PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 25, 2021

NEW ISSUE – Book-Entry-Only

RATING: Standard & Poor's: ("AA+")
(See "RATING" herein)

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township (as hereinafter defined), assuming continuing compliance by the Township with certain covenants described herein, under existing law, interest on the Tax-Exempt Bonds (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 Tax-Exempt Bonds 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 the Taxable Bonds (as hereinafter defined) is included for federal income tax purposes under current law. Interest on the Tax-Exempt Bonds and the Taxable Bonds and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed. See "TAX MATTERS" herein.

$1,195,000
TOWNSHIP OF CINNAMINSON
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2021
(Callable)(Bank Qualified)

$11,585,000
TOWNSHIP OF CINNAMINSON
County of Burlington, New Jersey
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2021
(Callable)

Dated: Date of Delivery

Due: February 1, as Shown on Inside Front Cover

The $1,195,000 aggregate principal amount of General Obligation Bonds, Series 2021 ("Tax-Exempt Bonds"), of the Township of Cinnaminson, in the County of Burlington, State of New Jersey ("Township"), and the $11,585,000 aggregate principal amount of Taxable General Obligation Bonds, Series 2021 ("Taxable Bonds" and together with the Tax-Exempt Bonds, the "Bonds"), of the Township are general obligations of the Township and the full faith and credit and unlimited *ad valorem* taxing power of the Township are pledged to the payment of the principal thereof and the interest thereon. The Bonds are not a debt or obligation, legal, moral or otherwise of the State of New Jersey, or any county, municipality or political subdivision thereof other than the Township.

The Bonds shall bear interest from the Date of Delivery (as shown above), payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2022, at such rates of interest, as shown on the inside front cover page hereof until maturity or earlier redemption. The Bonds are subject to optional redemption as set forth herein.

The principal of the Bonds shall be paid on their respective maturity dates upon presentation and surrender of the Bonds at the offices of Township, or its hereafter designated paying agent, if any. Interest on the Bonds will be paid by check, draft or wire transfer mailed, delivered or transmitted by the Township, or its hereafter designated paying agent, if any, to the registered owner thereof as of the Record Dates (as defined herein). The Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearinghouse for securities transactions. Individual purchases of beneficial interest in the Bonds will be made initially in book-entry-only form in the principal amount of $5,000 or any whole multiple thereof and in integral multiples of $1,000 in excess thereof. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., which has the responsibility to remit such payments to the DTC Participants, which will in turn have the responsibility to remit such payments to the owners of beneficial interests in the Bonds.

The Bonds are authorized to be issued pursuant to: (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) certain bond ordinances (as herein described), each duly and finally adopted by the Township Committee of the Township and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township Committee on January 11, 2021; and (iv) a Certificate of Determination and Award to be executed by the Chief Financial Officer of the Township on January __, 2021.

The Tax-Exempt Bonds, are being issued to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment in and for the Township; and (ii) pay the costs associated with the issuance of the Tax-Exempt Bonds. The Taxable Bonds are being issued to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment in and for the Township; (ii) refund, on a current basis, certain outstanding bond anticipation notes of the Township, at maturity, which financed the costs of various capital improvements and the acquisition of various capital equipment in and for the Township; and (iii) pay the costs associated with the issuance of the Taxable Bonds.

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

The Bonds 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, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by the law firm Platt & Riso P.C., Cinnaminson, New Jersey. Acacia Financial Group, Inc., Mount Laurel, New Jersey, has acted as Municipal Advisor to the Township in connection with the issuance of the Bonds. It is anticipated that the Bonds in definitive form will be available for delivery, in immediately available funds, through DTC in New York, New York on or about February __, 2021.

MATURITY SCHEDULES

$1,195,000
TOWNSHIP OF CINNAMINSON
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2021
(Callable)(Bank Qualified)

Maturity Date (February 1)	Principal Amount	Interest Rate	Yield	CUSIP*
2022	$45,000	%	%	
2023	55,000			
2024	55,000			
2025	55,000			
2026	55,000			
2027	55,000			
2028	55,000			
2029	55,000			
2030	55,000			
2031	60,000			
2032	60,000			
2033	60,000			
2034	60,000			
2035	65,000			
2036	65,000			
2037	65,000			
2038	65,000			
2039	70,000			
2040	70,000			
2041	70,000			

* 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 Markets Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of holders of the Bonds only at the time of issuance of the Bonds and the Township does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity of the Bonds is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

$11,585,000
TOWNSHIP OF CINNAMINSON
County of Burlington, New Jersey
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2021
(Callable)

Maturity Date (February 1)	Principal Amount	Interest Rate	Yield	CUSIP*
2022	$390,000	%	%	
2023	505,000			
2024	510,000			
2025	515,000			
2026	520,000			
2027	525,000			
2028	535,000			
2029	540,000			
2030	550,000			
2031	565,000			
2032	575,000			
2033	590,000			
2034	600,000			
2035	615,000			
2036	630,000			
2037	645,000			
2038	660,000			
2039	680,000			
2040	705,000			
2041	730,000			

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* 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 Markets Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of holders of the Bonds only at the time of issuance of the Bonds and the Township does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity of the Bonds is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

TOWNSHIP OF CINNAMINSON
COUNTY OF BURLINGTON, NEW JERSEY

Mayor and Township Committee

Albert Segrest	Mayor
Stephanie Kravil	Deputy Mayor
Paul Conda	Committeeman
Ryan Horner	Committeeman
Ernest McGill	Committeeman

Chief Financial Officer

Julia Edmondson

Township Clerk

Lisa A. Passione

Solicitor

Platt & Riso P.C.
Cinnaminson, New Jersey

Auditor

Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel

Parker McCay P.A.
Mount Laurel, New Jersey

Municipal Advisor

Acacia Financial Group, Inc.
Mount Laurel, New Jersey

The information which is set forth herein has been provided by the Township of Cinnaminson, County of Burlington, New Jersey ("Township"), The Depository Trust Company ("DTC") and by other sources which are believed to be reliable by the Township, but the information provided by such sources is not guaranteed as to accuracy or completeness by the Township. Certain general and financial information concerning the Township is contained in Appendices "A" and "B" to this Official Statement. Such information has been furnished by the Township.

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 Bonds 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 Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any 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 Bonds 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 UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS 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.

TABLE OF CONTENTS

OFFICIAL STATEMENT
OF THE
TOWNSHIP OF CINNAMINSON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY

RELATING TO:

$1,195,000
TOWNSHIP OF CINNAMINSON
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS,
SERIES 2021
(Callable)(Bank Qualified)

$11,585,000
TOWNSHIP OF CINNAMINSON
County of Burlington, New Jersey
TAXABLE GENERAL OBLIGATION BONDS,
SERIES 2021
(Callable)

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, is to provide certain information relating to the issuance by the Township of Cinnaminson, County of Burlington, New Jersey ("Township") of its: (i) $1,195,000 aggregate principal amount of General Obligation Bonds, Series 2021 ("Tax-Exempt Bonds"); and (ii) $11,585,000 aggregate principal amount of Taxable General Obligation Bonds, Series 2021 ("Taxable Bonds", and together with the Tax-Exempt Bonds, the "Bonds").

AUTHORIZATION FOR THE BONDS

The Bonds are authorized to be issued pursuant to: (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) certain bond ordinances (as herein described), each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township Committee on January 11, 2021; and (iv) a Certificate of Determination and Award to be executed by the Chief Financial Officer of the Township on January ___, 2021.

PURPOSE OF THE BONDS

<u>Tax-Exempt Bonds</u>

The Tax-Exempt Bonds, are being issued to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment in and for the Township; and (ii) pay the costs associated with the issuance of the Tax-Exempt Bonds.

The improvements and equipment to be permanently financed with the proceeds of the Tax-Exempt Bonds include the following:

Ordinance Number	Purpose	Original Amount Authorized	Notes Outstanding	Bonds to be Issued
2019-05 as amended by 2019-06	Completion of Various Capital Improvements and Acquisition of Various Capital Equipment	$2,109,000	$0	$1,195,000

Taxable Bonds

The Taxable Bonds are being issued to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment in and for the Township; (ii) refund, on a current basis, certain outstanding bond anticipation notes of the Township ("Prior Notes"), at maturity, which Prior Notes financed the costs of various capital improvements and the acquisition of various capital equipment in and for the Township; and (iii) pay the costs associated with the issuance of the Taxable Bonds.

The improvements and equipment to be permanently financed with the proceeds of the Taxable Bonds include the following:

Ordinance Number	Purpose	Original Amount Authorized	Notes Outstanding	Bonds to be Issued
2015-08	Completion of Various Capital Improvements and Acquisition of Various Capital Equipment	$1,714,750	$0	$1,577,625
2016-07	Completion of Various Capital Improvements and Acquisition of Various Capital Equipment	1,919,000	0	1,919,000
2016-11	Acquisition of Real Property	6,650,000	6,650,000	3,870,437
2016-12	Completion of Various Capital Improvements	137,000	0	130,150
2017-10	Completion of Various Capital Improvements	1,612,150	0	1,465,150
2018-07	Completion of Various Capital Improvements	1,501,000	0	1,501,000
2018-11	Improvements to Memorial Park	209,000	0	209,000
2019-05 as amended by 2019-06	Completion of Various Capital Improvements and Acquisition of Various Capital Equipment	2,109,000	0	912,638
TOTAL		**$15,938,322**	**$6,650,000**	**$11,585,000**

DESCRIPTION OF THE BONDS

General

The Bonds will be issued in the respective aggregate principal amounts as shown on the inside front cover page hereof. The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds is payable semi-annually on February 1 and August 1 (each an "Interest Payment Date" and collectively, "Interest Payment Dates"), commencing February 1, 2022, in each year until maturity or earlier redemption.

Individual purchases of the Bonds may be made in the principal amount 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 Bonds, through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See "BOOK-ENTRY-ONLY SYSTEM" below. The Bonds will mature on February 1 in the years and in the principal amounts all as shown on the inside front cover page of this Official Statement.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners thereof at maturity upon presentation and surrender of the Bonds at the offices of the Township, or its hereafter designated paying agent, if any.

Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the Township, or its hereafter designated paying agent, if any, acting as Bond registrar, as of the close of business on the fifteenth (15th) day of the calendar month immediately preceding an Interest Payment Date (each a "Record Date").

So long as The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to Cede & Co., as nominee of DTC. Disbursements of such payments to the participants of DTC ("DTC Participants") is the responsibility of DTC and disbursements of such payments to the Beneficial Owners (as hereinafter defined) of the Bonds is the responsibility of the DTC Participants and not the Township, or its hereafter designated paying agent, if any.

Redemption Provisions

The Bonds maturing on and after February 1, 2032 are subject to redemption prior to their stated maturity dates at the option of the Township, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the Township shall determine and within any such maturity by lot) on any date on or after February 1, 2031, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Notice of redemption shall be given by mailing first class mail in a sealed envelope with postage pre-paid not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the owner of every Bond of which all or a portion is to be redeemed at his or her last address, if any, appearing on the registration books of the Township, or its hereafter designated paying agent, if any. So long as the Bonds are issued in book-entry-only form, all notices of redemption will be sent only to DTC or any successor, and will not be sent to the beneficial owners of the Bonds. Failure of an owner of the Bonds to receive such notice or of DTC to advise any participant or any failure of a participant to notify any beneficial owner of the Bonds shall not affect the validity of any proceedings for the redemption of Bonds. Such notice shall specify: (i) the series and maturity of the Bonds to be redeemed; (ii) the redemption date and the place or places where amounts that are due and payable upon such redemption will be payable; (iii) if less than all of the Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the Bonds to be redeemed; (iv) in the case of a Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (v) that on the redemption date there shall become due and payable with respect to each Bond or portion thereof to be redeemed the redemption price; and (vi) that from and after the redemption date interest on such Bond or portion thereof to be redeemed shall cease to accrue and be payable.

BOOK-ENTRY-ONLY SYSTEM

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

DTC will act as securities depository for the Bonds. The Bonds 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 Bond certificate will be issued in the aggregate principal amount of each maturity of the Bonds, and will be deposited with DTC. One fully registered certificate will be issued in the aggregate principal amount of the Notes 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, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of the Bonds ("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 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices, if any, shall be sent to DTC. If less than all of the Bonds 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 Bonds 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 record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds, 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, 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 Bonds 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, Bond 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, Bond 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 the Township takes no 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 BENEFICIAL OWNERS.

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

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 Bonds, the following provisions apply: (i) the Bonds may be exchanged for an equal aggregate principal amount of Bonds 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 any Bonds may be registered on the books maintained by the Township, or its hereafter designated paying agent, if any, as applicable, for such purposes only upon the surrender thereof to the Township, or its hereafter designated paying agent, if any, as applicable, together with the duly executed assignment in form satisfactory to the Township, or its designated paying agent; and (iii) for every exchange or registration of transfer of Bonds, the Township, or its hereafter designated paying agent, if any, as applicable, 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 of the Bonds. Interest on the Bonds will be payable by check or draft, mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the Record Dates.

SECURITY FOR THE BONDS

Taxing Power

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of and interest on the Bonds. The Bonds are general obligations of the Township payable as to principal and interest 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 Bonds, and has no power to pledge the credit or taxing power of the State or any other political subdivision thereof, nor shall the Bonds 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 Bonds.

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" contains audited financial statements of the Township for the years ending December 31, 2019, 2018, 2017, 2016 and 2015. The 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 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 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 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 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 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 Bonds, 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, 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 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 June 30, 2019 is on file with the Township Clerk and is available for review during business hours.

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 states, 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 Bonds. 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), the New Jersey Legislature enacted P.L. 2020, c. 74 (A3971), under which a local unit may adopt an emergency appropriation to fund certain deficits and expenditures resulting from Coronavirus with approval of the Director and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten (10) years. 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 deficits and 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. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to Coronavirus. Also, local units may be able to issue refunding bonds with Local Finance Board approval to repay a Federal Emergency Management Agency Community Disaster Loan for which it executed a promissory note in 2013.

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 Bonds.

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:

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

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.

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 Bonds 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 BONDS.

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 district within the Township and the County of Burlington ("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 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. 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 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, 2028, 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 applied retroactively to April 1, 2020.

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.

In response, the President declared a national emergency on March 13, 2020, which made available federal resources to combat the spread of the virus. In addition, a multi-billion-dollar relief package was signed into law by the President on March 18, 2020, providing for Medicaid expansion, unemployment benefits and paid emergency leave during the crisis. Further, an approximately $2 trillion federal stimulus package was signed into law on March 27, 2020 (titled the "Coronavirus Aid, Relief, and Economic Security Act"), which includes extraordinary public health spending to confront Coronavirus; 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 and money market mutual funds.

The State has also taken action to assist both local governments and residents effected by the Coronavirus. In particular, on March 28, 2020, the Governor announced a temporary forbearance program for mortgage payments for borrowers economically impacted by the Coronavirus. Additionally, the State tax filing deadlines have been extended and the State fiscal year has been extended to September 30, 2020. The continuing impact of these changes could result in short and long-term reductions in available tax and other miscellaneous revenues for governing bodies throughout the State, depending on duration and severity. In an effort to provide budgetary relief to local governmental units, the Governor signed legislation (A3971) on August 31, 2020, authorizing municipalities and counties to borrow funds to cover revenue shortfalls and expenditures caused by the Coronavirus. The State's finances have been and may continue to be materially adversely affected by the continuation of the pandemic.

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 complex technology environment to conducts 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. In addition, the Township maintains certain insurance coverage for cyberattacks and related events.

TAX MATTERS

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE TAX IMPLICATIONS OF THEIR INVESTMENT.

Federal

Tax-Exempt Bonds

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township ("Bond Counsel"), assuming continuing compliance by the Township with the covenants described below, under existing law, interest on the Tax-Exempt Bonds 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.

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 Tax-Exempt Bonds received or accrued by a foreign corporation subject to the branch profits tax is included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Tax-Exempt Bonds, 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 its opinion, Bond Counsel has 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 Tax-Exempt Bonds 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 Tax-Exempt Bonds being subject to federal income tax retroactive to the date of issue. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the Tax-Exempt Bonds that may affect the tax-exempt status of the interest thereon.

Ownership of the Tax-Exempt Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, holders of an interest in a financial asset securitization investment trust, controlled foreign corporations, property and casualty insurance companies, 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 Tax-Exempt Bonds constitutes 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 Tax-Exempt Bonds 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 the 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 Tax-Exempt Bonds.

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 Tax-Exempt Bonds 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 Tax-Exempt Bonds should consult their own tax advisors 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.

<u>Taxable Bonds</u>

In the opinion of Bond Counsel, interest on the Taxable Bonds is included in gross income for Federal tax purposes.

New Jersey

Bond Counsel is also of the opinion that interest on the Bonds 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 New Jersey that, if enacted, could alter or amend the Federal and New Jersey tax matters referred to above or adversely affect the market value or marketability of the Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to obligations 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 or marketability of the Bonds.

PROSPECTIVE PURCHASERS OF THE BONDS 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 BONDS 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 Stuart Platt, Esquire, of the law firm of Platt & Riso P.C., Cinnaminson, New Jersey ("Solicitor"), there is no litigation of any nature now pending, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds 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 that, in the opinion of the Solicitor, would have a material adverse impact on the financial condition of the Township if adversely decided.

RATING

Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business ("Rating Agency"), has assigned a rating of "AA+" to the Bonds, based upon the creditworthiness of the Township.

The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Township forwarded to the Rating Agency certain information and materials concerning the Bonds and the Township. There can be no assurance that the rating will be maintained for any given period of time or that the rating may not be raised, lowered or withdrawn entirely, if in the Rating Agency's judgment, circumstances so warrant. Any downward change in, or withdrawal of such rating, may have an adverse effect on the marketability or market price of the Bonds.

UNDERWRITING

Tax-Exempt Bonds

The Tax-Exempt Bonds have been purchased from the Township at a public sale by ________ ("Tax-Exempt Bond Underwriter") at a price of $_________.

Taxable Bonds

The Taxable Bonds have been purchased from the Township at a public sale by ________ ("Taxable Bond Underwriter," and together with the Tax-Exempt Bond Underwriter, the "Underwriters") at a price of $__________.

Each Underwriter is obligated to purchase all of the applicable series of Bonds it has purchased if any of such Bonds are purchased.

The Underwriters intend to offer the Bonds to the public initially at the offering yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at yields higher than the respective public offering yields set forth on the inside front cover page hereof, and such offering yields may be changed, from time to time, by the Underwriters 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 of the Township, including the Bonds, and such Bonds are authorized security for any and all public deposits.

MUNICIPAL ADVISOR

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

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.

CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule"), the Township has undertaken to file notice of certain enumerated events, pursuant to a Continuing Disclosure Agreement, dated the date of delivery of the Bonds, between the Township and the Municipal Advisor, in the form attached as Appendix "C" to this Official Statement.

The Township is currently in compliance with its prior continuing disclosure obligations. The Township has engaged the services of Acacia Financial Group, Inc., Mount Laurel, New Jersey to assist it in meeting its continuing disclosure obligations

LEGAL MATTERS

The legality of the Bonds will be subject to the approving legal opinion of Bond Counsel. Such opinion will be printed on or accompany the Bonds and provide, *inter alia*, that the Bonds 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 Bonds and interest thereon. The enforceability of rights or remedies with respect to the Bonds 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 the 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 legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinion 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

Inquiries regarding this Official Statement may be directed to Julia Edmondson, Chief Financial Officer, Township of Cinnaminson, (856) 829-6000 or the Township's Municipal Advisor, Acacia Financial Group, Inc., (856) 234-2266.

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 merely as opinions and not as representations of fact, and no representation is made that any 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 with, or a covenant for the benefit of, the holders of the Bonds or Notes. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

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.

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

TOWNSHIP OF CINNAMINSON, NEW JERSEY

By:______________________________________
JULIA EDMONDSON, Chief Financial Officer

Dated: February __, 2021

APPENDIX A

CERTAIN ECONOMIC, DEMOGRAPHIC AND OPERATING DATA REGARDING THE TOWNSHIP

GENERAL INFORMATION ON THE TOWNSHIP

History, Location and Area

The Township was incorporated in 1860. Located in Burlington County, New Jersey, it is a residential suburban community of approximately 16,342 residents. It spans an area of approximately 7.6 square miles stretching from the Moorestown Township line to the Delaware River. As a very close suburb of the City of Philadelphia, the Township has mainly attracted light manufacturing, processing, transportation service and high-technology industries and includes a number of nationally known corporations.

Form of Government

A Township Committee composed of five members, all of whom, are elected at large, governs the Township. The Township employs a Township Administrator who has the responsibility of operating the Township government efficiently under the guidelines and provisions of the Township Committee and the Township Administrative Code.

The general administration of the Township business, including tax assessment and collection, zoning and planning, elections and the Court is located in the offices within the Municipal Building.

Planning and Development

The Township Master Plan provides for a well-planned development of the remaining vacant land within the Township. The Master Plan was adopted in 1990.

The Township presently has 5,760 residential units with between 20 and 30 new units under construction at any given time in a growing community bordering the Delaware River. We have approximately 16,000 residents and a very desirable public school system. Four of our schools are currently undergoing renovations to enhance security for our children, as well as increasing computer and science labs, in addition to a new gymnasium for the many sports programs that are offered to the students.

Health Care Facilities

There are no major health care facilities located in the Township. Virtua Willingboro Hospital, has approximately 249 beds located in Willingboro, New Jersey. The Virtua Willingboro Hospital of Burlington County cares for the community with a full range of inpatient and outpatient services.

Virtua Willingboro specializes in orthopedic, vascular, general, colorectal and urologic surgery. The hospital is well-regarded for behavioral health, gastroenterology and wound care. Acuity Specialty Hospital of Southern New Jersey cares for patients who require an extended hospital stay.

Public Safety

The Township provides protection to its citizens through means of the Cinnaminson Township Police Department which responds to a 24-hour Burlington County Communications dispatching. The Township Police Department consists of 32 employees. Fire protection is provided by the Cinnaminson Township Fire District, which consists of two stations and a district office.

Public Utilities

Public Service Electric and Gas Company provides electric and gas to the Township and the New Jersey Water Company provides water with artisan well water. Sanitary sewer service is available through the Cinnaminson Sewerage Authority.

Improvements and maintenance of Township streets and equipment utilizes a 24 person Public Works Department.

Parks and Recreation

Residents in the Township have access to eight parks and various youth and adult sport programs. The total acreage of municipality owned parks in the Township is 124.43 acres.

Transportation

U.S. Highway Rt. 130 runs north to south through Cinnaminson Township and provides access to the majority of retail space complexes within Cinnaminson Township. Due to comprehensive redevelopment efforts over the last 12 years, Cinnaminson has enjoyed substantial retail growth. We now enjoy six major shopping centers, four of which have been completely refurbished, and two which have been built within the last 10 years. In addition, we have two smaller strip store complexes, numerous restaurants, three professional buildings with approximately 15 – 20 offices each, and an office complex with seven buildings of approximately 4,000 square feet each. Our industrial areas of the Township are home to nationally recognized names such as Sea Box, Empire Carpet, Forman Mills, New Penn Trucking, as well as a number of other trucking companies due to their immediate accessibility to major roadways.

Compensated Absences

The Township does have a policy for compensating all employees for unused sick, vacation or personal leave days upon retirement. As well as, a policy negotiated in the union contracts of public works and police departments exists. In addition, as an incentive to reward long term employees who have accumulated sick time throughout their career with the Township, non-aligned employees with at least thirty (30) years of service with the Township are permitted to sell back up to five weeks (25 days) of accumulated sick leave upon retirement, but limited to $15,000. For additional information regarding compensated absences, see Appendix B: Audited Financial Statements of the Township, Note 9.

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: Financial Statements of the Township, Note 7 to Financial Statements.

Township Employees

			December 31,		
	2020	**2019**	**2018**	**2017**	**2016**
Full-time	73	72	70	64	64
Part-time	29	30	25	28	29
	102	102	95	92	93

Employee Collective Bargaining Units

Public Works employees are represented by The Teamsters Local 676. Their contract expires December 31, 2024. Police Department employees both uniformed sworn officers and clerical employees are represented by The Cinnaminson Police Association and have approved contracts through December 31, 2022. Other clerical employees are not represented.

Township Population(1)

2010 Federal Census	15,569
2000 Federal Census	14,595
1990 Federal Census	14,583
1980 Federal Census	16,072
1970 Federal Census	16,962

Selected Census 2019 Data for the Township (1)

Median household income	$110,227
Per capita income	$46,987

Township Labor Force (2)

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

	2019	2018	2017	2016	2015
Township					
Labor Force	8,519	8,430	8,495	8,500	8,520
Employed	8,295	8,150	8,195	8,177	8,132
Unemployed	224	280	300	323	388
Unemployment Rate	2.6%	3.3%	3.5%	3.8%	4.6%
County					
Labor Force	230,589	227,612	229,971	229,949	229,689
Employment	223,049	219,125	220,557	219,677	217,394
Unemployment	7,540	8,487	9,414	10,272	12,295
Unemployment Rate	3.3%	3.7%	4.1%	4.5%	5.4%
State					
Labor Force	4,493,100	4,432,500	4,454,700	4,473,800	4,487,300
Employment	4,333,300	4,250,800	4,248,700	4,251,200	4,227,600
Unemployment	159,800	181,700	205,900	222,600	259,700
Unemployment Rate	3.6%	4.1%	4.6%	5.0%	5.8%

(1) Source: U.S. Department of Commerce, Bureau of Census.
(2) Source: New Jersey Department of Labor

Business and Industry

Incorporated in 1860, Cinnaminson encompassing nearly 8 square miles is a family community with approximately 16,342 residents consisting of 5,760 households and 4,351 families. Cinnaminson Township shares its geo-political boundaries with its Burlington County NJ neighboring towns of Palmyra, Riverton, Delran, Moorestown and Maple Shade.

With a robust employer base, Cinnaminson hosts a variety of commercial, light industrial, manufacturing, and retail employers. Below is a list of the top ten (10) employers, in alphabetical order, within Cinnaminson.

TEN LARGEST EMPLOYERS (1)

Company	Nature of Business	Approximate Number of Employees
Sea Box, Inc	Manufacturer	1,000
Cinnaminson Township BOE	Local School	488
Walmart, Inc.	Retail Store	250
Sam's Club	Retail Store	230
Shop Rite of Cinnaminson	Retail Store	183
Merion	Catering & Special Events	150
Lamon Associates Real Estate	Real Estate	150
Genesis Healthcare Cinnaminson	Senior Care Facility	130
New Penn Truck	Trucking	130
Trans Axle LLC	Manufacturer	100

Building Permits Issued(2)

Year	Number of Permits Issued	Value of Construction
2020	947	$24,664,492
2019	990	19,989,991
2018	1007	22,655,996
2017	1145	31,189,265
2016	1048	13,301,365

(1) Source: Township Officials
(2) Source: Township Construction Official

GENERAL INFORMATION ON THE SCHOOL DISTRICT (1)

The Township of Cinnaminson School District ("School District") functions independently through a nine member board, elected by the citizens in alternate three-year terms. There are presently four schools for grades pre-school through twelve.

Township high school students attend the Cinnaminson High School.

Taxes for the support of the School District, as approved by the voters in the School District, are levied on the valuations in the Township as equalized by the County.

TOWNSHIP OF CINNAMINSON SCHOOL DISTRICT
SCHOOL ENROLLMENTS(1)

			October 15,		
Grade	2020	2019	2018	2017	2016
K	154	148	144	149	151
1	191	206	190	193	186
2	187	157	181	166	173
3	157	190	183	177	156
4	197	187	180	164	167
5	189	183	178	171	151
6	181	193	184	158	171
7	191	196	158	177	152
8	199	161	179	153	186
9	173	191	161	189	173
10	184	166	182	171	150
11	160	191	182	153	173
12	193	181	152	170	165
Special Education	322	316	301	310	336
Totals	2,678	2,666	2,555	2,501	2,490

PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY(1)

Name of School	Date Constructed	Renovations/ Additions	Grades	Enrollment Oct. 15, 2020	Functional Capacity
New Albany Elementary	1966	2000	K-2	591	395
Eleanor Rush Intermediate	1962	2000	3-5	607	419
Cinnaminson Middle School	1968	2000	6-8	647	805
Cinnaminson High School	1961	2014	9-12	833	1,117
Totals				2,678	2,736

(1) Source: School District Officials

HIGHER EDUCATION FACILITIES

Rowan College at Burlington County (Formerly Burlington County College)

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

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

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

RCBC's fall 2019 enrollment in academic courses was 8,493 students. In addition, the County College serves thousands of other County residents each semester through youth programs, Learning is for Everyone, workforce development, theatrical productions, guest speakers, and art exhibitions.

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

Burlington County Institute of Technology

The Burlington County Board of Vocational Education was created by the Board in 1962 after a favorable referendum. The enrollment for the two campuses, Westampton and Medford, is 2,092 students as of June 30, 2019.

The Burlington County Institute of Technology ("BCIT") is governed by a consolidated Board of Education of the Special Services School District and the Vocational School District of the County of Burlington and certain fiscal matters are subject to the review of the Board of

School Estimate. BCIT is not permitted to borrow for capital expenditures. Instead, the Board of Education and the Board of School Estimate certify the need for funding to the Board which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law except that no down payment is required.

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

Burlington County Special Services School District

The Burlington County Special Services School District ("Special Services School District") was created by the Board in June 1972. The Special Services School District is comprised of state-of-the-art facilities located in the Townships of Westampton, Lumberton, Medford, and Mount Laurel and programs are provided for: (1) the orthopedically handicapped, the multiple handicapped, autistic and deaf and hard of hearing; (2) elementary school students with severe emotional and social problems; (3) students ages fourteen (14) through twenty-one (21) with educational needs which are beyond the capabilities of existing local school boards and regions; and (4) trainable mentally retarded young people from ages fourteen (14) to twenty-one (21). The enrollment for the Special Services School District for the 2018-19 academic year is 590 students.

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS (1)

Name of Taxpayer	Nature of Business	2020 Assessed Valuation
National Keystone Properties	Commercial Property	$ 26,190,800
Camelot at Cinnaminson Harbour	Apartments	19,157,900
CSH Siena	Condos/Homes	9,925,900
Whitesell Ent (2 Properties)	Industrial Property	7,039,000
New Plan Cinnaminson Urban Renewal	Commercial Property	6,095,400
Progida	Commercial Property	5,500,000
1 Sea Box Drive	Industrial Property	5,272,300
Mainline Shipping Center/Online Property Management	Commercial Property	5,053,600
Riverton Country Club	Country Club	4,543,300
202 Route 130 LLC	Commercial Property	4,429,700

(1) Source: Township Tax Assessor

CURRENT TAX COLLECTIONS (1)

Year	Total Levy	Outstanding Dec. 31 Amount	Outstanding Dec. 31 Percentage	Collected in Year of Levy Amount	Collected in Year of Levy Percentage
2019	$ 56,751,589	$ 517,974	0.91%	$ 56,131,160	98.91%
2018	56,355,496	420,431	0.75%	55,737,696	98.90%
2017	55,622,167	393,226	0.71%	55,109,589	99.08%
2016	54,930,898	546,595	1.00%	54,293,028	98.84%
2015	53,144,591	358,323	0.67%	52,697,917	99.16%

DELINQUENT TAXES (1)

Year	Outstanding Jan. 1	Added	Collected Amount	Collected Percentage	Transferred to Liens	Other Credits	Outstanding Dec. 31
2019	$ 491,313	$ 14,565	$ 420,782	83.18%	$ 52	$ 14,287	$ 70,756
2018	428,381	29,224	385,567	84.26%		1,157	70,882
2017	555,984	12,125	520,131	91.55%	12,823		35,155
2016	363,900	3,421	357,931	97.44%			9,390
2015	454,184	6,421	447,488	97.15%	4,577	2,963	5,577

TAX TITLE LIENS (1)

Year	Balance Jan. 1	Added by Sales and Transfers	Collected	Foreclosures/ Transfers	Balance Dec. 31
2019	$ 162,995	$ 28,007	$ 757		$ 190,245
2018	138,676	24,319			162,995
2017	98,349	40,348	21		138,676
2016	85,298	13,051			98,349
2015	93,729	17,749		$ 26,180	85,298

FORECLOSED PROPERTY (1)(2)

Year	Amount
2019	$ 1,144,900
2018	1,144,900
2017	1,144,900
2016	1,144,900
2015	1,144,900

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

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (1)

	Tax Rate (2)					
Year	Total Rate	County	Local School	Municipal	Municipal Open Space	Fire District
2020	$ 3.572	$ 0.446	$ 2.288	$ 0.616	$ 0.017	$ 0.205
2019	3.522	0.441	2.247	0.616	0.017	0.201
2018	3.497	0.449	2.221	0.616	0.017	0.194
2017	3.461	0.458	2.182	0.616	0.017	0.188
2016	3.413	0.455	2.133	0.627	0.017	0.181

RATIO OF ASSESSED VALUATION TO TRUE VALUE AND TRUE VALUE PER CAPITA (3)

Year	Real Property Assessed Valuation	Percentage of True Value	True Value	True Value per Capita(4)
2020	$ 1,610,009,200	88.92%	$ 1,810,626,631	$ 116,297
2019	1,604,056,400	90.87%	1,765,221,085	113,381
2018	1,601,809,300	89.83%	1,783,156,295	114,532
2017	1,601,214,400	89.18%	1,795,485,983	115,324
2016	1,603,103,900	89.18%	1,797,604,732	115,461

REAL PROPERTY CLASSIFICATION (5)

Year	Assessed Value of Land and Improvements	Vacant Land	Residential	Commercial	Industrial	Apartments	Farmland
2020	$ 1,610,409,200	$ 17,281,000	$ 1,341,814,500	$ 144,647,900	$ 81,107,000	$ 24,697,800	$ 861,000
2019	1,604,056,400	17,060,000	1,339,373,400	141,692,300	80,413,100	24,697,800	819,800
2018	1,601,809,300	17,540,700	1,341,522,400	138,622,800	84,009,000	19,289,500	824,900
2017	1,601,214,400	14,473,600	1,339,755,800	140,694,800	86,175,800	19,289,500	824,900
2016	1,603,103,900	14,131,900	1,338,267,300	144,414,500	86,175,800	19,289,500	824,900

(1) Source: Township Tax Collector
(2) Per $100 of Assessed Valuation
(3) Source: State of New Jersey, Department of Treasury, Division of Taxation
(4) Based on 2010 Census of 15,569
(5) Source: Township Tax Assessor

AGGREGATE EQUALIZED VALUATION (1)

Year		Equalized Value
2020	$	1,810,626,631
2019		1,765,221,085
2018		1,783,156,295
2017		1,795,485,983
2016		1,788,180,591

TOTAL NET DEBT (2)

Year		Total Net Debt	Net Debt as a Perentage of Equalized Tax Valuation Basis
2019	$	22,023,015	1.24%
2018		21,169,675	1.19%
2017		24,012,258	1.34%
2016		23,356,754	1.31%
2015		16,122,088	0.92%

TOWNSHIP OF CINNAMINSON
DEBT SUMMARY (3)(4)

The following table summarizes the direct debt of the Township as of December 31, 2019, 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 and Debt of the Local School District. Deductions from gross debt to arrive at net debt include local school district debt and reserve for payment of debt service. The resulting net debt of $22,023,015 represents 1.235% of the average of equalized valuations for the Township for the last three years, of $1,783,058,110, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued		Debt Auth.		Deductions		
	Bonds/Loans/Leases	Notes	But Not Issued	Gross Debt	School District	Reserve for Payment of Debt Service	Net Debt
General	$ 10,381,258	$ 6,650,000	$ 8,922,928	$ 25,954,186		$ 3,931,171	$ 22,023,015
Local School District	35,590,000			35,590,000	$ 35,590,000		
	$ 45,971,258	$ 6,650,000	$ 8,922,928	$ 61,544,186	$ 35,590,000	$ 3,931,171	$ 22,023,015

(1) Source: State of New Jersey, Department of Community Affairs, Division of Local Government Services
(2) Source: Annual Report of Audit
(3) As of December 31, 2019
(4) Source: Township Auditor

DEBT RATIOS AND VALUATIONS (1)

Average of Equalized Valuations of Real Property with Improvements for 2017, 2018 and 2019	$	1,783,058,110
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2017, 2018 and 2019		1.24%
2020 Net Valuation Taxable	$	1,610,009,289
2020 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	$	1,810,626,720
Gross Debt (2)		
As a Percentage of 2020 Net Valuation Taxable		3.82%
As a Percentage of 2020 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		3.40%
Net Debt (2)		
As a Percentage of 2020 Net Valuation Taxable		1.37%
As a Percentage of 2020 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		1.22%
Gross Debt per Capita (3)	$	3,953
Net Debt per Capita (3)	$	1,415

TOWNSHIP BORROWING CAPACITY (1)

3.5% of Average (2017-19) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property ($1,783,058,110)	$	62,407,034
Net Debt		(22,023,015)
Remaining Borrowing Capacity	$	40,384,019

LOCAL SCHOOL BORROWING CAPACITY (1)

4% of Average (2017-19) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property ($1,783,058,110)	$	71,322,324
Net Debt		(35,590,000)
Remaining Borrowing Capacity	$	35,732,324

(1) As of December 31, 2019
(2) Excluding overlapping debt
(3) Based on Census 2010 of 15,569

TOWNSHIP OF CINNAMINSON
OVERLAPPING DEBT
AS OF DECEMBER 31, 2019

	DEBT ISSUED				
	Debt Outstanding	Deductions	Net Debt Outstanding	Net Debt Outstanding Allocated to the Issuer	**Debt Auth. but not Issued**
County of Burlington:					
General					
Bonds	$ 195,644,000	$ 20,051,390 (1)	$ 175,592,610	$ 6,466,643 (2)	
Notes	23,000,000		23,000,000	847,033 (2)	$ 15,863,827
Loans	6,854,573		6,854,573	252,437 (2)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	409,610,800	409,610,800 (3)			
Solid Waste Utility	43,985,000	43,985,000			2,526,193
Cinnaminson Sewerage Authority	12,037,501		12,037,501	12,037,501	
Cinnaminson Township Fire District #1	593,264		593,264	593,264	
	$ 691,725,138	$ 473,647,190	$ 218,077,948	$ 20,196,879	$ 18,390,020

(1) Includes cash on hand, accounts receivable and County College Bonds paid with State Aid.

(2) Such debt is allocated as a proportion of the Issuer's share of the total 2019 Net Valuations on which County taxes are apportioned, which is 3.68%.

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

TOWNSHIP OF CINNAMINSON
SCHEDULE OF DEBT SERVICE(1)
(BONDED DEBT ONLY)

Year	Principal	Interest	Total
2021	$ 1,097,999	$ 272,768	$ 1,370,767
2022	1,158,835	243,702	1,402,537
2023	1,196,214	212,853	1,409,067
2024	1,252,600	178,915	1,431,514
2025	1,226,994	143,476	1,370,469
2026	1,244,396	105,054	1,349,449
2027	1,255,805	67,924	1,323,729
2028	910,559	27,106	937,664
	$ 9,343,400	$ 1,251,797	$ 10,595,197

(1) As of December 31, 2020

TOWNSHIP OF CINNAMINSON
2020 MUNICIPAL BUDGET(1)

CURRENT FUND

Anticipated Revenues:	
Fund Balance	$2,060,000
Miscellaneous Revenues:	
Local Revenues	375,000
State Aid without Offsetting Appropriations	1,923,688
Dedicated Uniform Construction Code Fees Offset with Appropriations	250,000
Director of Local Government Services--Shared Service Agreements	85,000
Public and Private Programs Offset with Appropriations	35,826
Other Special Items of Revenue	817,000
Receipts from Delinquent Taxes	400,000
Amount to be Raised by Taxation for Municipal Purposes	9,920,733
Total Anticipated Revenues	$15,867,247
Appropriations:	
Within CAPS:	
Operations	$11,797,797
Deferred Charges and Statutory Expenditures	1,333,714
Excluded from CAPS:	
Other Operations	25,000
Shared Service Agreements	83,250
Public and Private Programs	44,093
Capital Improvements	100,000
Debt Service	1,281,418
Reserve for Uncollected Taxes	1,201,975
Total Appropriations	$15,867,247

(1) Adopted May 18, 2020

TOWNSHIP OF CINNAMINSON
CAPITAL PROGRAM FOR THE YEARS 2020-2025(1)

General Improvements	Estimated Total Cost	Capital Improvement Fund	General Bonds and Notes
Trucks and Heavy Equipment:			
Public Works:			
Brush Grapple Truck	$ 195,000	$ 9,750	$ 185,250
Heavy Duty Dump Truck	380,000	19,000	361,000
Dump Truck w/Plow & Salter	270,000	13,500	256,500
Backhoe	230,000	11,500	218,500
Heavy Duty Pick up Truck/SUV w/V-Box	80,000	4,000	76,000
Road Maintenance Equipment:			
Trash Truck - Used for Leaf Pick-up	170,000	8,500	161,500
Snow Removal Equipment	80,000	4,000	76,000
Public Safety:			
Computer	30,000	1,500	28,500
Filing System	47,800	2,390	45,410
Handguns	50,000	2,500	47,500
Safety Detour Signs/Cones	15,000	750	14,250
Body Worn and Car Cameras and Tasers	63,000	3,150	59,850
Buildings and Grounds Improvements:			
Police:			
Interior Renovations	20,000	1,000	19,000
Public Works:			
Three Phase Rotary Air Compressor	10,000	500	9,500
Shop Press	8,000	400	7,600
Indoor Bay Wash	17,000	850	16,150
Bulk Materials Bin	10,000	500	9,500
Radios for DPW	15,000	750	14,250
Confined Space Entry Equipment	15,000	750	14,250
Town Hall/Community Center/Police/Library:			
Renovations/Repairs Improvements Library	211,000	10,550	200,450
Parks and Recreation:			
Guided Field Groomer	30,000	1,500	28,500
Wall Repair Concession Stand	210,000	10,500	199,500
Field Dug out/Backstop Fence	52,000	2,600	49,400
Paving and Road Repair:			
Paving of Various Streets and Roads	6,000,000	300,000	5,700,000
Concrete Access Ramps and Sidewalk Repair	300,000	15,000	285,000
Stormwater Improvements	50,000	2,500	47,500
Total - All Projects	$ 8,558,800	$ 427,940	$8,130,860

(1) Adopted May 18, 2020

APPENDIX B

FINANCIAL STATEMENTS OF THE TOWNSHIP

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

601 White Horse Road | Voorhees, NJ 08043 | P 856.435.6200 | F 856.435.0440 | www.bowmanllp.com

Opinions

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

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

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

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

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

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Cinnaminson, in the County of Burlington, State of New Jersey, as of December 31, 2019, 2018, 2017, 2016 and 2015, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Emphasis of Matter

Prior Period Restatement

As discussed in note 19 to the financial statements, during the year ended December 31, 2019, the Township restated its General Fixed Assets Group of Accounts due to adjustments required from a physical inventory being completed, as well as a change in their capitalization threshold. Our opinion is not modified with respect to this matter.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

R.P. Z

Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 29, 2020

TOWNSHIP OF CINNAMINSON

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis

	As of December 31, 2019	2018	2017	2016	2015
ASSETS					
Cash	$ 14,234,959	$ 12,911,060	$ 13,032,141	$ 9,449,559	$ 7,459,236
Federal and State Grants Receivable	309,670	441,585	229,496	224,063	216,298
Receivables with Full Reserves:					
Delinquent Property Taxes Receivable	588,729	491,313	428,381	555,984	363,900
Tax Title Liens Receivable	190,245	162,995	138,676	98,349	85,298
Property Acquired for Taxes--Assessed Valuation	1,144,900	1,144,900	1,144,900	1,144,900	1,144,900
Revenue Accounts Receivable	13,235	15,095	15,966	52,899	35,022
Interfunds Receivable	30,783	65,261	614,933	67,921	55,986
Accounts Receivable--Other	89,154	89,208	96,146	87,532	107,888
Deferred Charges				399,100	95,200
	$ 16,601,675	$ 15,321,417	$ 15,700,639	$ 12,080,307	$ 9,563,727
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	$ 1,181,898	$ 1,410,174	$ 1,230,340	$ 1,416,272	$ 1,387,234
Accounts Payable	57,358	33,524	21,324	20,303	136,195
Reserve for Encumbrances	115,640	202,464	185,710	185,575	158,280
Interfunds Payable	40,533	37,908	39,238	41,218	48,130
County Taxes Payable	31,009	31,844	14,935	16,794	58,649
Local District Taxes Payable	2,598,784	2,306,110	1,978,180	1,600,108	1,175,373
Fire District Taxes Payable	4	4	4	4	4
Prepaid Revenues	506,772	360,088	2,704,001	382,337	361,043
Tax Overpayments			3,450	6,326	
Other Liabilities and Special Funds	212,533	215,030	212,975	212,231	251,143
Reserve for Receivables and Other Assets	2,057,046	1,968,772	2,439,002	1,992,520	1,777,928
Reserve for Federal and State Grants	623,200	778,095	649,228	553,364	502,902
Fund Balance	9,176,899	7,977,403	6,222,251	5,653,255	3,706,848
	$ 16,601,675	$ 15,321,417	$ 15,700,639	$ 12,080,307	$ 9,563,727

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

TOWNSHIP OF CINNAMINSON
CURRENT FUND
Statements of Operations and Changes in Fund Balance--Regulatory Basis

	For the Years Ended December 31,				
	2019	2018	2017	2016	2015
Revenue Realized:					
Current Tax Collections	$ 56,131,160	$ 55,737,696	$ 55,109,589	$ 54,293,028	$ 52,697,917
Delinquent Tax Collections	421,539	385,567	520,151	357,931	447,488
Total Taxes	56,552,699	56,123,263	55,629,740	54,650,959	53,145,405
Miscellaneous Revenues Anticipated	4,180,399	4,153,882	3,798,112	3,863,175	3,733,894
Other Income	1,734,580	1,817,971	1,476,354	1,652,696	1,242,496
Fund Balance Utilized	1,530,000	1,200,000	1,250,000	950,000	900,000
Total Income	63,997,679	63,295,117	62,154,207	61,116,830	59,021,794
Expenditures:					
Operating	11,647,707	11,788,627	11,241,771	11,013,122	11,015,468
Capital Improvements	370,000	105,000	105,000	455,000	100,000
Debt Service	1,367,978	1,087,599	1,391,512	1,215,612	1,230,593
Deferred Charges and Statutory Expenditures	1,243,784	1,129,612	1,395,774	1,120,175	1,006,925
County Taxes	7,084,031	7,216,012	7,348,451	7,309,113	7,283,504
Local District School Purposes	36,058,962	35,635,487	34,989,194	34,241,505	32,731,445
Municipal Open Space Tax	273,882	273,937	273,180	273,155	273,348
Fire District Taxes	3,215,965	3,097,090	3,014,200	2,904,414	2,796,059
Other Expenditures	5,872	6,600	576,128	38,327	31,464
Total Expenditures and Encumbrances	61,268,182	60,339,964	60,335,211	58,570,423	56,468,806
Excess in Revenues	2,729,497	2,955,152	1,818,996	2,546,407	2,552,988
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year				350,000	
Statutory Excess to Fund Balance	2,729,497	2,955,152	1,818,996	2,896,407	2,552,988
Fund Balance Beginning of Year	7,977,403	6,222,251	5,653,255	3,706,848	2,053,860
	10,706,899	9,177,403	7,472,251	6,603,255	4,606,848
Decreased by:					
Utilized as Revenue	1,530,000	1,200,000	1,250,000	950,000	900,000
Fund Balance Ending of Year	$ 9,176,899	$ 7,977,403	$ 6,222,251	$ 5,653,255	$ 3,706,848

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

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

	As of December 31,				
	2019	2018	2017	2016	2015
ASSETS					
Cash	$ 2,346,868	$ 3,775,288		$ 6,144,196	$ 7,595,309
Deferred Charges to Future Taxation:					
Funded	10,381,258	11,409,350	$ 12,427,691	13,633,297	14,791,181
Unfunded	15,572,928	13,463,928	11,901,053	10,288,903	1,719,903
Due from Burlington County:					
Burlington County Open Space Grant	103,000	103,000	103,000	103,000	103,000
Amount Held in Trust:					
Burlington County Bridge Commission Lease Program	5	5	5	5	5
	$ 28,404,058	$ 28,751,570	$ 24,431,749	$ 30,169,401	$ 24,209,398
LIABILITIES AND RESERVES					
Bond Anticipation Notes	$ 6,650,000	$ 6,650,000			
General Serial Bonds	7,545,000	7,995,000	$ 8,445,000	$ 8,895,000	$ 9,345,000
Loans Payable	197,258	235,350	272,691	309,297	345,181
Burlington County Bridge Commission Lease Payable	435,000	512,000	585,000	656,000	725,000
Burlington County Bridge Commission Loan Payable	2,204,000	2,667,000	3,125,000	3,773,000	4,376,000
Improvement Authorizations:					
Funded	2,121,852	2,340,439	5,820,215	6,260,295	6,820,048
Unfunded	4,670,752	4,096,375	4,491,637	8,855,943	1,351,042
Reserve for Encumbrances	386,574	109,740	274,915	104,501	86,370
Capital Improvement Fund	72,548	58,548	43,548	23,398	19,398
Interfunds Payable			530,735		25,842
Reserves for Payment of Debt	3,931,171	3,703,603	316,486	565,446	388,996
Other Liabilities and Special Funds	5	5	5	5	5
Fund Balance	189,899	383,511	526,516	726,516	726,516
	$ 28,404,058	$ 28,751,570	$ 24,431,749	$ 30,169,401	$ 24,209,398

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

TOWNSHIP OF CINNAMINSON
TRUST FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis

	As of December 31,				
	2019	2018	2017	2016	2015
ASSETS					
Cash and Investments	$ 3,154,108	$ 2,999,360	$ 3,320,429	$ 3,266,610	$ 2,207,798
Accounts Receivable--Other	27,997	52,527	41,986	28,143	23,238
Deferred Charge					
Interfunds Receivable	9,750	4,591	3,386	2,832	33,051
	$ 3,191,855	$ 3,056,478	$ 3,365,801	$ 3,297,585	$ 2,264,087
LIABILITIES, RESERVES AND FUND BALANCE					
Interfund Loans Payable		$ 31,944	$ 48,346	$ 29,535	$ 15,065
Due to State of New Jersey		41		7	
Reserve for Liabilities and Special Funds	$ 3,191,855	3,024,494	3,317,455	3,268,043	2,249,022
	$ 3,191,855	$ 3,056,478	$ 3,365,801	$ 3,297,585	$ 2,264,087

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Cinnaminson was incorporated in March, 1860 and is located in southwest New Jersey approximately eight miles northeast of the City of Philadelphia. The population according to the 2010 census is 15,569.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Cinnaminson Fire District. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

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

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

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2019, the Township's bank balances of $19,915,521.19 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	$ 18,248,075.45
Uninsured and Uncollateralized	1,667,445.74
Total	$ 19,915,521.19

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:

	Year Ended				
	2019	**2018**	**2017**	**2016**	**2015**
Tax Rate	$ 3.522	$ 3.497	$ 3.461	$ 3.413	$ 3.305
Apportionment of Tax Rate:					
Municipal	$ .616	$ .616	$ .616	$ .627	$ .607
County	.441	.449	.458	.455	.454
Local School	2.247	2.221	2.182	2.133	2.052
Fire District	.201	.194	.188	.181	.175
Municipal Open Space	.017	.017	.017	.017	.017

Note 3: PROPERTY TAXES (CONT'D)

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

Year	Amount
2019	$ 1,604,056,490.00
2018	1,604,307,692.00
2017	1,603,681,183.00
2016	1,605,551,028.00
2015	1,594,967,472.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2019	$ 56,751,589.23	$ 56,131,159.89	98.91%
2018	56,355,496.40	55,737,695.79	98.90%
2017	55,622,166.52	55,109,588.82	99.08%
2016	54,930,898.05	54,293,028.09	98.84%
2015	53,144,590.98	52,697,916.54	99.16%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2019	$ 190,244.93	$ 588,729.24	$ 778,974.17	1.37%
2018	162,995.02	491,312.73	654,307.75	1.16%
2017	138,676.34	428,381.20	567,057.54	1.02%
2016	98,349.04	555,984.30	654,333.34	1.19%
2015	85,297.71	363,899.86	449,197.57	0.85%

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

Year	Number
2019	16
2018	14
2017	15
2016	10
2015	10

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

Year	Amount
2019	$ 1,144,900.00
2018	1,144,900.00
2017	1,144,900.00
2016	1,144,900.00
2015	1,144,900.00

Note 5: FUND BALANCES APPROPRIATED

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

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2019	$ 9,176,899.28	$ 2,060,000.00	22.45%
2018	7,977,402.69	1,530,000.00	19.18%
2017	6,222,251.45	1,200,000.00	19.29%
2016	5,653,254.76	1,250,000.00	22.11%
2015	3,706,848.48	950,000.00	25.63%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

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

Fund	Interfunds Receivable	Interfunds Payable
Current	$ 30,782.78	$ 9,750.27
Federal and State Grant		30,782.78
Trust - Other	3,966.94	
Trust - Open Space	5,783.33	
Totals	$ 40,533.05	$ 40,533.05

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

Note 7: PENSION PLANS

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

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

General Information about the Pension Plans

Plan Descriptions

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

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

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

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

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

The following represents the membership tiers for PFRS:

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

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

Contributions

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

The Township's contractually required contribution rate for the year ended December 31, 2019 was 12.80% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 7: <u>PENSION PLANS (CONT'D)</u>

<u>General Information about the Pension Plans (Cont'd)</u>

Contributions (Cont'd)

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 is $253,694.00, and was payable by April 1, 2020. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 was $241,764.00, which was paid on April 1, 2019. Employee contributions to the Plan during the year ended December 31, 2019 were $153,523.52.

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

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

The Township's contractually required contribution rate for the year ended December 31, 2019 was 29.82% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 is $743,268.00, and was payable by April 1, 2020. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 was $674,632.00, which was paid on April 1, 2019. Employee contributions to the Plan during the year ended December 31, 2019 were $253,568.80.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2019 was 3.84% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2019 is $95,806.00, and was payable by April 1, 2020. Based on the PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2018 was $75,117.00, which was paid on April 1, 2019.

Note 7: PENSION PLANS (CONT'D)

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

Public Employees' Retirement System - At December 31, 2019, the Township's proportionate share of the PERS net pension liability was $4,699,450.00. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2019 measurement date, the Township's proportion was .0260812771%, which was an increase of .0017754955% from its proportion measured as of June 30, 2018.

At December 31, 2019, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is $352,255.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2019, the Township's contribution to PERS was $241,764.00, and was paid on April 1, 2019.

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

Township's Proportionate Share of Net Pension Liability	$ 9,004,934.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	1,421,896.00
	$ 10,426,830.00

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2019 measurement date, the Township's proportion was .0735828337%, which was an increase of .0045771731% from its proportion measured as of June 30, 2018. Likewise, at June 30, 2019, the State of New Jersey's proportion, on-behalf of the Township, was .0735828337%, which was an increase of .0045771731% from its proportion, on-behalf of the Township, measured as of June 30, 2018.

At December 31, 2019, the Township's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is $988,432.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2019, the Township's contribution to PFRS was $674,632.00, and was paid on April 1, 2019.

At December 31, 2019, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2019 measurement date is $165,213.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 7: PENSION PLANS (CONT'D)

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

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	$ 84,349.00	$ 76,013.00	$ 160,362.00	$ 20,760.00	$ 57,012.00	$ 77,772.00
Changes of Assumptions	469,257.00	308,558.00	777,815.00	1,631,164.00	2,910,312.00	4,541,476.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	74,183.00	122,014.00	196,197.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	855,468.00	1,139,916.00	1,995,384.00	210,147.00	311,437.00	521,584.00
Township Contributions Subsequent to the Measurement Date	126,847.00	371,634.00	498,481.00	-	-	-
	$ 1,535,921.00	$ 1,896,121.00	$ 3,432,042.00	$ 1,936,254.00	$ 3,400,775.00	$ 5,337,029.00

$126,847.00 and $371,634.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2020. These amounts were based on an estimated April 1, 2021 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2019 to the Township's year end of December 31, 2019.

Note 7: PENSION PLANS (CONT'D)

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

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

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

Note 7: PENSION PLANS (CONT'D)

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

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

Year Ending Dec 31,	PERS	PFRS	Total
2020	$ (25,321.00)	$ (316,983.00)	$ (342,304.00)
2021	(296,052.00)	(799,301.00)	(1,095,353.00)
2022	(178,647.00)	(465,759.00)	(644,406.00)
2023	(24,421.00)	(212,946.00)	(237,367.00)
2024	(2,739.00)	(81,299.00)	(84,038.00)
	$ (527,180.00)	$ (1,876,288.00)	$ (2,403,468.00)

Actuarial Assumptions

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

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

(1) Based on Years of Service

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

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

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

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	100.00%	

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

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

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

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

	PERS		
	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
Township's Proportionate Share of the Net Pension Liability	$ 5,936,170.00	$ 4,699,450.00	$ 3,657,339.00

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

	PFRS		
	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Township's Proportionate Share of the Net Pension Liability	$ 12,171,389.00	$ 9,004,934.00	$ 6,384,236.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	1,921,885.00	1,421,896.00	1,008,083.00
	$ 14,093,274.00	$ 10,426,830.00	$ 7,392,319.00

Note 7: PENSION PLANS (CONT'D)

Pension Plan Fiduciary Net Position

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

Supplementary Pension Information

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

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

	Measurement Date Ended June 30,			
	2019	2018	2017	2016
Township's Proportion of the Net Pension Liability	0.0260812771%	0.0243057816%	0.0210188287%	0.0207278209%
Township's Proportionate Share of the Net Pension Liability	$ 4,699,450.00	$ 4,785,687.00	$ 4,892,847.00	$ 6,138,986.00
Township's Covered Payroll (Plan Measurement Period)	$ 1,833,188.00	$ 1,705,040.00	$ 1,444,296.00	$ 1,434,784.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	256.35%	280.68%	338.77%	427.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%

	Measurement Date Ended June 30,		
	2015	2014	2013
Township's Proportion of the Net Pension Liability	0.0244813556%	0.0241543527%	0.0229402370%
Township's Proportionate Share of the Net Pension Liability	$ 5,495,574.00	$ 4,522,355.00	$ 4,384,335.00
Township's Covered Payroll (Plan Measurement Period)	$ 1,713,952.00	$ 1,695,276.00	$ 1,589,232.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	320.64%	266.76%	275.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note 7: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

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

	Year Ended December 31,			
	2019	2018	2017	2016
Township's Contractually Required Contribution	$ 253,694.00	$ 241,764.00	$ 194,717.00	$ 184,143.00
Township's Contribution in Relation to the Contractually Required Contribution	$ (253,694.00)	(241,764.00)	(194,717.00)	(184,143.00)
Township's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Township's Covered Payroll (Calendar Year)	$ 1,981,268.00	$ 1,870,576.00	$ 1,745,244.00	$ 1,464,941.00
Township's Contributions as a Percentage of Covered Payroll	12.80%	12.92%	11.16%	12.57%

	Year Ended December 31,		
	2015	2014	2013
Township's Contractually Required Contribution	$ 210,474.00	$ 199,125.00	$ 172,850.00
Township's Contribution in Relation to the Contractually Required Contribution	(210,474.00)	(199,125.00)	(172,850.00)
Township's Contribution Deficiency (Excess)	$ -	$ -	$ -
Township's Covered Payroll (Calendar Year)	$ 1,484,158.00	$ 1,603,214.00	$ 1,686,809.00
Township's Contributions as a Percentage of Covered Payroll	14.18%	12.42%	10.25%

Note 7: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

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

	Measurement Date Ended June 30,			
	2019	**2018**	**2017**	**2016**
Township's Proportion of the Net Pension Liability	0.0735828337%	0.0690056606%	0.0684771029%	0.0623151851%
Township's Proportionate Share of the Net Pension Liability	$ 9,004,934.00	$ 9,337,603.00	$ 10,571,541.00	$ 11,903,794.00
State's Proportionate Share of the Net Pension Liability associated with the Township	1,421,896.00	1,268,359.00	1,184,102.00	999,623.00
Total	$ 10,426,830.00	$ 10,605,962.00	$ 11,755,643.00	$ 12,903,417.00
Township's Covered Payroll (Plan Measurement Period)	$ 2,537,552.00	$ 2,288,936.00	$ 2,216,584.00	$ 2,025,400.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	354.87%	407.95%	476.93%	587.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.00%	62.48%	58.60%	52.01%

	Measurement Date Ended June 30,		
	2015	**2014**	**2013**
Township's Proportion of the Net Pension Liability	0.0700908419%	0.0663268477%	0.0671097772%
Township's Proportionate Share of the Net Pension Liability	$ 11,674,691.00	$ 8,343,302.00	$ 8,921,639.00
State's Proportionate Share of the Net Pension Liability associated with the Township	1,023,831.00	898,433.00	831,605.00
Total	$ 12,698,522.00	$ 9,241,735.00	$ 9,753,244.00
Township's Covered Payroll (Plan Measurement Period)	$ 2,219,648.00	$ 2,028,324.00	$ 2,106,128.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	525.97%	411.34%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

Note 7: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

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

	Year Ended December 31,			
	2019	2018	2017	2016
Township's Contractually Required Contribution	$ 743,268.00	$ 674,632.00	$ 606,035.00	$ 508,081.00
Township's Contribution in Relation to the Contractually Required Contribution	(743,268.00)	(674,632.00)	(606,035.00)	(508,081.00)
Township's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Township's Covered Payroll (Calendar Year)	$ 2,492,365.00	$ 2,452,783.00	$ 2,325,689.00	$ 2,219,084.00
Township's Contributions as a Percentage of Covered Payroll	29.82%	27.50%	26.06%	22.90%

	Year Ended December 31,		
	2015	2014	2013
Township's Contractually Required Contribution	$ 569,734.00	$ 509,436.00	$ 489,618.00
Township's Contribution in Relation to the Contractually Required Contribution	(569,734.00)	(509,436.00)	(489,618.00)
Township's Contribution Deficiency (Excess)	$ -	$ -	$ -
Township's Covered Payroll (Calendar Year)	$ 2,104,572.00	$ 2,205,292.00	$ 2,064,046.00
Township's Contributions as a Percentage of Covered Payroll	27.07%	23.10%	23.72%

Note 7: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

None

Changes in Assumptions

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

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

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 Experience Study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with a 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees and beneficiaries, the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

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

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms

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

Changes in Assumptions

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

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

Note 7: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Other Notes to Supplementary Pension Information (Cont'd)

Police and Firemen's Retirement System (PFRS) (Cont'd)

Changes in Assumptions (Cont'd)

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

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

General Information about the OPEB Plan

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

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

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

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

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

The Township was billed monthly by the Plan and paid $268,126.92, for the year ended December 31, 2019, representing 5.99% of the Township’s covered payroll. During the year ended December 31, 2019, retirees were required to contribute $5,762.04 to the Plan.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

General Information about the OPEB Plan (Cont'd)

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

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

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

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township, is not known, however, under the Special Funding Situation, the State's OPEB (benefit) expense, on-behalf of the Township, is $95,819.00 for the year ended December 31, 2019 representing 2.14% of the Township's covered payroll.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2019 the Township's and State's proportionate share of the net OPEB liability were as follows:

Township's Proportionate Share of Net OPEB Liability	$ 6,298,788.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Township	7,228,745.00
	$ 13,527,533.00

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The Township's proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the Township's proportion was .046499% which was a decrease of .004677% from its proportion measured as of the June 30, 2018 measurement date.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

OPEB Liability (Cont'd) - The State's proportion of the net OPEB liability, on-behalf of the Township was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the State's proportion on-behalf of the Township was .130820% which was an increase of .000612% from its proportion measured as of the June 30, 2018 measurement date.

OPEB (Benefit) Expense - At December 31, 2019, the Township's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is ($316,269.00). This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2019, the Township made contributions to the Plan totaling $268,126.92.

At December 31, 2019, the State's proportionate share of the OPEB (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2019 measurement date is $95,819.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ -	$ 1,842,011.00
Changes of Assumptions	-	2,232,150.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	5,188.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	112,901.00	1,657,196.00
Township Contributions Subsequent to the Measurement Date	157,678.17	-
	$ 275,767.17	$ 5,731,357.00

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

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

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

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

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

Actuarial Assumptions

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

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

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

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

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

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

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Actuarial Assumptions (Cont'd)

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

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

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

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

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

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Township's Proportionate Share of the Net OPEB Liability	$ 5,315,401.00	$ 6,298,788.00	$ 7,553,264.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	6,100,170.00	7,228,745.00	8,668,432.00
	$ 11,415,571.00	$ 13,527,533.00	$ 16,221,696.00

OPEB Plan Fiduciary Net Position

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

Supplementary OPEB Information

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

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

	Measurement Date Ended June 30,		
	2019	2018	2017
Township's Proportion of the Net OPEB Liability	0.046499%	0.051176%	0.050516%
Township's Proportionate Share of the Net OPEB Liability	$ 6,298,788.00	$ 8,017,548.00	$ 10,313,240.00
State's Proportionate Share of the Net OPEB Liability Associated with the Township	7,228,745.00	8,090,923.00	10,621,273.00
Total	$ 13,527,533.00	$ 16,108,471.00	$ 20,934,513.00
Township's Covered Payroll (Plan Measurement Period)	$ 4,444,625.00	$ 4,282,379.00	$ 3,867,166.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	141.72%	187.22%	266.69%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Supplementary OPEB Information (Cont'd)

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

	Year Ended December 31,		
	2019	**2018**	**2017**
Township's Required Contributions	$ 268,126.92	$ 416,743.06	$ 420,425.67
Township's Contributions in Relation to the Required Contribution	(268,126.92)	(416,743.06)	(420,425.67)
Township's Contribution Deficiency (Excess)	$ -	$ -	$ -
Township's Covered Payroll (Calendar Year)	$ 4,473,633.00	$ 4,323,359.00	$ 4,070,933.00
Township's Contributions as a Percentage of Covered Payroll	5.99%	9.64%	10.33%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms

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

Changes in Assumptions

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

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

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

Note 9: COMPENSATED ABSENCES

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

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

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

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

The Township does not record accrued expenses related to compensated absences, however, it is estimated that as of December 31, 2019, accrued benefits for compensated absences are valued at $458,902.65.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

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

Note 11: LEASE OBLIGATIONS

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

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

Year	Principal	Interest	Total
2020	$ 79,000.00	$ 20,960.00	$ 99,960.00
2021	83,000.00	17,800.00	100,800.00
2022	87,000.00	13,650.00	100,650.00
2023	91,000.00	9,300.00	100,300.00
2024	95,000.00	4,750.00	99,750.00
Total	$ 435,000.00	$ 66,460.00	$ 501,460.00

Note 12: CAPITAL DEBT

General Improvement Bonds

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

Year	Principal	Interest	Total
2020	$ 700,000.00	$ 186,637.50	$ 886,637.50
2021	750,000.00	172,637.50	922,637.50
2022	800,000.00	157,637.50	957,637.50
2023	825,000.00	141,637.50	966,637.50
2024	870,000.00	123,075.00	993,075.00
2025-2028	3,600,000.00	265,500.00	3,865,500.00
Totals	$ 7,545,000.00	$ 1,047,125.00	$ 8,592,125.00

Note 12: CAPITAL DEBT (CONT'D)

General Debt – Burlington County Bridge Commission Loans

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

Year	Principal	Interest	Total
2020	$ 220,000.00	$ 85,960.00	$ 305,960.00
2021	236,000.00	79,360.00	315,360.00
2022	253,000.00	69,920.00	322,920.00
2023	261,000.00	59,800.00	320,800.00
2024	268,000.00	49,360.00	317,360.00
2023-2027	966,000.00	75,160.00	1,041,160.00
Totals	$ 2,204,000.00	$ 419,560.00	$ 2,623,560.00

General Debt - New Jersey Green Acres Loans

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

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

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

Year	Principal	Interest	Total
2020	$ 38,857.64	$ 3,751.84	$ 42,609.48
2021	28,998.57	2,970.81	31,969.38
2022	18,834.94	2,494.33	21,329.27
2023	19,213.52	2,115.75	21,329.27
2024	19,599.71	1,729.55	21,329.26
2025-2028	71,753.35	2,898.72	74,652.07
Totals	$ 197,257.73	$ 15,961.00	$ 213,218.73

Note 12: CAPITAL DEBT (CONT'D)

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

	2019	2018	2017
Issued			
General:			
Bonds, Loans and Notes	$ 17,031,257.73	$ 18,059,349.71	$ 12,427,691.13
Authorized but not Issued			
General:			
Bonds, Loans and Notes	8,922,928.00	6,813,928.00	11,901,053.00
Total Issued and Authorized but not Issued	25,954,185.73	24,873,277.71	24,328,744.13
Deductions			
General:			
Reserve for Payment of Bonds	3,931,171.22	3,703,602.92	316,486.19
Net Debt	$ 22,023,014.51	$ 21,169,674.79	$ 24,012,257.94

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.235%.

	Gross Debt	Deductions	Net Debt
School Purposes	$ 35,590,000.00	$ 35,590,000.00	
General	25,954,185.73	3,931,171.22	$ 22,023,014.51
	$ 61,544,185.73	$ 39,521,171.22	$ 22,023,014.51

Net debt $22,023,014.51 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, $1,783,058,110.00, equals 1.235%.

3 1/2% of Equalized Valuation Basis (Municipal)	$ 62,407,033.85
Less: Net Debt	22,023,014.51
Remaining Borrowing Power	$ 40,384,019.34

Note 13: ARBITRAGE REBATE

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

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

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

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

Note 14: SCHOOL TAXES

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

	Balance December 31, 2019	2018
Balance of Tax	$ 17,016,954.06	$ 16,724,280.06
Deferred	14,418,170.00	14,418,170.00
Taxes Payable	$ 2,598,784.06	$ 2,306,110.06

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:

Year	Employee Contributions	Amount Reimbursed	Ending Balance
2019		$ 21,024.40	$ 139,417.04
2018	$ 6,719.22	1,825.69	160,441.44
2017		5,163.43	155,547.91

Note 15: RISK MANAGEMENT (CONT'D)

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

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

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

The Fund publishes its own financial report for the year ended December 31, 2019, which can be obtained from:

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

Note 16: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 2, 2004, and November 1, 2005 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Cinnaminson Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2005, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the two referendums, the Township levies a tax not to exceed three cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Cinnaminson Open Space, Recreation and Farmland Preservation Trust Funds.

Note 17: CONTINGENCIES

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

Note 17: CONTINGENCIES (CONT'D)

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

Note 18: CONCENTRATIONS

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

Note 19: PRIOR YEAR RESTATEMENT

During calendar year 2019, the Township had an inventory completed by an outside inventory company, and also changed its capitalization threshold from $1,000.00 to $5,000.00. The net effect of the change in capitalization threshold, as well as the effect of the inventory company identifying assets, or not locating assets, previously reported in the Township's General Fixed Assets Group of Accounts, is as follows:

	Balance Dec. 31, 2018 As Previously Reported	Prior Period Adjustment	Balance Dec. 31, 2018 As Restated
General Fixed Assets:			
Land and Improvements	$ 7,666,798.00	$ 5,476,202.00	$ 13,143,000.00
Buildings and Improvements	7,756,216.64		7,756,216.64
Vehicles	5,498,589.57	(827,179.57)	4,671,410.00
Machinery and Equipment	582,765.78	1,640,435.22	2,223,201.00
	$ 21,504,369.99	$ 6,289,457.65	$ 27,793,827.64
Total Investment in General Fixed Assets	$ 21,504,369.99	$ 6,289,457.65	$ 27,793,827.64

Note 20: SUBSEQUENT EVENTS

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

Purpose	Adoption	Authorization
General Improvements		
Various Pieces of Equipment and Various Capital Improvements	05/18/20	$ 1,459,010.00

Note 20: SUBSEQUENT EVENTS (CONT'D)

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

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

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this ___ day of February, 2021, between the Township of Cinnaminson, County of Burlington, New Jersey ("Township") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Township of its: (i) $1,195,000 General Obligation Bonds, Series 2021 ("Tax-Exempt Bonds"); and (ii) $11,585,000 Taxable General Obligation Bonds, Series 2021 ("Taxable Bonds"; together with the Tax-Exempt Bonds, the "Bonds").

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 Bonds (collectively, the "Bondholders") and in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended from time to time, including administrative or judicial interpretations thereof, as it applies to the Bonds ("Rule").

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

"Annual Report" shall mean, the Township's Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Commission" shall have the meaning set forth in Section 1 of this Disclosure Agreement

"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: (i) the Annual Report; (ii) any notice required to be filed with the National Repository pursuant to Section 5 hereof; and (iii) any notice of an event required to be filed with the National Repository pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean Acacia Financial Group, Inc., Mount Laurel, New Jersey, or any successor Dissemination Agent designated in writing by the Township and which has filed with the Township a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062 of the Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt bonds, including the Bonds, 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.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"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 Commission as a repository for purposes of the Rule.

"**Official Statement**" shall mean the Official Statement of the Township, dated February __, 2021, relating to the Bonds.

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

"**Rule**" shall have the meaning set forth in Section 1 of this Disclosure Agreement.

SECTION 3. Provision of Annual Report.

(a) The Township shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Township's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the Township (commencing for the fiscal year ending December 31, 2020). Each Annual Report provided to the Dissemination Agent by the Township shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission.

(b) The Dissemination Agent, promptly (within fifteen (15) Business Days) after receiving the Annual Report from the Township, shall submit each Annual Report received by it to the National Repository and thereafter shall file a written report with the Township certifying that the Annual Report has been provided pursuant to this Disclosure Agreement to the National Repository and stating the date it was provided to the National Repository.

(c) If the Township fails to provide the Annual Report to the Dissemination Agent by the date required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the Township advising of such failure. Whether or not such notice is given or received, if the Township thereafter fails to submit the Annual Report to the Dissemination Agent within fifteen (15) Business Days after the Annual Report was due pursuant to the provisions of subsection (a) of this Section 3, the Dissemination Agent shall promptly send a notice (with a copy of said notice to the Township) to the National Repository in substantially the form attached as EXHIBIT "A" hereto.

SECTION 4. Contents of Annual Report. Annual Report shall mean: (i) certain financial information and operating data of the Township consisting of: (a) Township and overlapping indebtedness, including a schedule of outstanding debt issued by the Township; (b) the Township's most current adopted budget; (c) property valuation information; and (d) tax rate, levy and collection data; and (ii) the Township's annual financial statements, audited by an independent certified public accountant, provided that the annual audited financial statements of the Township may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the Township are included in the Annual Report. Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the Division of Local Government Services in the New Jersey Department of

Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements.

SECTION 5. <u>Reporting of Significant Events</u>.

(a) This Section 5 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 Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to the rights of Bondholders, if material;
(8) Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
(9) defeasances;
(10) release, substitution, or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the 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 obligation[1] 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 Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

(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 two (2) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the Township.

SECTION 6. Termination of Reporting Obligations. The reporting obligations of the Township under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Township is no longer an Obligated Person (as defined in the Rule) with respect to the Bonds.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Township may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an Opinion of Counsel to the effect that such amendment or waiver will not, in and of itself, cause the undertakings herein to violate the Rule. No amendment to this Disclosure Agreement shall change or modify the rights or obligations of the Dissemination Agent without its written assent thereto. 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 8. 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 Annual Report or 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 Annual Report or 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 Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Default and Remedies. In the event of a failure of the Township to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Bondholders of at least twenty-five percent (25%) in aggregate principal amount of the outstanding Bonds and provision of indemnity and security for expenses satisfactory to it, shall), or any beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Township to comply with its obligations under this Disclosure Agreement. A failure of the Township to comply with any provision of this Disclosure Agreement shall not be deemed to be a default under the Bonds. 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.

SECTION 10. 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 Cinnaminson
1621 Riverton Road,
Cinnaminson, New Jersey 08077
Attention: Chief Financial Officer

(ii) If to the Dissemination Agent:

Acacia Financial Group, Inc.
6000 Midlantic Drive, Suite 410
Mount Laurel, New Jersey 08054

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 10 for the giving of notice.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Township, the Dissemination Agent and the Bondholders and nothing herein contained shall confer any right upon any other person.

SECTION 12. 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 13. 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 14. 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 15. 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 16. 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 17. 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 18. 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 CINNAMINSON, NEW JERSEY

By:____
JULIA EDMONDSON, Chief Financial Officer

ACACIA FINANCIAL GROUP, INC.,
as Dissemination Agent

By:____
JENNIFER G. EDWARDS, Managing Director

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer:	Township of Cinnaminson, County of Burlington, New Jersey
Name of Bond Issues Affected:	General Obligation Bonds, Series 2021 Taxable General Obligation Bonds, Series 2021
Date of Issuance of the Affected Bond Issue:	February __, 2021

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated February __, 2021, between the Township and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by ____________________________.]

Dated:___________________

ACACIA FINANCIAL GROUP, INC.,
as Dissemination Agent

cc: Township of Cinnaminson, New Jersey

APPENDIX D

FORM OF BOND COUNSEL OPINION

PM 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

February __, 2021

Mayor and Township Committee
of the Township of Cinnaminson
1621 Riverton Road,
Cinnaminson, New Jersey

RE: $1,195,000 TOWNSHIP OF CINNAMINSON, COUNTY OF BURLINGTON, NEW JERSEY, GENERAL OBLIGATION BONDS, SERIES 2021

$11,585,000 TOWNSHIP OF CINNAMINSON, COUNTY OF BURLINGTON, NEW JERSEY, TAXABLE GENERAL OBLIGATION BONDS, SERIES 2021

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery by the Township of Cinnaminson, County of Burlington, New Jersey ("Township") of its: (i) $1,195,000 General Obligation Bonds, Series 2021 ("Tax-Exempt Bonds"); and (ii) $11,585,000 Taxable General Obligation Bonds, Series 2021 ("Taxable Bonds"; together with the Tax-Exempt Bonds, the "Bonds").

The Bonds are authorized to be issued pursuant to: (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 2015-08, 2016-07, 2016-11, 2016-12, 2017-10, 2018-07, 2018-11 and 2019-05 as amended by 2019-06, each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Township Committee on January 11, 2021 ("Resolution"); and (iv) separate Certificates of Determination and Award executed by the Chief Financial Officer of the Township on February __, 2021 in connection with each of the Tax-Exempt Bonds and the Taxable Bonds (collectively, the "Award Certificates").

The Tax-Exempt Bonds are dated their date of issuance, mature on February 1 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the rates per annum below, payable semiannually on February 1 and August 1, commencing February 1, 2022, in each year until maturity or earlier redemption.

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Maturity Date	Principal Amount	Interest Rate	Maturity Date	Principal Amount	Interest Rate
2022	$390,000	%	2032	$575,000	%
2023	505,000		2033	590,000	
2024	510,000		2034	600,000	
2025	515,000		2035	615,000	
2026	520,000		2036	630,000	
2027	525,000		2037	645,000	
2028	535,000		2038	660,000	
2029	540,000		2039	680,000	
2030	550,000		2040	705,000	
2031	565,000		2041	730,000	

The Tax-Exempt Bonds are issued in fully registered book-entry-only form without coupons and are subject to redemption prior to their stated maturity dates on the terms and conditions described therein.

The Tax-Exempt Bonds are being issued to provide funds which will be used to: (i) permanently finance the costs of the completion of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized but not issued; and (ii) pay the costs and expenses incidental to the issuance and delivery of the Tax-Exempt Bonds.

The Taxable Bonds are dated their date of issuance, mature on February 1 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the rates per annum below, payable semiannually on February 1 and August 1, commencing February 1, 2022, in each year until maturity or earlier redemption.

Maturity Date	Principal Amount	Interest Rate	Maturity Date	Principal Amount	Interest Rate
2022	$45,000	%	2032	$60,000	%
2023	55,000		2033	60,000	
2024	55,000		2034	60,000	
2025	55,000		2035	65,000	
2026	55,000		2036	65,000	
2027	55,000		2037	65,000	
2028	55,000		2038	65,000	
2029	55,000		2039	70,000	
2030	55,000		2040	70,000	
2031	60,000		2041	70,000	

The Taxable Bonds are issued in fully registered book-entry-only form without coupons and are subject to redemption prior to their stated maturity dates on the terms and conditions described therein.

The Taxable Bonds are being issued to provide funds which will be used to: (i) permanently finance the costs of the completion of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized but not issued;

(ii) permanently finance the costs of the completion of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of a portion of the principal of certain bond anticipation notes heretofore issued by the Township; and (iii) pay the costs and expenses incidental to the issuance and delivery of the Taxable Bonds.

As the basis for the opinion 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 Resolution, the Award Certificates, 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 for the Tax-Exempt Bonds ("Nonarbitrage Certificate") and the other certifications, instruments, documents and opinions listed in the closing agenda prepared in connection with the settlement of the Bonds.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, instruments and certifications 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 Bonds 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 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 Bonds, 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 Tax-Exempt Bonds 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 Tax-Exempt Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Tax-Exempt Bonds, 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 Tax-Exempt Bonds 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 Tax-Exempt Bonds 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 may affect the tax-exempt status of the interest on the Tax-Exempt Bonds.

Ownership of the Tax-Exempt Bonds 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 Tax-Exempt Bonds 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 Tax-Exempt Bonds 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 Tax-Exempt Bonds.

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 Tax-Exempt Bonds 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 Taxable Bonds is included in gross income of the holders thereof for federal income tax purposes.

5. Interest on the Bonds 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 Bonds.

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.

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,