,382,502.91
Less: Net Debt	<u>33,944,688.32</u>
Remaining Borrowing Power	<u>\$ 88,437,814.59</u>

**Calculation of "Self-Liquidating Purpose,"
Sewer Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance	
Anticipated, Interest and Other Investment	
Income, and Other Charges for the Year	\$ 2,380,605.85
Deductions:	
Operating and Maintenance Costs	\$ 1,405,000.00
Debt Service	<u>909,222.91</u>
Total Deductions	<u>2,314,222.91</u>
Excess in Revenue	<u>\$ 66,382.94</u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Note 14: SCHOOL TAXES

Eastern Regional High School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31,</u>	
	<u>2018</u>	<u>2017</u>
Balance of Tax	\$ 10,527,307.34	\$ 10,276,159.57
Deferred	<u>5,603,555.27</u>	<u>5,603,555.27</u>
	<u>\$ 4,923,752.07</u>	<u>\$ 4,672,604.30</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>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	None	\$ 39,640.45	\$ 75,674.11
2017	None	15,528.15	93,380.68
2016	None	193.21	83,117.63

It is estimated that there are no unreimbursed payments on behalf of the Township at December 31, 2018.

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

Workers' Compensation and Employer's Liability
 Liability other than Motor Vehicles
 Property Damage other than Motor Vehicles
 Motor Vehicles

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.

Note 15: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd) - The Fund provides the Township with the following coverage:

Property - Blanket Building and Grounds
 General and Automobile Liability
 Worker's Compensation and Employer's Liability
 Boiler and Machinery
 Public Employee Dishonesty
 Environmental Liability
 Crime Coverage

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2018, which can be obtained from:

Camden County Municipal Joint Insurance Fund
 9 Campus Drive, Suite 16
 Parsippany, New Jersey 07054

Self-Insurance Plan - The Township has adopted a plan of self-insurance for dental benefits. At December 31, 2018, there is a \$40,520.82 reserve balance. The Township funds the plan on a pay-as-you-go basis. Any additional funding required for claims in excess of the trust fund's reserve will be paid and charged to future budgets.

The following is a summary of Township contributions, reimbursements from beneficiaries 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>
2018	\$ 180,000.00	\$ 23,249.30	\$ 218,216.90	\$ 40,520.82
2017	160,000.00	14,061.62	173,429.19	55,488.42
2016	140,000.00	14,150.62	128,238.26	54,855.99

There have been no settlements that exceed the Township's coverage for years ended December 31, 2018, 2017, and 2016.

Note 16: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 4, 2003 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township of Voorhees authorized the establishment of the Township of Voorhees Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2004, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the referendum, the Township levies a tax not to exceed three and one half cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Voorhees Open Space, Recreation and Farmland Preservation Trust Funds.

Note 17: CONTINGENCIES

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

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

Note 18: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Date Introduced</u>	<u>Authorization</u>
General Improvements		
Acquisition of Equipment	01/28/19	\$ 498,750.00
General Improvements		
Improvements to Various Township		
Buildings and Grounds	05/13/19	\$ 1,222,650.00
Various Road Improvements	05/13/19	\$ 1,425,000.00
Acquisition of Vehicles and Equipment	05/13/19	\$ 1,881,950.00
Installation of Traffic Signals	05/13/19	\$ 180,500.00
Sewer Improvements		
Acquisition of Sewer Utility Equipment and Improvements to Sewer Utility System	05/13/19	\$ 2,261,000.00

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

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

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

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

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 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. 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.

The Township was billed monthly by the Plan and paid \$2,413,171.19 for the year ended December 31, 2018, representing 17.75% of the Township's covered payroll. During the year ended December 31, 2018, retirees were required to contribute \$0.00.

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

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The Township does not have a Special Funding Situation within the Plan.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2018 the Township's proportionate share of the net OPEB liability was \$42,054,686.00.

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

OPEB Liability (Cont'd) - The Township's proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the Township's proportion was 0.268435% which was an increase of 0.012041% from its proportion measured as of the June 30, 2017 measurement date.

OPEB Expense - At December 31, 2018, the Township's proportionate share of the OPEB expense, calculated by the Plan as of the June 30, 2018 measurement date is \$1,472,012.00. This 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, 2018, the Township made contributions to the Plan totaling \$2,413,171.19.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2018, the Township had deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 8,538,601.00
Changes of Assumptions	-	10,667,722.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	22,225.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	2,395,224.00	3,021,232.00
Township Contributions Subsequent to the Measurement Date	1,138,794.96	-
	<u>\$ 3,556,243.96</u>	<u>\$ 22,227,555.00</u>

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - \$1,138,794.96 reported as deferred outflows of resources resulting from the Township's contributions subsequent to the measurement date will be included as a reduction of the Township's net OPEB liability during the year ending December 31, 2019. The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

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

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

<u>Year Ending Dec. 31,</u>	
2019	\$ (2,981,668.00)
2020	(2,981,668.00)
2021	(2,981,668.00)
2022	(2,984,016.00)
2023	(2,987,811.00)
Thereafter	(4,893,275.00)
	<u><u>\$ (19,810,106.00)</u></u>

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****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, 2018 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
Through 2026	1.65% - 8.98%
Thereafter	2.65% - 9.98%

* Salary Increases are Based on the Defined Benefit Plan that the Member is Enrolled in and his or her Age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

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) at the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pays interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB Liability at June 30, 2018 was 3.87%. 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.

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Actuarial Assumptions (Cont'd)**

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

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

The Township's proportionate share of the net OPEB liability as of June 30, 2018, the Plans measurement date, calculated using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Township's Proportionate Share of the Net OPEB Liability	<u>\$ 49,341,265.00</u>	<u>\$ 42,054,686.00</u>	<u>\$ 36,234,358.00</u>

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

The Township's proportionate share of the net OPEB Liability as of June 30, 2018, the Plans measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Township's Proportionate Share of the Net OPEB Liability	<u>\$ 35,080,351.00</u>	<u>\$ 42,054,686.00</u>	<u>\$ 51,080,512.00</u>

OPEB Plan Fiduciary Net Position

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

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Supplementary OPEB Information**

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

Schedule of the Township's Proportionate Share of the net OPEB Liability (Last 2 Years)

	<u>Measurement Date Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.268435%	0.256394%
Township's Proportionate Share of the Net OPEB Liability \$	42,054,686.00	\$ 52,344,857.00
Township's Covered Payroll (Plan Measurement Period) \$	13,651,899.00	\$ 12,549,205.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	308.05%	417.12%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%

Schedule of the Township's Contributions (Last 2 Years)

	<u>Year Ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 2,413,171.19	\$ 2,462,220.56
Township's Contributions in Relation to the Required Contribution	<u>(2,413,171.19)</u>	<u>(2,462,220.56)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year) \$	13,598,013.40	\$ 13,889,640.00
Township's Contributions as a Percentage of Covered Payroll	17.75%	17.73%

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Other Notes to Supplementary OPEB Information****Changes in Benefit Terms**

None

Changes in Assumptions

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

B. TOWNSHIP OF VOORHEES POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided - The Township provides postretirement health care benefits through a health plan for retirees, which includes a Medicare Part B reimbursement, dental insurance and life insurance. The Township's provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: eligible retirees who retire from active employment with the Township under various classifications who have at least twenty (25) years of service in a state retirement system. This provision is part of various Labor Agreements between the Township and its employees. The plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers. For dental insurance purposes, reimbursements by retirees are paid after the Township provides the retirees with a detailed accounting of the costs.

Employees Covered by Benefit Terms - As of December 31, 2018, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	111
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	
Active Employees	<u>133</u>
	<u>244</u>

Total OPEB Liability

The Township's total OPEB liability of \$14,677,330.00 was measured as of December 31, 2018 and was determined by an actuarial valuation as of this same date.

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. TOWNSHIP OF VOORHEES POSTEMPLOYMENT BENEFIT PLAN (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:

Inflation	3.00% Annually
Salary Increases	3.00% Annually
Discount Rate	3.64%
Healthcare Cost Trend Rates	8.00% Annually Decreasing to 5.00%

The discount rate was based on the S&P Municipal Bond 20 year High Grade Bond index rate.

Mortality rates were based on the following:

Pre-Retirement - RP-2014 Headcount-Weighted Healthy White-Collar Employee Male / Female
Mortality Projected with Scale MP-2016

Post-Retirement - RP-2014 Headcount-Weighted Healthy White-Collar Annuitant Male / Female
Mortality Projected with Scale MP-2016

An experience study was not performed on the actuarial assumptions used in the December 31, 2018 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

Changes in Total OPEB Liability

Balance December 31, 2017		\$ 13,975,120.00
Changes for the Year:		
Service Cost	\$ 457,929.00	
Interest Cost	505,185.00	
Benefit Payments	(192,814.00)	
Difference Between Expected and Actual Experience	(68,090.00)	
Actuarial Demographic Gains / (Losses)	-	
Net Changes		<u>702,210.00</u>
Balance December 31, 2018		<u><u>\$ 14,677,330.00</u></u>

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. TOWNSHIP OF VOORHEES POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

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

	December 31, 2018		
	1.00% Decrease (<u>2.64%</u>)	Current Discount Rate (<u>3.64%</u>)	1.00% Increase (<u>4.64%</u>)
Total OPEB Liability	<u>\$17,211,625.00</u>	<u>\$14,677,330.00</u>	<u>\$12,143,036.00</u>

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

	December 31, 2018		
	1.00% Decrease (<u>7.0% decreasing to 4.0%</u>)	Healthcare Cost Trend Rates (<u>8.0% decreasing to 5.0%</u>)	1.00% Increase (<u>9.0% decreasing to 6.0%</u>)
Total OPEB Liability	<u>\$12,252,635.00</u>	<u>\$14,677,330.00</u>	<u>\$17,546,560.00</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2018, the Township recognized OPEB expense of \$953,387.00. As of December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions or Other Inputs	<u>\$ -</u>	<u>\$ 58,363.00</u>

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. TOWNSHIP OF VOORHEES POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd) - Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	
2019	\$ 9,727.00
2020	9,727.00
2021	9,727.00
2022	9,727.00
2023	9,728.00
Thereafter	9,727.00
	<u>\$ 58,363.00</u>

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 the State's Proportionate Share of the net OPEB Liability Associated with the Township

Total OPEB Liability	<u>December 31, 2018</u>
Service Cost	\$ 457,929.00
Interest Cost	505,185.00
Benefit Payments	(192,814.00)
Difference Between Expected and Actual Experience	(68,090.00)
Actuarial Demographic Gains	-
Net Change in Total OPEB Liability	702,210.00
Total OPEB Liability - Beginning of Fiscal Year	<u>13,975,120.00</u>
Total OPEB Liability - End of Fiscal Year	<u>\$ 14,677,330.00</u>
Covered-Employee Payroll	\$ 15,281,481.00
Total OPEB Liability as a Percentage of Covered-Employee Payroll	96.05%

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. TOWNSHIP OF VOORHEES POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms

None.

Changes in Assumptions

None.

Note 20: 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.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION



PARKER McCAY

Parker McCay P.A.
9000 Midlantic Drive, Suite 300
P.O. Box 5054
Mount Laurel, New Jersey 08054-5054

P: 856.596.8900
F: 856.596.9631
www.parkermccay.com

August __, 2020

Mayor and Township Committee
of the Township of Voorhees
2400 Voorhees Town Center
Voorhees, New Jersey

**RE: \$7,693,000 TOWNSHIP OF VOORHEES, COUNTY OF CAMDEN, NEW
JERSEY, BOND ANTICIPATION NOTES OF 2020, SERIES A**

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Notes") by the Township of Voorhees, County of Camden, New Jersey ("Township"). The Notes consist of: (i) \$6,577,900 General Improvement notes; and (ii) 1,115,100 Sewer Utility Notes.

The Notes are issued pursuant to and in accordance with: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 286-16, 340-19, 345-19, 347-19, 348-19, 349-19, 20-360, 20-361, 20-367, 20-368, 20-369 and 20-370 (collectively, the "Bond Ordinances"), each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award ("Award Certificate") executed by the Chief Financial Officer of the Township on August __, 2020.

The Notes are dated August 19, 2020 and mature on August 18, 2021. The Notes are issued in [registered book-entry-only] [bearer] form without coupons and are not subject to redemption prior to maturity. The Notes are issued in anticipation of the issuance of bonds to provide funds for various capital improvements in and for the Township.

As the basis for the opinions set forth below, we have examined such matters of law as we have deemed necessary including, *inter alia*, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended ("Code"), and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the Bond Ordinances, the Award Certificate, the representations and covenants of the Township given pursuant to the Code as set forth in the Certificate as to Nonarbitrage and other Tax Matters ("Nonarbitrage Certificate"), and the other certifications, opinions and instruments listed in the closing agenda prepared in connection with the settlement for the Notes.

COUNSEL WHEN IT MATTERS.SM

Mount Laurel, New Jersey | Hamilton, New Jersey | Atlantic City, New Jersey



In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, certifications, instruments and opinions examined including, without limiting the generality of the foregoing, the Nonarbitrage Certificate.

Based upon and subject to the foregoing, we are of the following opinion:

1. The Notes are legal, valid and binding obligations of the Township enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

2. For the payment of principal of and interest on the Notes, the Township has the power and is obligated, to the extent payment is not otherwise provided, to levy ad valorem taxes upon all taxable real property within the Township without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.

3. Interest on the Notes is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and does not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Notes received or accrued by a foreign corporation subject to the branch profits tax will be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Notes, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by the Township that it will comply with the applicable requirements of the Code, including requirements relating to, inter alia, the use and investment of proceeds of the Notes and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Township to comply with such covenants could result in the interest on the Notes being subject to federal income tax from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that affect the tax-exempt status of the interest on the Notes.

Ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned



income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Notes will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Notes is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Notes.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has designated the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

Owners of the Notes should consult their own tax advisers as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

4. Interest on the Notes and any gain from the sale thereof is not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, any financial or other information which has been or may be supplied to purchasers of the Notes.

The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State of New Jersey, as presently enacted and construed, and we assume no responsibility to advise any party as to any changes in law or fact subsequent to the date hereof that may affect the opinions expressed in the numbered paragraphs above.

This is only an opinion letter and not a warranty or guaranty of the matters discussed above.

This letter is being provided solely for the benefit of the Township and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this ____ day of August, 2020 by and between the Township of Voorhees, County of Camden, New Jersey ("Township") and Phoenix Advisors, LLC, Bordentown, New Jersey ("Dissemination Agent"). This Disclosure Agreement is entered into in connection with the issuance and sale by the Township of its Bond Anticipation Notes of 2020, Series A, in the aggregate principal amount of \$7,693,000 ("Notes"). The Notes consist of: (i) \$6,577,900 General Improvement notes; and (ii) 1,115,100 Sewer Utility Notes.

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the Notes (collectively, the "Noteholders") and in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934 ("Exchange Act"), as it may be amended and supplemented from time to time, including administrative or judicial interpretations thereof, as it applies to the Notes ("Rule").

SECTION 2. Definitions. Capitalized terms, not otherwise defined herein, shall, for purposes of this Disclosure Agreement, have the following meanings:

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the Township or the Dissemination Agent is authorized by law or contract to remain closed.

"Continuing Disclosure Information" shall mean any notice required to be filed with the National Repository pursuant to Section 3 hereof.

"EMMA" shall mean the Electronic Municipal Market Access System ("EMMA"), an internet based filing system created and maintained by the MSRB in accordance with the SEC Release, pursuant to which issuers of tax-exempt bonds, including the Notes, and other filers on behalf of such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

"National Repository" shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the SEC as a repository for purposes of the Rule.

"Opinion of Counsel" shall mean a written opinion of counsel expert in federal securities law acceptable to the Township.

"SEC Release" shall mean Release No. 34-59062, of the SEC, dated December 5, 2008.

SECTION 3. Reporting of Significant Events.

(a) This Section 3 shall govern the giving of notices of the occurrence of any of the following listed events ("Listed Events"):

- (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 Notes, or other material events affecting the tax status of the Notes;
- (7) modifications to the rights of Noteholders, if material;
- (8) Note calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Notes, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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 obligation¹ of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The Township shall within eight (8) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8), (10), (13), (14) or (15) of subsection (a) of this Section 5, the Township may, but shall not be required to, rely conclusively on an Opinion of Counsel.

¹ The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). 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.

(c) If the Dissemination Agent has been instructed by the Township to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within five (5) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the Township.

SECTION 4. Termination of Disclosure Agreement. This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes or when the Township is no longer an Obligated Person (as defined in the Rule) with respect to the Notes.

SECTION 5. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Township and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver (supported by an Opinion of Counsel) is: (a) 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 the Township, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Notes, 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 materially impair the interests of Noteholders. The Township shall give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent and the Dissemination Agent shall file such notice with the National Repository.

SECTION 6. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Township from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement 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 Agreement. If the Township chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, it shall not have any obligation under this Disclosure Agreement to update such information or include it in any future notice of occurrence of a Listed Event.

SECTION 7. Default and Remedies. In the event of a failure of the Township to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Noteholder may (and, at the written request of Noteholders of at least twenty-five percent (25%) of the outstanding Notes and provision of indemnity and security for expenses satisfactory to it, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Township to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the Township to comply with this Disclosure Agreement shall be an action to compel performance. A failure of the Township to comply with any provision of this Disclosure Agreement shall not be deemed to be a default under the Notes.

SECTION 8. Notices. All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United

States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

- (i) If to the Township:

Township of Voorhees
2400 Voorhees Town Center
Voorhees, New Jersey 08043
Attention: Chief Financial Officer

- (ii) If to the Dissemination Agent:

Phoenix Advisors, LLC
625 Farnsworth Avenue
Bordentown, New Jersey 08505
Attention: Anthony P. Inverso, Senior Managing Director

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 8 for the giving of notice.

SECTION 9. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Township, the Dissemination Agent and the Noteholders and nothing herein contained shall confer any right upon any other person.

SECTION 10. Submission of Information to MSRB. Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

SECTION 11. Compensation. The Township shall pay the Dissemination Agent from time to time reasonable compensation for all services rendered under this Disclosure Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Disclosure Agreement.

SECTION 12. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Township, or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 13. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 16. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

TOWNSHIP OF VOORHEES, NEW JERSEY

By: _____
DEAN CIMINERA, Chief Financial Officer

PHOENIX ADVISORS, LLC, as Dissemination Agent

By: _____
ANTHONY P. INVERSO,
Senior Managing Director