

**PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 10, 2021**

**NEW ISSUE**

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

*In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the Township (as defined herein) with certain tax covenants described herein, under existing law, interest on the Bonds (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. Based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.*

**TOWNSHIP OF WILLINGBORO,  
IN THE COUNTY OF BURLINGTON, NEW JERSEY**

**\$14,241,000\*  
GENERAL IMPROVEMENT BONDS  
(Book-Entry-Only) (Callable)**

Dated: Date of Delivery

Due: September 1, as shown on the inside front cover

The \$14,241,000\* General Improvement Bonds (the "Bonds"), of the Township of Willingboro, in the County of Burlington, New Jersey (the "Township") will be issued in the form of one certificate for the aggregate principal amount of the Bonds maturing in each year and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as the securities depository. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year until maturity or earlier redemption, commencing on March 1, 2022. The principal of and the interest due on the Bonds will be paid to DTC by the Township as paying agent. Interest on the Bonds will be credited to the Participants (as defined herein) of DTC as listed on the records of DTC as of each next preceding February 15 and August 15 (the "Record Dates" for the payment of interest on the Bonds). Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months.

The Bonds are subject to optional redemption prior to their stated maturities as described herein. See "THE BONDS – Optional Redemption" herein.

The Bonds are valid and legally binding obligations of the Township and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable property within the Township for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

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

The Bonds will be offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey and certain other conditions described herein. Phoenix Advisors, LLC, Bordentown, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Bonds. Delivery is anticipated to be via DTC in New York, New York on or about September 1, 2021.

**BID PROPOSALS WILL BE ACCEPTED ONLY BY ELECTRONIC SUBMISSION VIA PARITY ELECTRONIC BID SYSTEM ON TUESDAY, AUGUST 17, 2021 UNTIL 11:00 A.M. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE NOTICE OF SALE POSTED AT [WWW.MUNIHUB.COM](http://WWW.MUNIHUB.COM) or <https://govdebt.net>.**

\* Preliminary, subject to change.

**TOWNSHIP OF WILLINGBORO,  
IN THE COUNTY OF BURLINGTON, NEW JERSEY**

**\$14,241,000\***  
**GENERAL IMPROVEMENT BONDS**

**MATURITIES, PRINCIPAL AMOUNTS\*, INTEREST RATES, YIELDS AND CUSIP NUMBERS\*\***

<u>Year</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number**</u>
2023	\$1,241,000			
2024	1,300,000			
2025	1,300,000			
2026	1,300,000			
2027	1,300,000			
2028	1,300,000			
2029	1,300,000			
2030	1,300,000			
2031	1,300,000			
2032	1,300,000			
2033	1,300,000			

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\* Preliminary, subject to change.

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

**TOWNSHIP OF WILLINGBORO,  
IN THE COUNTY OF BURLINGTON, NEW JERSEY**

**MAYOR**

Dr. Tiffani A. Worthy

**COUNCIL MEMBERS**

Kaya McIntosh, Deputy Mayor  
Nathaniel Anderson  
Rebecca Perrone  
Samantha Whitfield

**ACTING TOWNSHIP MANAGER**

Walter Howard

**FINANCE DIRECTOR**

Eusebia Diggs

**ACTING TOWNSHIP CLERK**

Brenda Bligen

**TOWNSHIP ATTORNEY**

Malamut & Associates LLC  
Cherry Hill, New Jersey

**AUDITOR**

Bowman & Company LLP  
Voorhees, New Jersey

**MUNICIPAL ADVISOR**

Phoenix Advisors, LLC  
Bordentown, New Jersey

**BOND COUNSEL**

McManimon, Scotland & Baumann, LLC  
Roseland, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the 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 foregoing. 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 the Underwriter or, as to information from sources other than itself, by the Township. The information and the expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder, under any circumstances, shall create any implication that there has been no change in any of the information herein since the date hereof or since the date as of which such information is given, if earlier.

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be used, in whole or in part, for any other purpose.

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. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

McManimon, Scotland & Baumann, LLC has not participated in the preparation of the financial or statistical information contained in this Official Statement nor have they verified the accuracy or completeness thereof, and, accordingly, they express no opinion with respect thereto.

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**OFFICIAL STATEMENT**  
**Relating to the**  
**TOWNSHIP OF WILLINGBORO,**  
**IN THE COUNTY OF BURLINGTON, NEW JERSEY**  
**\$14,241,000\***  
**GENERAL IMPROVEMENT BONDS**

**INTRODUCTION**

This Official Statement, which includes the cover page, the inside front cover page and the appendices attached hereto, has been prepared by the Township of Willingboro (the “Township”), in the County of Burlington (the “County”), New Jersey (the “State”), in connection with the sale and the issuance of \$14,241,000\* General Improvement Bonds, the (“Bonds”). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Bonds described herein.

This Official Statement contains specific information relating to the Bonds including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety. All financial and other information presented herein has been provided by the Township from its records, except for information expressly attributed to other sources.

This Official Statement is “deemed final,” as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

**THE BONDS**

**General Description**

The Bonds shall be dated their date of delivery, shall mature on September 1 in the years and in the principal amounts as set forth on the inside front cover page hereof, and will bear interest from their dated date. Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year until maturity, commencing on March 1, 2022, at the interest rates set forth on the inside front cover page hereof. Principal of and interest due on the Bonds will be paid to DTC (as defined herein) by the Township or its designated paying agent. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding February 15 and August 15 (the “Record Dates” for the payment of interest on the Bonds). Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day calendar months.

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\* Preliminary, subject to change.

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity of the Bonds of each series and in the principal amount of such maturity. The Bonds may be purchased in book-entry-only form in the principal amount of \$5,000, or any integral multiple in excess thereof, through book-entries made on the books and records of The Depository Trust Company, New York, New York (“DTC”), and its participants. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner for the Bonds, payments of the principal of and interest on the Bonds will be made by the Township directly to Cede & Co. (or any successor or assign), as nominee for DTC.

### **Optional Redemption**

The Bonds maturing prior to September 1, 2029 are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after September 1, 2029 are subject to redemption, in whole or in part, on any date on or after September 1, 2028, at the option of the Township, at 100% of the principal amount of the Bonds being redeemed (the “Redemption Price”), plus in each case accrued interest thereon to the date fixed for redemption.

### **Notice of Redemption**

Notice of redemption shall be given by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Township, at least 30 but not more than 60 days before the date fixed for redemption. However, so long as DTC (or any successor thereto) acts as securities depository for the Bonds, notice of redemption shall be sent to such securities depository and shall not be sent to the beneficial owners of the Bonds, and will be done in accordance with DTC procedures. Any failure of such securities depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any notice of redemption shall not affect the validity of the redemption proceedings. If the Township determines to redeem a portion of a maturity of the Bonds, such Bonds shall be selected by the Township by lot. If notice of redemption has been given as described herein, the Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Bonds redeemed.

So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Township shall send redemption notices only to Cede & Co.

### **BOOK-ENTRY-ONLY SYSTEM**

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

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also

facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, 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](http://www.dtcc.com) and [www.dtc.org](http://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 each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 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 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.

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 paying agent, if any, as soon as possible after the applicable record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the applicable record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, if applicable, and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from



the Township or the paying agent, if any, on the 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 shall be the responsibility of such Participant and not of DTC or its nominee, the paying agent, if any, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, if applicable, 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 the paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Township or the paying agent, if any. Under such circumstances, in the event that a successor securities 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.

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.

THE INFORMATION CONTAINED IN THIS SUBSECTION "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN PROVIDED BY DTC. THE TOWNSHIP MAKES NO REPRESENTATIONS AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

THE TOWNSHIP WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO BOND HOLDERS; (III) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST DUE ON THE BONDS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO., AS NOMINEE OF DTC AND THE REGISTERED OWNER OF THE BONDS. THE RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

#### **Discontinuation of Book-Entry-Only System**

If the Township, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Bonds at any time, the Township will attempt to locate another qualified securities depository. If the Township fails to find such a securities depository, or if the Township determines, in its sole discretion, that it is in the best interest of the Township or that the interest of the Beneficial Owners might be adversely affected if the book-entry-only system of

transfer is continued (the Township undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination), the Township shall notify DTC of the termination of the book-entry-only system.

### AUTHORIZATION AND PURPOSE OF THE BONDS

The Bonds have been authorized by and are being issued pursuant to the laws of the State, including the Local Bond Law (constituting Chapter 2 of Title 40A of the State Statutes, as amended) (the “Local Bond Law”), the bond ordinances adopted by the Township Council referred to in the charts below and by a resolution duly approved and adopted by the Township Council on August 3, 2021 (the “Resolution”).

Number of Bond Ordinance	Description of Improvement and Date of Adoption of Bond Ordinance	Principal Amount of Bonds
2015-4, as reappropriated by 2018-4 and 2018-9	Construction of an emergency services building, finally adopted April 21, 2015, as reappropriated June 16, 2018 and October 16, 2018.	\$500,000
2015-5, as amended by 2016-11, as reappropriated by 2019-8	Various capital improvements, finally adopted April 21, 2015, as amended October 18, 2016, as reappropriated September 17, 2019.	\$704,500
2016-8, as amended and reappropriated by 2019-3, as reappropriated by 2019-5 and 2019-21	Various capital improvements, finally adopted October 18, 2016, as amended and reappropriated June 5, 2019, as reappropriated July 2, 2019 and December 3, 2019.	\$2,213,500
2017-4, as amended and reappropriated by 2019-3, as reappropriated by 2019-5	Various capital improvements, finally adopted June 7, 2017, as amended and reappropriated June 5, 2019, as reappropriated July 2, 2019.	\$1,740,400
2018-5, as reappropriated by 2019-10	Various capital improvements, finally adopted June 19, 2018, as reappropriated October 1, 2019.	\$1,814,500
2019-1	Various capital improvements, finally adopted April 2, 2019.	\$2,803,925
2020-12	Various capital improvements, finally adopted June 2, 2020.	\$2,565,000
2021-9	Various capital improvements, finally adopted May 4, 2021.	\$1,899,175
<b>Totals</b>		<b>\$14,241,000</b>

Proceeds from the sale and issuance of the Bonds will be used to: (i) provide new money in the amount of \$1,899,175 to fund various capital improvements; (ii) currently refund the Township's \$12,341,825 Bond Anticipation Note, dated April 23, 2021 and maturing on September 2, 2021 and (iii) pay the costs associated with the authorization, sale and issuance of the Bonds.

### **INFECTIOUS DISEASE OUTBREAK – COVID-19**

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy (the "Governor") of the State of New Jersey declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which has spread throughout the State and to all counties within the State. The Governor has also instituted mandatory measures via various executive orders to contain the spread of the virus. These measures, which alter the behavior of businesses and people, have had and may continue to have impacts on regional, state and local economies. Throughout the COVID-19 pandemic, the Governor has signed multiple executive orders instituting mitigation protocols limiting certain activities as well as permitting the resumption of certain activities, based on the evolution of the COVID-19 pandemic within this State. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that date by the Governor. The declaration of the state of emergency remains in effect as of the date hereof.

As of December 31, 2020, the Township's finances and operations had certain reduced revenue streams due to the COVID-19 pandemic; however, the overall finances and operations of the Township have not been materially and adversely affected due to the COVID-19 outbreak. The finances and operations of the Township may be materially and adversely affected going forward as a result of the COVID-19 pandemic through reduced or delayed revenue streams, which include the collection of property taxes, which is the Township's primary revenue source for supporting its budget. The Township cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain facilities, or costs to operate remotely and support Township functions and critical government actions during an outbreak, or any resulting impact such costs could have on Township operations. The degree of any such impact to the Township's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 pandemic, including uncertainties relating to its (i) duration and (ii) severity, as well as with regard to what additional actions may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 12, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to \$1,400 increase in direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Township.

Based on available information as of July 31, 2021, the Township is expected to receive approximately \$3,349,917 from the Plan. Such funds are expected to be received in two equal payments, one within 60 days of enactment of the Plan and the balance no earlier than 12 months from the initial payment. The deadline to spend the funds is December 31, 2024. Generally, according to the Plan, the allowable use of the funds to be provided to the Township include the following categories: (a) to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (b) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the Township that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (c) for the provision of government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the Township prior to the emergency; and (d) to make necessary investments in water, sewer or broadband infrastructure.

### **SECURITY AND SOURCE OF PAYMENT**

The Bonds are valid and legally binding obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal of and the interest on the Bonds. The Township is required by law to levy *ad valorem* taxes upon all the real property taxable within the Township for the payment of the principal of and the interest on the Bonds without limitation as to rate or amount.

### **MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES**

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

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

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis. The average for the last three years of the equalized value of all taxable real property and improvements and certain Class II railroad property within the boundaries of Township, as annually determined by the State Director of Taxation, is \$1,894,508,754.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating.

The Township has not exceeded its statutory debt limit, as approved in each case by the Local Finance Board. As of December 31, 2020, the statutory net debt as a percentage of average equalized valuation was 2.134%. As noted above, the statutory limit is 3½%.

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 if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The Township may sell short-term “bond anticipation notes” to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the bond ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit’s bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years.

An additional period may be available following the tenth anniversary date equal to the period from the bond anticipation notes’ maturity to the end of the tenth fiscal year in which the bond anticipation notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of bond anticipation notes that may be issued is decreased by the minimum amount required for the first year’s principal payment for a bond issue.

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

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

The local unit is authorized to issue “emergency notes” and “special emergency notes” pursuant to the Local Budget Law.

“Tax anticipation notes” are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

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

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit’s expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year’s budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director

determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his or her approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the local unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also, the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparation, payment of compensated absences and drainage map preparation for flood control purposes, which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the fiscal year. Appropriation reserves may also be transferred during the first three (3) months of the fiscal year, to the previous year's budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAPS" appropriations nor can transfers be made between excluded from "CAP" appropriations, except that transfers may be made between debt service principal and interest.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the index rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement;

expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years' tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, approved July 13, 2010 and applicable to the next local budget year following enactment, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

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.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing three years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next three years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

### **Tax Assessment and Collection Procedure**

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 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, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

Upon the filing of certified adopted budgets by the Township's local school district and the 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 districts.

Tax bills are mailed annually in June by the Township. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year are based upon one-half of the current year's total tax.

By State statute, tax 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% per annum on any amount in excess of \$1,500.00, or such lower interest penalty rates as determined by the Township from time to time. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State statutes. The Township has not taken action to reduce the interest penalty rate.

### **Tax Appeals**

State statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Township must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Board of Taxation on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease 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 County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

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

This law regulates the non-budgetary financial activities of local governments. The Comptroller of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2020 for the Township is on file with the Clerk and is available for review during business hours.

## **TAX MATTERS**

### **Exclusion of Interest on the Bonds From Gross Income for Federal Tax Purposes**

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order to assure that interest on the Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds. The Township will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the Bonds, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Bonds and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificate and will assume continuing compliance by the Township with the above covenants in rendering its federal income tax opinions with respect to the



exclusion of interest on the Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the Bonds for the purposes of alternative minimum tax.

Assuming the Township observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC (“Bond Counsel”) is of the opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel’s legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (“IRS”) or any court. Bond Counsel expresses no opinion about the effect of future changes in (i) the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel’s engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If an owner of the Bonds is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

### **Original Issue Discount**

Certain maturities of the Bonds may be sold at an initial offering price less than the principal amount payable on such Bonds at maturity (the “Discount Bonds”). The difference between the initial public offering price of the Discount Bonds at which a substantial amount of each of the Discount Bonds was sold and the principal amount payable at maturity of each of the Discount Bonds constitutes the original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Bonds. Under Section 1288 of the Code, the original issue discount on the Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bonds will be increased by the amount of such accrued discount. Owners of the Discount Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest.

## **Original Issue Premium**

Certain maturities of the Bonds may be sold at an initial offering price in excess of the amount payable at the maturity date (the “Premium Bonds”). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner’s tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner’s original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the “constant yield method” described in regulations interpreting Section 1272 of the Code. Owners of the Premium Bonds should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Bonds.

## **Bank Qualification**

The Bonds **will not** be designated as qualified under Section 265 of the Code by the Township for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of one hundred percent (100%) of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues, which are eligible to be designated and which are designated by the issuer as qualified under Section 265 of the Code, eighty percent (80%) of such interest may be deducted as a business expense by such institutions.

## **Additional Federal Income Tax Consequences of Holding the Bonds**

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code and interest on the Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Bonds.

## **Changes in Federal Tax Law Regarding the Bonds**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

## **State Taxation**

Bond Counsel is of the opinion that, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE BONDS ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE BONDS, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

## **FINANCIAL STATEMENTS**

Appendix “B” to this Official Statement contains audited financial statements of the Township for the years ending December 31, 2020, 2019, 2018, 2017 and 2016. The audited financial data was extracted from the report prepared by Bowman & Company LLP, Voorhees, New Jersey (the “Auditor”) to the extent and for the period set forth in their report appearing in Appendix “B” to this Official Statement. The Auditor takes responsibility for the audited financial data appearing in Appendix “B. See “APPENDIX B – EXCERPTS FROM FINANCIAL STATEMENTS OF THE TOWNSHIP OF WILLINGBORO, IN THE COUNTY OF BURLINGTON, NEW JERSEY”.

## **LITIGATION**

To the knowledge of the Township Attorney, Brian E. Turner, Esq., of Cherry Hill, New Jersey, there is no litigation of any nature, now pending or threatened, restraining or enjoining the issuance or delivery of the Bonds, or the levy or collection of any taxes to pay the principal of or 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 collection of taxes, or contesting the corporate existence or boundaries of the Township or the title of any of the present officers.

## SECONDARY MARKET DISCLOSURE

Solely for the purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the following requirements in accordance with paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the Township shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof:

(a) On or prior to September 30 of each fiscal year, beginning September 30, 2021 for the fiscal year ending December 31, 2020, electronically to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("*EMMA*") system or such other repository designated by the Securities and Exchange Commission to be an authorized repository for filing secondary market disclosure information, if any, annual financial information with respect to the Township consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Township and certain financial information and operating data consisting of (i) the Township and overlapping indebtedness, including a schedule of outstanding debt issued by the Township, (ii) the Township's property valuation information, and (iii) tax rate, levy and collection data. The audited financial information will be prepared in accordance with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law.

(b) If any of the following material events occur regarding the Bonds, a timely notice not in excess of ten business days after the occurrence of the event sent to EMMA:

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

- (15) Incurrence of a Financial Obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect holders of the Bonds, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Township, if any such event reflects financial difficulties; and

For the purposes of the event identified in subparagraph (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Township in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Township, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Township.

The term “Financial Obligation” as used in subparagraphs (b)(15) and (b)(16) above 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); *provided, however*, that 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 the Rule.

(c) Notice of failure of the Board to provide required annual financial information on or before the date specified in the Resolution shall be sent in a timely manner to EMMA. If all or any part of the Rule ceases to be in effect or is not in effect for any reason, then the information required to be provided under the Resolution, insofar as the provisions of the Rule not or no longer in effect required the provision of such information, shall not or no longer be required to be provided.

The Chief Financial Officer shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of obligations of the Township prior to their offering. Such officer is hereby authorized to enter into additional written contracts or undertakings to implement the Rule and is further authorized to amend such contracts or undertakings or the undertakings set forth in this resolution, provided such amendment is, in the opinion of nationally recognized bond counsel, in compliance with the Rule.

The Township has previously entered into continuing disclosure undertakings under the Rule in respect of its own obligations and obligations of the Burlington County Bridge Commission for which the Township is an obligated person. The Township appointed Phoenix Advisors, LLC, Bordentown, New Jersey in July of 2015 to act as Continuing Disclosure Agent to assist in the filing of certain information on EMMA as required under its obligations.

There can be no assurance that there will be a secondary market for the sale or purchase of the Bonds. Such factors as prevailing market conditions, financial condition or market position of firms who may make the secondary market and the financial condition of the Township may affect the future liquidity of the Bonds.

## **MUNICIPAL BANKRUPTCY**

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901 et seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditor's rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under said chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

## **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds are subject to the approval of Bond Counsel, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as Appendix "C". Certain legal matters will be passed on for the Township by the Township Attorney.

## **UNDERWRITING**

The Bonds have been purchased from the Township, pursuant to the terms of the Township's notice of sale, by \_\_\_\_\_ (the "Underwriter") at a purchase price of \$ \_\_\_\_\_ (the "Purchase Price"). The Purchase Price reflects the par amount of the Bonds in the amount of \$ \_\_\_\_\_, plus a bid premium in the amount of \$ \_\_\_\_\_. The Underwriter is obligated to purchase all of the Bonds if any are purchased.

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

## **RATING**

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P"), has assigned its municipal bond rating of "AA-" to the Bonds based on the creditworthiness of the Township.

The rating reflects only the views of S&P and an explanation of the significance of such rating may only be obtained from S&P. The Township forwarded to S&P 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 S&P'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.

## **MUNICIPAL ADVISOR**

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

## **PREPARATION OF OFFICIAL STATEMENT**

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

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

Neither Bond Counsel nor the Municipal Advisor has participated in the preparation of the financial or statistical information contained in this Official Statement nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

## **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Eusebia Diggs, Chief Financial Officer, Township of Willingboro, 1 Rev. Dr. M.L. King Jr. Drive, Willingboro, New Jersey 08046, (609) 877-2200, or by e-mail at [ediggs@willingboronj.gov](mailto:ediggs@willingboronj.gov).

**MISCELLANEOUS**

This Official Statement is not to be construed as a contract or agreement among the Township, the Underwriter and the holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion 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 (financial or otherwise) of the Township since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

**TOWNSHIP OF WILLINGBORO**

By: \_\_\_\_\_  
**Eusebia Diggs**  
**Chief Financial Officer**

Dated: \_\_\_\_\_, 2021



**APPENDIX A**

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

## **GENERAL INFORMATION ON THE TOWNSHIP**

### **History**

Settled in 1682 and incorporated in 1688, Willingboro has evolved from a Quaker farming community to a contemporary suburb of about 33,000 residents.

Its development has typified the strong attraction that the South Jersey area holds for residential and commercial development. The development standards adopted by the community during the late fifties remained in-place throughout its development phase. Adjustments to the plan and the form of government yielded effective mechanisms to control development that reached an average of 850 new single-family homes per year during the years 1958 through 1972.

### **Government**

In 1960, Willingboro Township voters passed a referendum for a Council/Manager form of government, which provides for a five (5) member elected Council with public accountability for legislative authority and an appointed professional chief executive responsible to that legislative authority, which was in place January 1, 1962.

### **Fire Protection and Emergency Medical Services**

Fire protection service within the Township reflects a mixture of services/programs provided by full-time and volunteer personnel. A well-trained, supervised, and equipped fire department, with twenty-two full-time personnel and approximately fifteen volunteers, coordinate fire protection services for the community on a twenty-four-hour basis.

Emergency medical service is handled by approximately seventeen part-time and five volunteer emergency medical technicians who coordinate basic life support services and emergency medical transportation within the community on a twenty-four-hour basis. The high degree of training reflected in this program is complemented by advanced life support services (mobile intensive care unit) coordinated by a local hospital within the County of Burlington (the "County").

The Township completed the building of a state-of-the-art emergency services facility in 2020 for the FIRE & EMS staff and its equipment

### **Police**

Twenty-four hour police protection is provided by a 68-officer department. Additional full and part-time programs include: Detective Bureau, School Crossing Guards, Crime Prevention, Police Administration, Special Officers, Animal Control, SWAT Team, Bicycle Patrol, L.E.A.D program, Civilian Adult Police Academy, Youth Police Academy, Neighborhood Watch, K-9 Unit and School Resource Officers.

### **Public Works**

The Department of Public Works cleans, repairs and maintains streets, roads and storm drains, and maintains parks, playgrounds and public areas. Over the past five years, the Township has rebuilt or performed life extension work on 10 percent of its roadway system to accommodate increased residential and commercial traffic. The Township is in the process of developing and executing a 5-Year Pavement Management Plan.

The collection and disposal of garbage, trash and other solid waste is provided for by contract with a private firm. Recycling for Willingboro Township is covered by the County.

## **Recreation**

The Willingboro Recreation & Parks Department maintains and operates over 400 acres of open space and recreational facilities which consist of 7 parks, 10 tennis courts, 3 swimming pools, 8 playgrounds, 5 baseball fields, football field, running track and at its hub the Willingboro Kennedy Community Center. Within the Kennedy Center, the Department operates a state-of-the-art fitness and wellness center, boxing gym, 3 multi-purpose gymnasiums and a banquet facility. Offering various programs, for all ages, ranging from sports, to performing arts, to wellness initiatives, as well as various other offerings and events to include the Willingboro Jazz Festival.

An outstanding privately owned 18-hole golf course designed by Robert Trent Jones is open to the public.

## **Senior Services/Community Affairs**

The Willingboro Senior Citizen Center, renamed The Reva Foster Senior Citizen Center, is located at 429 John F. Kennedy Way. The Senior Citizen Center maintains and represents a total first floor area of 14,000 square feet luxury use group of "B" Business section 303 "Type-11-B" construction classification.

The Center services a population averaging 300 senior citizens, veterans and general populations of residents requesting assistance in various areas of needs. A diverse schedule of classes, activities and events are available daily which includes General and Target Low Impact Exercises, Arthritis and Healthy Bones, Tai Chi, QiGong, Beginners and Advanced Yoga, Line Dancing, Crafts, Hatha Yoga with meditation, Beginners and Advanced Computer classes among others. The "Healthy Living: A Way of Life Program" collaborates with countless local colleges, businesses and organizations to provide events, fairs, seminars, trips, job placement, housing assistance, legal assistance and conferences throughout the year.

## **Library**

Library services are provided by a tax-supported free public library. The library features a collection in excess of 90,000 items including audio-visual materials; newspapers and periodicals; and, provides a full range of services to the entire community including electronic access to library holdings, public internet terminals, and networked access to other on-line databases. The library also provides personal computers for public use. As part of the Township's commitment to the redevelopment of the Town Center, the Township constructed a 42,000 square-foot library. The library serves as a regional facility employing the latest electronic technology in the library field.

## **Hospital**

Health care within the community is supported by a 378-bed community hospital. The Virtua Willingboro Hospital provides one day ambulatory surgery, an outstanding emergency room, a neuro-diagnostic laboratory, medical daycare, and a full range of medical services appropriate for a community hospital.

## **Willingboro Municipal Utilities Authority**

The Willingboro Municipal Utilities Authority (formerly the Willingboro Township Sewerage Authority) was organized under the Municipal Utilities Law pursuant to an ordinance of the Township adopted on February 24, 1958. This was the first authority formed in the State under the new law.

The governing body of the Authority is autonomous and consists of five members and two alternates, appointed by the Council of the Township. The terms of the members of the Authority Board are staggered so that the term of at least one member expires each year.

The Authority provides water and sewer service for the Township. In 1966, the Authority entered a forty-year contract with the Edgewater Park Sewerage Authority to process their sewage. In 1968, a ten-year contract was consummated with the Township of Westampton to provide water and sewer service to the Rancocas section and other delineated service areas in Westampton Township. This contract was renewed in 1998 for another 10-year period. In 1989, the Authority entered into an initial five-year water sales agreement with Mount Laurel and Evesham Townships. The agreement is automatically renewed unless prior written notice is given by any of the parties.

The following is a summary of the financial operations of the Authority for the last three (3) calendar years:(1)

	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
Net Revenue.....	\$4,866,959	\$5,020,526	\$4,695,804
Less:			
Debt Service.....	\$1,454,995	\$1,453,927	\$1,448,524
Excess Net Revenue over Debt Service .....	\$3,411,964	\$3,566,599	\$3,247,280
Debt Service Coverage	334.50%	345.31%	324.18%

The Authority's existing debt as of December 31, 2019 was \$15,788,559.

**Business and Industry**

During the last ten years, the growth in the Township was restricted primarily to the commercial zone and the community's light industrial park. In 1987, a fifty-eight home residential development was approved by the Township Planning Board and is now complete. In 1998, the Township instituted a redevelopment zone for its primary commercial and light-industrial zone adjacent to Route 130.

Important to the Township's redevelopment is its location in Western Burlington County on the Route 130 Corridor. The State of New Jersey Planning Commission has endorsed a redevelopment plan for the corridor stretching from the south in Palmyra Borough through the Township and continuing north to Florence Township. The project includes a reinvestment of over \$150 million in new projects. Over 50,000 cars and 100 buses travel the corridor per day. A new \$700 million light rail line opened in 2004 bringing new homeowners and businesses to the region.

The Township, in partnership with ReNEWal Willingboro, L.L.C. acquired an abandoned 56-acre shopping center, which has been redeveloped as a Town Center. The Town Center has over 600,000 square feet of mixed-use development including commercial, retail, residential and civic uses. The Township built a 42,000 square foot library which was an important centerpiece of the Town Center. In the fall of 2000, the Township entered into a redevelopment agreement concerning payments in lieu of taxes relating to the portions of the Town Center to be owned by private entities. Under the agreements concerning payments in lieu of taxes, the Township is scheduled to receive greater revenues from the affected properties during the term of the Agreement than if such properties remained subject to traditional taxation.

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(1) Source: Authority Auditor

In 2002, a 104-unit senior housing development was constructed that provides living facilities to allow older members of the community to continue living in Willingboro after they no longer need their single-family home.

Early in 2005, Delco Development purchased the Town Center from ReNEWal Willingboro, L.L.C. Since that time there has been an explosion of activity at the Town Center. The first phase (South Phase) of the Center is 100% leased. The South phase opened in late 2006. Several smaller businesses such as Quizno's and Rita's Water Ice.

Late in 2005, Atlantic Realty, Inc., opened the newly constructed 216-unit apartment complex on the Town Center Site. The ninth and final building was completed in 2007.

The North Phase of the development includes a 90,000 square foot office building opened in August 2007 and is now home to various businesses and is fully leased.

After being dormant for several years, the area known as the Village Mall was privately purchased and renovated into the Grand Marketplace, operating as a four day per week marketplace. It houses over 100 small businesses, like a Market Fair.

The Avery Apartment Complex began construction in July 2011. As of February 2015, 216 units have been completed including a pool and clubhouse. The expected completion date is late in 2016 with 450 units in total and 70 affordable housing units.

**Building, Zoning and Development Codes**

The Township has established development regulations governing the size of lots for various types of construction. The land requirements are based on the type and nature of the building. The Township building codes conform to standards of the Uniform Construction Code of New Jersey. These codes and other municipal codes are codified as a basis for improved administration and regulation.

The Township has the authority to regulate land use under the provisions of the New Jersey Municipal Land Use Law and has a comprehensive zoning and land use plan. In accordance with the Municipal Land Use Law, a Master Plan has been adopted by the Planning Board and the appropriate land use and zoning regulations have been adopted by Ordinance and enacted by the Township Council. Requests for variances from the land use regulations established by ordinance are considered by the Township Zoning Board of Adjustment.

**Township Employees**

<b>December 31,</b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Permanent	203	210	200	341	342
Part-time	128	144	176	239	235
Temporary part-time	33	85	83	110	106

**Compensated Absences**

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated.

## **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. Police and Fire Retirement System (PFRS) and Public Employees Retirement System (PERS). Benefits, contributions, means of funding and the manner of administration are determined by the State of New Jersey Division of Pensions and Benefits.

## **Health Insurance**

All Township employees receiving health benefits through the Township are required by State Law to contribute to the cost of insurance. Percentages of contributions are determined by Chapter 78 L. 2011.

## **Employee Collective Bargaining Units**

The Burlington County Lodge No. 38, Fraternal Order of Police represents the majority of Township law enforcement officers. The contract expires December 31, 2022.

School Crossing Guards are represented by the Willingboro School Traffic Guard Association. The contract expires June 30, 2023.

Supervisors within the Police Department are represented by the Law Enforcement Supervisors Association. The current contract expired on December 31, 2019, and is currently in active negotiations.

Special Law Enforcement Officers are represented by the United States Reserve Police Officers Association, Chapter 026. The current three-year contract expires on June 30, 2022.

Clerical employees are represented by the American, Federal, State, County and Municipal Employees Union (AFSCME Council 71, Local 3827). The current four-year contract expired December 31, 2019, and is currently in active negotiations.

Supervising Clerical employees are represented by the American, Federal, State, County and Municipal Employees Union (AFSCME Council 71, Local 3827). The current four-year contract expires December 31, 2022.

Public Works Supervisors are represented by the United Workers WPTSA Local 1210 Union. The contract expired June 20, 2020, and is currently in active negotiations.

Public Works employees are represented by the United Food and Commercial Workers Union, Local 1360. The contract expired December 31, 2020, and is currently in active negotiations.

Firefighters are represented by the Burlington County Professional Firefighter's Association - IAFF Local 3091. The contract expired December 31, 2020, and is currently in active negotiations.

Supervisors in the fire department are represented by the Superior Fire Officers, Burlington County Professional Firefighter's Association - IAFF Local 3091. The contract expired December 31, 2020, and is currently in active negotiations.

**Largest Non-governmental Employers (1)**

The leading non-governmental employers in the Township employ approximately 2,975 people.

<u>Employer</u>	<u>Nature of Business</u>	<u>Employees</u>
Virtua Willingboro Hospital	Medical Care	1,200
Radwell	Industrial	1,100
Burlington County Times	Newspaper	350
Acme Markets	Supermarket	100
Cooper University Physicians	Medical Office	95
TD Bank	Financial Institution	60

**Building Permits Issued (2)**

<u>Year</u>	<u>Number of Permits</u>	<u>Value of Construction</u>
2021 (3)	1,209	\$10,675,035
2020	2,250	16,779,939
2019	2,648	26,267,248
2018	2,694	23,478,902
2017	3,567	24,874,520
2016	2,728	16,006,671

**Population (4)**

2010 Federal Census.....	31,629
2000 Federal Census.....	33,008
1990 Federal Census.....	36,291
1980 Federal Census.....	39,912

**Selected Census 2019 Data for the Township (4)**

Median household income	\$75,428
Per capita income	\$30,952

- (1) Source: Township Officials  
 (2) Source: Township Construction Official  
 (3) As of June 30, 2021  
 (4) Source: U.S. Department of Commerce, Bureau of Census

## Labor Force(1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Township</b>					
Labor Force	15,877	15,761	15,469	15,671	15,612
Employment	14,168	15,046	14,671	14,761	14,648
Unemployment	1,709	715	798	910	964
Unemployment Rate	10.8%	4.5%	5.2%	5.8%	6.2%
<b>County</b>					
Labor Force	230,784	232,247	228,342	234,179	233,255
Employment	211,788	224,918	220,071	224,582	222,869
Unemployment	18,996	7,329	8,271	9,597	10,386
Unemployment Rate	8.2%	3.2%	3.6%	4.1%	4.5%
<b>State</b>					
Labor Force	4,495,200	4,522,200	4,455,500	4,518,800	4,530,800
Employment	4,055,300	4,367,300	4,278,300	4,309,700	4,305,500
Unemployment	439,900	154,900	177,200	209,100	225,300
Unemployment Rate	9.8%	3.4%	4.0%	4.6%	5.0%

## EDUCATION

Willingboro is the site of the largest community school district in Burlington County. The school district boundaries are identical to the Township boundaries, with separate administrative control provided by a directly elected board of education. The district provides a variety of regionally recognized educational programs, ranging from advanced curriculum for the educationally gifted to specialized programs for the functionally impaired student.

A comprehensive range of programs are available throughout the district that includes one high school, two intermediate schools, and seven elementary schools. Extensive use is also made of school facilities by area colleges, as well as by the District's Continuing Education Program.

The school district operates under Chapter 7 of Title 18 of the Revised Statutes. It is governed by a nine member Board of Education elected by the voters. The Board is assisted in school administration by a Superintendent, Board Secretary, Treasurer, General Counsel, Negotiator and nine full-time Principals.

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(1) Source: State of New Jersey Department of Labor



**TOWNSHIP OF WILLINGBORO SCHOOL DISTRICT (1)**

**School District Enrollments (1)**

June 30,

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<b><u>Grade</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Pre-K & K	595	554	482	456	457
1	274	258	297	274	271
2	251	259	290	259	299
3	267	261	304	311	277
4	286	271	333	269	276
5	286	298	319	288	273
6	295	263	263	206	195
7	271	252	232	192	265
8	258	258	243	252	207
9	154	145	206	131	105
10	140	186	181	120	128
11	189	181	166	139	177
12	185	161	195	189	148
Sp. Education	735	736	755	528	555
Out of District	<u>237</u>	<u>122</u>	<u>124</u>	<u>86</u>	<u>127</u>
<b>Total</b>	<b><u>3,751</u></b>	<b><u>3,347</u></b>	<b><u>3,511</u></b>	<b><u>3,700</u></b>	<b><u>3,760</u></b>

**Present School Facilities (1)**

<b><u>Name of School</u></b>	<b><u>Date Constructed</u></b>	<b><u>Renovations/ Additions</u></b>	<b><u>Grades</u></b>
Garfield East	1968	None	PK3-K
Stuart	1958	None	PK3-K
Hawthorne	1962	None	1-4
Twin Hills	1968	None	1-4
W. R. James	1971	None	1-4
Cotten Intermediate School	1975	None	5-6
Memorial Middle School	1975	None	6-8
Willingboro High School	1973	None	9-12

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(1) Source: School District officials

## **HIGHER EDUCATION FACILITIES**

### **Rowan College at Burlington County**

Rowan College at Burlington County ("RCBC"), formerly known as Burlington County College ("College"), founded in October 1965, is fully accredited by the Middle State Association of Colleges and Secondary Schools. It is a comprehensive, publicly supported, co-educational two-year institution developed under a program of the State Department of Higher Education and is sponsored by the Board of Chosen Freeholders who appoint nine of the twelve Board of Trustees.

In June 2015, the College partnered with Rowan University and formally changed its name to Rowan College at Burlington County. The partnership will enable students to pursue degrees on the Mount Laurel campus and provide automatic, conditional acceptance to Rowan University. The College's campuses located in Pemberton Township, Mount Laurel Township, Willingboro and Mount Holly offer a full range of student services, university transfer degrees, associate degree programs, professional-technical career development programs and certifications in technology and management, as well as personal, cultural, and recreational enrichment programs.

In July 2015, all of the academic programs have been moved to Mount Laurel, leaving only athletics and aquatic classes in Pemberton. 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, bookstores, 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. An athletic facility is in the plans for Mount Laurel.

RCBC was the first community college in New Jersey authorized to offer junior-year courses in its "3+1" option to Rowan University that allows students to complete an associate degree and stay at RCBC for a junior year before transferring to Rowan University to complete their bachelor's degree on the Mount Laurel campus or online. RCBC's Fall 2019 total enrollment was 8,493 students.

In addition, the College serves thousands of residents from other counties each semester through youth programs, Learning is for Everyone, workforce development, theatrical productions, guest speakers, and art exhibitions.

The Board of Trustees governs the College and certain fiscal matters are subject to be reviewed by the Board of School Estimate. The 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 except that no down payment is required.

### **Burlington County Institute of Technology**

The Burlington County Board of Vocational Education was created by the Board in 1962 after a favorable referendum. The enrollment for the two campuses, Westampton and Medford, is 2,109 students as of June 30, 2020.

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. 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 disabled young people from ages fourteen (14) to twenty-one (21). The enrollment for the Special Services School District for the 2020-21 school year is 603 students.

**CERTAIN TAX INFORMATION**

**TEN LARGEST REAL PROPERTY TAXPAYERS (1)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2021 Assessed Valuation</u>
Willingboro Associates, LLC	Apartments	\$17,952,200
Willingboro Square LLC	Apartments	15,253,000
Radwell Real Estate Willingboro LLC	Industrial	12,000,000
RFB Properties, NJ 2	Retail	8,000,000
American Stores Co LLC	Acme Supermarket	6,000,000
Willingboro Equities, LLC	Bank/Pharmacy/Fast Food	5,650,000
3108 Grant Ave Associates	Pharmacy	4,319,900
MH LTACH NJ LTD	Lourdes Medical Center	3,998,100
US Bank Trust	Residential	3,800,000
Wells Fargo Bank	Residential	2,788,700

**CURRENT TAX COLLECTIONS (2)**

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2020	\$75,596,024	\$72,406,808	95.78%	\$2,912,511	3.85%
2019	74,472,422	71,316,408	95.76	3,040,691	4.08
2018	73,302,998	69,869,154	95.32	3,094,180	4.22
2017	71,081,377	68,011,215	95.68	2,811,775	3.96
2016	70,414,175	68,055,475	96.65	2,269,264	3.22

(1) Source: Township Tax Assessor

(2) Source: Annual Reports of Audit

**DELINQUENT TAXES (1)**

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
	<u>Jan 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2020	\$3,789,700	\$108,114	\$3,000,537	76.98%	\$1,253	\$53,527	\$842,497
2019	3,803,629	1,615	2,987,019	78.50	34,385	34,832	749,009
2018	3,554,605	-	2,767,172	77.85	39,438	38,545	709,449
2017	2,831,989	-	2,089,159	73.77	-	-	742,830
2016	3,089,696	30,756	2,487,250	79.71	46,319	24,157	562,726

**TAX TITLE LIENS (1)**

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by Sales and Transfers</u>	<u>Cash Receipts</u>	<u>Cancellations, Foreclosures and Transfers</u>	<u>Balance Dec. 31</u>
2020	\$774,992	\$147,316	\$127,129	\$ -	\$795,179
2019	622,038	164,890	11,936	-	774,992
2018	444,009	188,030	10,001	-	622,038
2017	358,185	85,824	-	-	444,009
2016	214,551	147,296	3,662	-	358,185

**FORECLOSED PROPERTY (1)(2)**

<u>Year</u>	<u>Balance Dec. 31</u>
2020	\$ -
2019	-
2018	-
2017	-
2016	-

**NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (3)**

<u>Year</u>	<u>Net Assessed Valuation</u>	<u>Tax Rate(4)</u>			
		<u>Total</u>	<u>County</u>	<u>School</u>	<u>Municipal</u>
2021	\$1,881,026,299	\$3.996	\$.374	\$1.806	\$1.816
2020	1,874,950,799	4.013	.372	1.826	1.815
2019	1,872,562,000	3.975	.365	1.824	1.786
2018	1,873,508,300	3.901	.361	1.789	1.751
2017	1,872,830,000	3.792	.353	1.726	1.713

(1) Source: Annual Reports of Audit

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

(3) Source: Township Tax Assessor

(4) Per \$100 of assessed valuation

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

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita(2)</u>
2021	\$1,881,026,200	97.18%	\$1,935,610,414	\$61,197
2020	1,874,950,700	98.75	1,898,684,253	60,030
2019	1,872,562,500	100.84	1,856,964,002	58,711
2018	1,873,508,200	102.31	1,831,207,311	57,896
2017	1,872,829,900	106.71	1,755,065,036	55,489

**REAL PROPERTY CLASSIFICATION (3)**

<u>Year</u>	<u>Assessed Value</u>						
	<u>Land and Improvements</u>	<u>Vacant</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Farm</u>	<u>Apartments</u>
2021	\$1,881,026,200	\$10,176,000	\$1,700,679,900	\$129,927,500	\$9,583,400	\$399,300	\$30,260,100
2020	1,874,950,700	10,176,000	1,694,233,500	130,298,400	9,583,400	399,300	30,260,100
2019	1,872,562,500	10,143,700	1,692,667,900	130,513,200	9,583,400	399,300	29,255,000
2018	1,873,508,200	10,143,700	1,692,478,700	131,648,000	9,583,400	399,400	29,255,000
2017	1,872,829,900	10,998,300	1,695,275,900	131,693,800	9,583,400	399,400	24,879,100

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

(2) Based on Federal Census 2010 of 31,629

(3) Source: Township Tax Assessor

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

The following table summarizes the direct debt of the Township in accordance with the requirements of the Local Bond Law. The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General and debt of the School District. Deductions from gross debt to arrive at net debt include deductible school debt as well as cash on hand to pay loans. The resulting net debt of \$40,420,788 represents 2.134% of the average of equalized valuations for the Township for the last three years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued				Authorized But Not Issued	Gross Debt	Deductions		Net Debt
	Bonds	Leases	Loans	Notes			School Debt	Cash on Hand	
General	\$ 27,209,000	\$ 285,000	\$ 584,963	\$ 9,776,825	\$ 2,565,000	\$ 40,420,788			\$ 40,420,788
School District	19,970,000					19,970,000	\$ 19,970,000		
	<u>\$ 47,179,000</u>	<u>\$ 285,000</u>	<u>\$ 584,963</u>	<u>\$ 9,776,825</u>	<u>\$ 2,565,000</u>	<u>\$ 60,390,788</u>	<u>\$ 19,970,000</u>	<u>\$ -</u>	<u>\$ 40,420,788</u>

(1) As of December 31, 2020

Included in the debt shown above, the Burlington County Bridge Commission, acting within the powers of a County Improvement Authority granted the Commission by the New Jersey Legislature, has sold County Guaranteed Lease Revenue Bonds of which the Township is obligated to make \$2,875,000 in principal amount payments through the year 2022.

## DEBT RATIOS AND VALUATIONS(1)(2)

Average of Equalized Valuations of Real Property with Improvements for 2018, 2019 and 2020	\$1,894,508,754
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2018, 2019 and 2020	2.134%
2021 Net Valuation Taxable	\$1,881,026,299
2021 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$1,935,610,513
Gross Debt (3):	
As a percentage of 2021 Net Valuation Taxable	3.21%
As a percentage of 2021 Equalized Valuations	3.12%
Net Debt (3):	
As a percentage of 2021 Net Valuation Taxable	2.15%
As a percentage of 2021 Equalized Valuations	2.09%
Gross Debt Per Capita (4)	\$1,909
Net Debt Per Capita (4)	\$1,278

## TOWNSHIP BORROWING CAPACITY(1)(2)

3.5% of Average (2018-20) Equalized Valuation of Real Property including Improvements (\$1,894,508,754)	\$66,307,806
Net Debt	<u>40,420,788</u>
Remaining Borrowing Capacity	<u><u>\$25,887,018</u></u>

## SCHOOL DISTRICT BORROWING CAPACITY(1)(2)

4% of Averaged (2018-20) Equalized Valuation of Real Property including Improvements (\$1,894,508,754)	\$75,780,350
Local School Debt	<u>19,970,000</u>
Remaining Borrowing Capacity	<u><u>\$55,810,350</u></u>

(1) As of December 31, 2020

(2) Excluding overlapping debt

(3) Based on 2010 Federal Census of 31,629

**TOWNSHIP OF WILLINGBORO  
OVERLAPPING DEBT  
AS OF DECEMBER 31, 2020**

	<b>DEBT ISSUED</b>				<b>Debt Auth. but not Issued</b>
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	
County of Burlington:					
General					
Bonds	\$ 198,880,000	\$ 17,704,990 (1)	\$ 181,175,010	\$ 7,000,659 (2)	
Notes					(2) \$ 14,705,827
Loans	6,529,506		6,529,506	252,302 (2)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	394,216,300	394,216,300 (3)			
Solid Waste Utility	38,190,000	38,190,000			10,665,193
Willingboro Municipal Utilities Authority (4)	13,333,254		13,333,254	13,333,254	
	<u>\$ 651,149,060</u>	<u>\$ 450,111,290</u>	<u>\$ 201,037,770</u>	<u>\$ 20,586,215</u>	<u>\$ 25,371,020</u>

- (1) Includes cash on hand, accounts receivable and County College Bonds paid with State Aid.
- (2) Such debt is allocated as a proportion of the Issuer's share of the total 2020 Net Valuations on which County taxes are apportioned, which is 3.864% .
- (3) Deductible in accordance with N.J.S. 40:37A-80.
- (4) Information provided by the Authority, Unaudited



**TOWNSHIP OF WILLINGBORO  
SCHEDULE OF DEBT SERVICE  
AS OF DECEMBER 31, 2020**

Budget Year Ending Dec 31	2009 Refunding Bonds		Series 2010		BCBC Refunding Series 2013		Series 2015		Series 2015 Refunding		Series 2018		Total Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 125,000	\$ 7,500	\$ 870,000	\$ 81,120	\$ 955,000	\$ 98,000	\$ 650,000	\$ 289,000	\$ 1,095,000	\$ 65,025	\$ 300,000	\$ 401,313	\$ 3,995,000	\$ 941,958
2022			895,000	55,020	1,005,000	50,250	650,000	266,250	1,130,000	35,400	325,000	392,313	4,005,000	799,233
2023			939,000	28,170			1,220,000	219,500			400,000	376,063	2,559,000	623,733
2024							1,200,000	159,000			500,000	356,063	1,700,000	515,063
2025							1,200,000	115,500			500,000	331,063	1,700,000	446,563
2026							1,200,000	87,000			500,000	306,063	1,700,000	393,063
2027							1,200,000	54,000			500,000	293,563	1,700,000	347,563
2028							1,200,000	18,000			500,000	278,563	1,700,000	296,563
2029											500,000	263,563	500,000	263,563
2030											500,000	248,563	500,000	248,563
2031											500,000	233,563	500,000	233,563
2032											500,000	218,563	500,000	218,563
2033											500,000	203,563	500,000	203,563
2034											500,000	188,563	500,000	188,563
2035											500,000	172,938	500,000	172,938
2036											500,000	157,313	500,000	157,313
2037											500,000	141,063	500,000	141,063
2038											500,000	124,813	500,000	124,813
2039											450,000	108,563	450,000	108,563
2040											450,000	93,375	450,000	93,375
2041											450,000	78,188	450,000	78,188
2042											450,000	63,000	450,000	63,000
2043											450,000	47,250	450,000	47,250
2044											450,000	31,500	450,000	31,500
2045											450,000	15,750	450,000	15,750
	\$ 125,000	\$ 7,500	\$ 2,704,000	\$ 164,310	\$ 1,960,000	\$ 148,250	\$ 8,520,000	\$ 1,208,250	\$ 2,225,000	\$ 100,425	\$ 11,675,000	\$ 5,125,125	\$ 27,209,000	\$ 6,753,860

	BCBC Leases		N. J. Environmental Infrastructure Loans				
	2017		2012 Trust Loan		2012 Fund Loan	Total Loans	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2021	\$ 140,000	\$ 14,250	\$ 20,000	\$ 13,845	\$ 24,997	\$ 44,997	\$ 13,845
2022	145,000	7,250	25,000	12,845	24,997	49,997	12,845
2023			25,000	11,595	24,997	49,997	11,595
2024			25,000	10,345	24,997	49,997	10,345
2025			25,000	9,095	24,997	49,997	9,095
2026			30,000	7,845	24,997	54,997	7,845
2027			30,000	6,345	24,997	54,997	6,345
2028			30,000	5,445	24,997	54,997	5,445
2029			30,000	4,545	24,997	54,997	4,545
2030			35,000	3,608	24,997	59,997	3,608
2031			35,000	2,488	24,997	59,997	2,488
	\$ 285,000	\$ 21,500	\$ 310,000	\$ 88,000	\$ 274,963	\$ 584,963	\$ 88,000

## 2021 MUNICIPAL BUDGET

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Miscellaneous Revenues:	
Surplus Anticipated	\$ 3,200,000
Local Revenues	695,000
State Aid without Offsetting Appropriations	3,684,275
Dedicated Uniform Construction Code Fees	750,000
Interlocal Municipal Service Agreements	60,500
Public and Private Programs Offset with Appropriations	142,842
Other Special Items of Revenue	1,123,000
Receipts from Delinquent Taxes	3,062,000
Amount to be Raised by Taxation for Municipal Purposes	<u>34,180,383</u>
Total Appropriated Revenues	<u>\$ 46,898,000</u>
Appropriations:	
Within CAPS:	
Operations	\$ 30,445,645
Deferred Charges and Statutory Expenditures	5,434,458
Excluded from "CAPS"	
Other Operations	1,849,000
Interlocal Municipal Service Agreements	60,500
Public and Private Programs	144,296
Capital Improvement Fund	100,000
Debt Service	5,435,631
Reserve for Uncollected Taxes	<u>3,428,469</u>
Total Appropriations	<u>\$ 46,898,000</u>

**CAPITAL PROGRAM  
PROJECTS SCHEDULED FOR THE YEARS 2021-2026**

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	<u>Estimated Total Cost</u>	<u>Capital Improvement Fund</u>	<u>Budget Appropriation Current Year 2021</u>	<u>Bonds and Notes General</u>
Roads, Streets, Sidewalks and Storm Drains	\$ 7,322,000	\$ 366,100		\$ 6,955,900
Renovations to Buildings and Grounds	1,037,467	51,873		985,594
Vehicles-Public Works and Police	250,000	12,500		237,500
Fire Truck	564,533	28,227		536,306
IT and Computers	398,500	19,925		378,575
Police Equipment	52,500	2,625		49,875
<hr/>				
<b>TOTALS - ALL PROJECTS</b>	<u>\$ 9,625,000</u>	<u>\$ 481,250</u>	<u>\$ -</u>	<u>\$ 9,143,750</u>

**APPENDIX B**

**FINANCAL STATEMENTS  
OF THE TOWNSHIP OF WILLINGBORO,  
IN THE COUNTY OF BURLINGTON,  
NEW JERSEY**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Council  
Township of Willingboro  
Willingboro, NJ 08046

### **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 Willingboro, in the County of Burlington, State of New Jersey, as of December 31, 2020, 2019, 2018, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

**Opinions**

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Willingboro, in the County of Burlington, State of New Jersey, as of December 31, 2020, 2019, 2018, 2017 and 2016, 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 Willingboro, in the County of Burlington, State of New Jersey, as of December 31, 2020, 2019, 2018, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Respectfully submitted,

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

/s/Kirk N. Applegate  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 29, 2021

**TOWNSHIP OF WILLINGBORO**  
**CURRENT FUND**

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

	As of December 31				
	<u>2020</u>	<u>2019</u>	<u>2018</u> (Restated)	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>					
Cash	\$ 11,371,129	\$ 10,002,144	\$ 11,271,650	\$ 6,736,457	\$ 9,022,092
Federal, State and Local Grants Receivable	1,449,647	862,891	916,635	668,222	603,471
	<u>12,820,776</u>	<u>10,865,035</u>	<u>12,188,285</u>	<u>7,404,679</u>	<u>9,625,563</u>
Receivables and other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	3,755,008	3,789,700	3,803,629	3,554,605	2,831,989
Tax Title Liens Receivable	795,179	774,992	622,038	444,009	358,185
Revenue Accounts Receivable	3,946	7,204	9,313	8,876	10,810
Other Accounts Receivable	702,653	345,841	348,269	389,184	443,611
Interfunds Receivable	76,036	44,020	26,252	3,677,388	1,302,353
	<u>5,332,822</u>	<u>4,961,757</u>	<u>4,809,501</u>	<u>8,074,062</u>	<u>4,946,948</u>
Deferred Charges:					
Deficit from Operations				612,826	
Special Emergency - Legal Settlement				50,000	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>662,826</u>	<u>-</u>
	<u>\$ 18,153,598</u>	<u>\$ 15,826,792</u>	<u>\$ 16,997,786</u>	<u>\$ 16,141,567</u>	<u>\$ 14,572,511</u>

(Continued)

**TOWNSHIP OF WILLINGBORO**  
**CURRENT FUND**

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

	As of December 31				
	<u>2020</u>	<u>2019</u>	<u>2018</u> (Restated)	<u>2017</u>	<u>2016</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
Appropriation Reserves	\$ 1,460,666	\$ 1,390,786	\$ 1,463,062	\$ 2,014,013	\$ 1,791,383
Encumbrances Payable	785,075	376,332	519,193	575,704	467,038
Payroll Deductions Payable	37,257	19,750	20,168	148,806	117,041
Reserve for Special Funds	39,845	39,845	39,845	39,845	40,168
Prepaid Taxes	928,656	422,738	478,709	693,473	360,931
Tax Overpayments	39,402	598,399	775,101	679,344	594,275
Due to County for Added or Omitted Taxes	28,951	26,240	27,511	15,595	44,920
Accounts Payable		1,387			
Interfunds Payable	110,019	521,312	833,928	57,082	75,934
Reserve for Federal and State Grants	1,449,647	862,891	916,635	577,371	482,934
Due State of New Jersey--					
Senior Citizen's and Vetern's Deductions	61,710	62,460	62,210	62,460	47,710
Marriage License Fees	875	625	950	1,075	1,025
Training Fees for New Construction	16,714	24,293	4,830	8,848	8,315
	<u>4,958,817</u>	<u>4,347,058</u>	<u>5,142,142</u>	<u>4,873,616</u>	<u>4,031,674</u>
Reserve for Receivables and Other Assets	5,332,822	4,961,757	4,809,501	8,074,062	4,946,948
Fund Balance	<u>7,861,959</u>	<u>6,517,977</u>	<u>7,046,143</u>	<u>3,193,889</u>	<u>5,593,889</u>
	<u>\$ 18,153,598</u>	<u>\$ 15,826,792</u>	<u>\$ 16,997,786</u>	<u>\$ 16,141,567</u>	<u>\$ 14,572,511</u>

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



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

	For the Years Ended December 31,				
	<u>2020</u>	<u>2019</u>	<u>2018</u> (Restated)	<u>2017</u>	<u>2016</u>
<b>Revenue Realized:</b>					
Current Tax Collections	\$ 72,406,808	\$ 71,316,408	\$ 69,869,154	\$ 68,011,216	\$ 68,055,475
Delinquent Tax Collections	3,127,666	2,998,955	2,777,173	2,089,159	2,490,912
<b>Total Taxes</b>	<b>75,534,474</b>	<b>74,315,363</b>	<b>72,646,327</b>	<b>70,100,375</b>	<b>70,546,387</b>
Miscellaneous Revenues Anticipated	8,017,776	7,658,272	11,262,220	7,338,204	7,150,990
Non Budget Revenue	580,342	405,548	1,076,984	690,910	670,350
Statutory Excess in Trust - Animal Control Fund	3,822	6,031	6,098		
Other Credits to Income	1,044,323	1,496,408	1,757,569	1,900,525	1,807,117
Fund Balance Utilized	3,000,000	3,200,000	1,596,000	2,400,000	2,345,000
<b>Total Income</b>	<b>88,180,737</b>	<b>87,081,622</b>	<b>88,345,198</b>	<b>82,430,014</b>	<b>82,519,844</b>
<b>Expenditures and Encumbrances:</b>					
Operating	32,109,444	33,254,488	32,535,290	32,314,672	31,329,822
Deferred Charges and Statutory Expenditures	4,967,939	4,899,806	4,627,648	4,342,073	5,021,762
Judgements		250,000	20,000	50,000	
Cash Deficit from Previous Year			612,826		
Cancellation of Federal and State Grants Receivable			29,285		
Capital Improvements	85,000	150,000	100,000	796	428,911
Debt Service	5,352,331	5,154,225	5,237,595	5,180,864	5,181,036
County Taxes	6,973,135	6,844,457	6,775,039	6,601,405	6,614,206
Local School Tax	34,189,297	33,826,976	32,916,618	32,023,422	30,871,641
Other Expenditures	159,609	29,836	21,538	2,579,607	810,098
<b>Total Expenditures</b>	<b>83,836,755</b>	<b>84,409,788</b>	<b>82,875,839</b>	<b>83,092,839</b>	<b>80,257,476</b>
Excess (Deficit) in Revenue	4,343,982	2,671,834	5,469,359	(662,825)	2,262,368
Adjustments to Income Before Fund Balance:					
Expenditures Included Above Which by Statute are Deferred to Following Year	-	-		50,000	-
Statutory Excess (Deficit) to Fund Balance	4,343,982	2,671,834	5,469,359		2,262,368
Deficit in Operations to be Raised in the Budget of Succeeding Year				<u>612,825</u>	
Fund Balance, January 1	6,517,977	7,046,143	3,193,889	5,593,889	5,676,521
	10,861,959	9,717,977	8,663,248	5,593,889	7,938,889
Decreased by:					
Prior Period Adjustment			21,105		
Utilized as Revenue	3,000,000	3,200,000	1,596,000	2,400,000	2,345,000
	3,000,000	3,200,000	1,617,105	2,400,000	2,345,000
<b>Fund Balance December 31</b>	<b>\$ 7,861,959</b>	<b>\$ 6,517,977</b>	<b>\$ 7,046,143</b>	<b>\$ 3,193,889</b>	<b>\$ 5,593,889</b>

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

**TOWNSHIP OF WILLINGBORO**  
**TRUST AND OTHER FUNDS**  
Statements of Assets, Liabilities and Reserves--Regulatory Basis

	As of December 31				
	<u>2020</u>	<u>2019</u>	<u>2018</u> (Restated)	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>					
Cash	\$ 5,440,311	\$ 4,732,158	\$ 3,665,831	\$ 4,254,653	\$ 4,126,417
Investments	488,412	407,649	324,758	347,314	339,690
Assessments Receivable	33,650				
Interfund Loans Receivable	12,313	94,244	177,756	62,591	13,069
	<u>\$ 5,974,686</u>	<u>\$ 5,234,051</u>	<u>\$ 4,168,345</u>	<u>\$ 4,664,558</u>	<u>\$ 4,479,176</u>
<b>LIABILITIES AND RESERVES</b>					
Other Accounts Payable	\$ 6	\$ 193	\$ 4		\$ 1
Fund Balance	3,100				
Interfund Loans Payable	85,250	61,332	44,436		63,031
Reserve for Special Funds	5,886,330	5,172,526	4,123,905	4,664,558	4,416,144
	<u>\$ 5,974,686</u>	<u>\$ 5,234,051</u>	<u>\$ 4,168,345</u>	<u>\$ 4,664,558</u>	<u>\$ 4,479,176</u>

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

**TOWNSHIP OF WILLINGBORO  
GENERAL CAPITAL FUND**

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

	As of December 31				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>					
Cash and Investments	\$ 31,480	\$ 425,917	\$ 1,873,847		\$ 6,309
Due from Special Assessment	46,020	96,350	147,245	\$ 233,173	318,028
Interfunds Receivable	79,574	261,043	225,989		
Deferred Charges to Future Taxation:					
Funded	28,078,963	32,138,959	36,066,956	28,071,953	32,180,949
Unfunded	12,341,825	9,776,825	6,972,900	17,358,400	17,291,250
	<u>\$ 40,577,862</u>	<u>\$ 42,699,094</u>	<u>\$ 45,286,937</u>	<u>\$ 45,663,526</u>	<u>\$ 49,796,536</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
Cash Overdraft				\$ 812,269	
General Serial Bonds and Loans	\$ 27,793,963	\$ 31,718,960	\$ 35,516,956	27,391,953	\$ 31,335,949
Bond Anticipation Notes	9,776,825	6,972,900			
Lease Payable	285,000	420,000	550,000	680,000	845,000
Interfund Payable				3,669,514	1,163,388
Improvement Authorizations:					
Funded	1,126	22,332	35,286	66,935	332,589
Unfunded	1,505,128	1,631,283	2,481,888	2,330,961	14,416,397
Contracts Payable	1,211,942	1,821,168	6,651,355	10,631,035	1,523,060
Reserve to Pay Debt		58,574			
Capital Improvement Fund	3,877	53,878	51,453	46,952	138,553
Fund Balance				33,908	41,600
	<u>\$ 40,577,862</u>	<u>\$ 42,699,094</u>	<u>\$ 45,286,937</u>	<u>\$ 45,663,526</u>	<u>\$ 49,796,536</u>

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

**TOWNSHIP OF WILLINGBORO**  
Notes to Financial Statements  
For the Year Ended December 31, 2020

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Township of Willingboro was incorporated in 1688 and is located in Burlington County, approximately twelve miles from the City of Philadelphia. The Township has evolved from a farming community to a contemporary suburb of about 32,000 residents.

In 1960, Willingboro Township voters passed a referendum for a Council/Manager form of government that provides for a five (5) member elected Council with public accountability for legislative authority and an appointed professional chief executive responsible to that legislative authority.

**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:

Willingboro Municipal Utilities Authority  
433 John F. Kennedy Way  
Willingboro, New Jersey 08046

Willingboro Public Library  
220 Willingboro Parkway  
Willingboro, New Jersey 08046

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** - The financial statements of the Township of Willingboro contain all funds and account groups in accordance with the *Requirements of Audit* ("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 of Willingboro 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 of Willingboro must adopt an annual budget for its current fund in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 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 Local Finance Board.

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

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

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

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

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

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

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

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

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

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

**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 over expenditures 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 an amount available for anticipation as revenue in future year's 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 are realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due 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 Willingboro School District and the Willingboro Public Library. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Willingboro School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2019 and decreased by the amount deferred at December 31, 2020.

**County Taxes** - The municipality is responsible for levying, collecting and remitting county taxes for the County of Burlington. Operations are charged for the amount due the County for the year, based upon the ratable 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.

**Library Taxes** - The municipality is responsible for levying, collecting and remitting library taxes for the Willingboro Public Library. The amount of the library tax is a separate local levy tax and is remitted to the Library through the municipal budget.

**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, notes and loans 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 fiscal 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 Post-employment 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 post-employment 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 trust 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 shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2020, the Township's bank balances of \$18,160,157.83 were exposed to custodial credit risk as follows:

Insured by FDIC & GUDPA	\$ 12,951,056.84
Uninsured and Uncollateralized	<u>5,209,100.99</u>
Total	<u>\$ 18,160,157.83</u>

**Note 3: PROPERTY TAXES**

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

**Comparative Schedule of Tax Rates**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$4.013</u>	<u>\$3.975</u>	<u>\$3.901</u>	<u>\$3.792</u>	<u>\$3.754</u>
Apportionment of Tax Rate:					
Municipal	\$1.815	\$1.786	\$1.751	\$1.713	\$1.705
County	0.351	0.335	0.336	0.315	0.314
County Open Space Preservation Trust Fund	0.021	0.030	0.025	0.038	0.038
Local School	1.826	1.824	1.789	1.726	1.697

**Assessed Valuation**

<u>Year</u>	<u>Assessed Valuation</u>
2020	\$ 1,874,950,799.00
2019	1,872,562,600.00
2018	1,873,508,300.00
2017	1,872,830,000.00
2016	1,870,476,400.00



**Note 3: PROPERTY TAXES (CONT'D)**

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2020	\$ 75,596,024.44	\$ 72,406,807.71	95.78%
2019	74,472,421.53	71,316,408.10	95.76%
2018	73,302,997.64	69,869,154.10	95.32%
2017	71,081,376.75	68,011,215.48	95.68%
2016	70,414,175.08	68,055,474.85	96.65%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2020	\$ 795,178.93	\$ 3,755,007.65	\$ 4,550,186.58	6.02%
2019	774,991.84	3,789,699.94	4,564,691.78	6.13%
2018	622,037.52	3,803,629.42	4,425,666.94	6.04%
2017	444,009.31	3,554,604.81	3,998,614.12	5.63%
2016	358,184.91	2,831,989.46	3,190,174.37	4.53%

The following comparison is made of the number of tax title liens receivable on December 31, of the last five years:

<u>Year</u>	<u>Number of Tax Title Liens Receivable</u>
2020	23
2019	27
2018	23
2017	21
2016	20

**Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The Township does not have any property acquired by liquidation of tax title liens for the current and previous four years.

**Note 5: FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances of 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.

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 7,861,959.19	\$ 3,200,000.00	40.70%
2019	6,517,977.19	3,000,000.00	46.03%
2018	7,046,142.97	3,200,000.00	45.41%
2017	3,193,888.58	1,596,000.00	49.97%
2016	5,593,888.58	2,400,000.00	42.90%

**Note 6: INTERFUND RECEIVABLES AND PAYABLES**

The following interfunds balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2020:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 76,036.39	\$ 110,018.74
Federal and State Grant Fund	27,344.42	
Trust-Animal Control Fund	9,213.30	
Trust-LOSAP Fund		43,629.10
Trust-Assessment Fund	3,100.00	
Trust-Other Funds		41,620.59
General Capital Fund	79,574.32	
	<u>\$ 195,268.43</u>	<u>\$ 195,268.43</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2021, 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. In addition, several Township employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' 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>

**Note 7: PENSION PLANS (Cont'd)****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.

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

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

**Tier Definition**

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

**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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

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

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - The Township's contractually required contribution rate for the year ended December 31, 2020 was 15.24% 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.

Based on the most recent PERS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$1,112,987.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$980,161.00, which was paid by April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$561,392.96.

**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 is currently 10.0% of base salary. 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, 2020 was 32.80% 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, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$2,772,202.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$2,488,245.00, which was paid by April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$848,424.00.

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, 2020 was 4.53% of the Township's covered payroll.

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - Based on the most recent PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2020 was \$382,910.00, and is payable by April 1, 2021. For the prior year 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 was \$320,732.00, which was paid by April 1, 2020.

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

For the year ended December 31, 2020, employee contributions totaled \$10,629.96, and the Township's contributions were \$5,458.39. There were no forfeitures during the year.

**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Public Employees' Retirement System**

**Pension Liability** - As of December 31, 2020, the Township's proportionate share of the PERS net pension liability was \$16,591,174.00. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. 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, 2020 measurement date, the Township's proportion was .1017402481%, which was an increase of .0009737710% from its proportion measured as of June 30, 2019.

**Pension Expense** - For the year ended December 31, 2020, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$872,278.00. 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, 2020, the Township's contribution to PERS was \$980,161.00, and was paid by April 1, 2020.

**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)****Police and Firemen's Retirement System**

**Pension Liability** - As of December 31, 2020, 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	\$ 32,063,588.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>4,976,123.00</u>
	<u>\$ 37,039,711.00</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. 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, 2020 measurement date, the Township's proportion was .2481448554%, which was an increase of .0018109381% from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the Township, was .2481448554%, which was an increase of .0018109381% from its proportion, on-behalf of the Township, measured as of June 30, 2019.

**Pension Expense** - For the year ended December 31, 2020, the Township's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$2,083,729.00. 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, 2020, the Township's contribution to PFRS was \$2,488,245.00, and was paid by April 1, 2020.

For the year ended December 31, 2020, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2020 measurement date, was \$382,910.00. 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** - As of December 31, 2020, 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	\$ 302,098.00	\$ 323,255.00	\$ 625,353.00	\$ 58,674.00	\$ 115,072.00	\$ 173,746.00
Changes of Assumptions	538,236.00	80,688.00	618,924.00	6,946,881.00	8,596,056.00	15,542,937.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	567,100.00	1,880,038.00	2,447,138.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	734,808.00	2,222,551.00	2,957,359.00	105,106.00	580,620.00	685,726.00
Township Contributions Subsequent to the Measurement Date	556,494.00	1,386,101.00	1,942,595.00	-	-	-
	<u>\$ 2,698,736.00</u>	<u>\$ 5,892,633.00</u>	<u>\$ 8,591,369.00</u>	<u>\$ 7,110,661.00</u>	<u>\$ 9,291,748.00</u>	<u>\$ 16,402,409.00</u>

Deferred outflows of resources in the amounts of \$556,494.00 and \$1,386,101.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2021. These amounts were based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the Township's year end of December 31, 2020.



**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	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 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
June 30, 2020	5.16	-	5.90	-
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
June 30, 2020	-	5.16	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
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	-
June 30, 2020	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
June 30, 2020	5.16	5.16	5.90	5.90

**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 <u>Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2021	\$ (1,806,852.00)	\$ (2,535,848.00)	\$ (4,342,700.00)
2022	(1,694,722.00)	(1,494,796.00)	(3,189,518.00)
2023	(975,757.00)	(551,266.00)	(1,527,023.00)
2024	(403,018.00)	21,009.00	(382,009.00)
2025	(88,070.00)	(224,315.00)	(312,385.00)
	<u>\$ (4,968,419.00)</u>	<u>\$ (4,785,216.00)</u>	<u>\$ (9,753,635.00)</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: <sup>(1)</sup>		
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

<sup>(1)</sup> based on years of service

**Note 7: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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-2020.

**Police and Firemen's Retirement System**

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-2020.

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

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

**Note 7: PENSION PLANS (CONT'D)**

**Actuarial Assumptions (Cont'd)**

**Discount Rate -**

**Public Employees' Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date 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 would be based on 78% of the actuarially determined contributions for the State 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. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

**Police and Firemen's Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 measurement date 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 78% of the actuarially determined contributions for the State 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine 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 as of the June 30, 2020 measurement date, calculated using a discount rate of 7.00%, 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:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Township's Proportionate Share of the Net Pension Liability	<u>\$ 20,885,520.00</u>	<u>\$ 16,591,174.00</u>	<u>\$ 12,947,304.00</u>

**Note 7: PENSION PLANS (CONT'D)****Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

**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 the June 30, 2020 measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
Township's Proportionate Share of the Net Pension Liability	\$ 42,637,972.00	\$ 32,063,588.00	\$ 23,280,754.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>6,617,219.00</u>	<u>4,976,123.00</u>	<u>3,613,067.00</u>
	<u>\$ 49,255,191.00</u>	<u>\$ 37,039,711.00</u>	<u>\$ 26,893,821.00</u>

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (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.

**Note 7: PENSION PLANS (CONT'D)****Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.1017402481%	0.1007664771%	0.1015195970%	0.0975896627%
Township's Proportionate Share of the Net Pension Liability	\$ 16,591,174.00	\$ 18,156,591.00	\$ 19,988,703.00	\$ 22,717,314.00
Township's Covered Payroll (Plan Measurement Period)	\$ 7,304,208.00	\$ 7,267,148.00	\$ 7,191,212.00	\$ 6,812,684.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	227.15%	249.84%	277.96%	333.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0956970586%	0.0940952744%	8.8011607700%	8.5803520300%
Township's Proportionate Share of the Net Pension Liability	\$ 28,342,724.00	\$ 21,122,504.00	\$ 16,478,180.00	\$ 16,398,758.00
Township's Covered Payroll (Plan Measurement Period)	\$ 6,504,688.00	\$ 6,524,364.00	\$ 6,138,828.00	\$ 5,891,132.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	435.73%	323.75%	268.43%	278.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	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 Eight Years)***

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 1,112,987.00	\$ 980,161.00	\$ 1,009,792.00	\$ 904,064.00
Township's Contribution in Relation to the Contractually Required Contribution	(1,112,987.00)	(980,161.00)	(1,009,792.00)	(904,064.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 7,301,695.00	\$ 7,298,686.00	\$ 7,293,374.00	\$ 7,113,531.00
Township's Contributions as a Percentage of Covered Payroll	15.24%	13.43%	13.85%	12.71%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 850,159.00	\$ 808,967.00	\$ 725,555.00	\$ 646,512.00
Township's Contribution in Relation to the Contractually Required Contribution	(850,159.00)	(808,967.00)	(725,555.00)	(646,512.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 6,777,154.00	\$ 6,703,487.00	\$ 6,475,940.00	\$ 6,193,749.00
Township's Contributions as a Percentage of Covered Payroll	12.54%	12.07%	11.20%	10.44%

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 Eight Plan Years)**

	<b>Measurement Date Ended June 30,</b>			
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Township's Proportion of the Net Pension Liability	0.2481448554%	0.2463339173%	0.2348115647%	0.2390039418%
Township's Proportionate Share of the Net Pension Liability	\$ 32,063,588.00	\$ 30,145,898.00	\$ 31,773,876.00	\$ 36,897,588.00
State's Proportionate Share of the Net Pension Liability associated with the Township	4,976,123.00	4,760,095.00	4,315,956.00	4,132,841.00
<b>Total</b>	<b>\$ 37,039,711.00</b>	<b>\$ 34,905,993.00</b>	<b>\$ 36,089,832.00</b>	<b>\$ 41,030,429.00</b>
Township's Covered Payroll (Plan Measurement Period)	\$ 8,562,204.00	\$ 8,318,684.00	\$ 7,754,596.00	\$ 7,854,432.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	374.48%	362.39%	409.74%	469.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	<b>Measurement Date Ended June 30,</b>			
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Township's Proportion of the Net Pension Liability	0.2211202307%	0.2393703610%	0.2363978811%	0.2362503530%
Township's Proportionate Share of the Net Pension Liability	\$ 42,239,620.00	\$ 39,870,758.00	\$ 29,736,661.00	\$ 31,407,353.00
State's Proportionate Share of the Net Pension Liability associated with the Township	3,547,080.00	3,496,532.00	3,202,139.00	2,927,547.00
<b>Total</b>	<b>\$ 45,786,700.00</b>	<b>\$ 43,367,290.00</b>	<b>\$ 32,938,800.00</b>	<b>\$ 34,334,900.00</b>
Township's Covered Payroll (Plan Measurement Period)	\$ 7,106,944.00	\$ 7,629,136.00	\$ 7,545,652.00	\$ 7,390,760.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	594.34%	522.61%	394.09%	424.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	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 Eight Years)***

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 2,772,202.00	\$ 2,488,245.00	\$ 2,295,629.00	\$ 2,115,229.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(2,772,202.00)</u>	<u>(2,488,245.00)</u>	<u>(2,295,629.00)</u>	<u>(2,115,229.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 8,451,140.00	\$ 8,711,584.00	\$ 8,444,164.00	\$ 7,934,082.00
Township's Contributions as a Percentage of Covered Payroll	32.80%	28.56%	27.19%	26.66%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 1,802,883.00	\$ 1,945,724.00	\$ 1,815,699.00	\$ 1,723,630.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(1,802,883.00)</u>	<u>(1,945,724.00)</u>	<u>(1,815,699.00)</u>	<u>(1,723,630.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 7,889,135.00	\$ 7,351,920.00	\$ 7,677,392.00	\$ 7,550,693.00
Township's Contributions as a Percentage of Covered Payroll	22.85%	26.47%	23.65%	22.83%

**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

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

***Police and Firemen's Retirement System (PFRS)***

Changes in Benefit Terms

None

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%
2017	6.14%		

**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)

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

**Note 8: LENGTH OF SERVICE AWARD PROGRAM**

**Plan Description** - The Township's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Resolution adopted on June 25, 2002 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the Township approved the adoption of the Plan at the general election held on July 23, 2002, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2003. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

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

**Note 8: LENGTH OF SERVICE AWARD PROGRAM (CONT'D)**

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

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

The Township elected to contribute between \$500.00 and \$1,150.00 for the year ended December 31, 2020, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2020, the Township's total expenditure to the Plan was \$17,130.00.

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

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

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

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

**Note 8: LENGTH OF SERVICE AWARD PROGRAM (CONT'D)**

**Forfeited Accounts** – For the year ended December 31, 2020, there were no forfeitures.

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

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

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2020 was not available; therefore, the information from the measurement period June 30, 2019 is disclosed below.

**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.

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

**General Information about the OPEB Plan (Cont'd)**

**Plan Description and Benefits Provided (Cont'd)** - 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 \$83,465.05, for the year ended December 31, 2019, representing 0.52% of the Township's covered payroll. During the year ended December 31, 2019, retirees were required to contribute \$36,290.25 to the Plan.

*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 \$309,568.00 for the year ended December 31, 2019 representing 1.93% 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	\$ 16,473,648.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Township	<u>23,354,395.00</u>
	<u>\$ 39,828,043.00</u>

**Note 9: 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 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 .021612% which was a decrease of .008743% from its proportion measured as of the June 30, 2018 measurement date.

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 .0422649% which was a decrease of .017244% 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 (\$551,474.00). 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 \$83,465.05.

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 \$309,568.00. 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:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ -	\$ 4,817,537.00
Changes of Assumptions	-	5,837,894.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	13,570.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	-	2,539,694.00
Township Contributions Subsequent to the Measurement Date	49,008.94	-
	<u>\$ 62,578.94</u>	<u>\$ 13,195,125.00</u>

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**Note 9: 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)** - \$49,008.94 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. The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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

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:

<b>Year Ending Dec. 31,</b>	
2020	\$ (2,131,146.00)
2021	(2,131,146.00)
2022	(2,132,210.00)
2023	(2,133,929.00)
2024	(2,135,500.00)
Thereafter	<u>(2,517,624.00)</u>
	<u>\$ (13,181,555.00)</u>



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

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 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 mortality 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 mortality improvement projections from the central year using Scale MP-2019.

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS 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.

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

**Discount Rate** - The discount rate used to measure the OPEB Liability at June 30, 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.

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

	<b>1% Decrease (2.50%)</b>	<b>Current Discount Rate (3.50%)</b>	<b>1% Increase (4.50%)</b>
Township's Proportionate Share of the Net OPEB Liability	\$ 19,047,728.00	\$ 16,473,648.00	\$ 14,381,868.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>27,003,622.00</u>	<u>23,354,395.00</u>	<u>20,388,916.00</u>
	<u>\$ 46,051,350.00</u>	<u>\$ 39,828,043.00</u>	<u>\$ 34,770,784.00</u>

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:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Township's Proportionate Share of the Net OPEB Liability	\$ 13,901,729.00	\$ 16,473,648.00	\$ 19,754,564.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>19,708,231.00</u>	<u>23,354,395.00</u>	<u>28,005,691.00</u>
	<u>\$ 33,609,960.00</u>	<u>\$ 39,828,043.00</u>	<u>\$ 47,760,255.00</u>

**OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (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>.

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Supplementary OPEB Information**

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.121612%	0.130355%	0.131533%
Township's Proportionate Share of the Net OPEB Liability	\$ 16,473,648.00	\$ 20,422,220.00	\$ 26,853,499.00
State's Proportionate Share of the Net OPEB Liability Associated with the Township	23,354,395.00	27,334,267.00	38,424,161.00
<b>Total</b>	<b>\$ 39,828,043.00</b>	<b>\$ 47,756,487.00</b>	<b>\$ 65,277,660.00</b>
Township's Covered Payroll (Plan Measurement Period)	\$ 15,959,716.00	\$ 15,273,888.00	\$ 14,885,174.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	103.22%	133.71%	180.40%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)*****Schedule of the Township's Contributions (Last Three Years)***

	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 83,465.05	\$ 111,543.18	\$ -
Township's Contributions in Relation to the Required Contribution	<u>(83,465.05)</u>	<u>(111,543.18)</u>	<u>-</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 16,010,270.00	\$ 15,737,538.00	\$ 15,047,613.00
Township's Contributions as a Percentage of Covered Payroll	0.52%	0.71%	0.00%

**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 10: COMPENSATED ABSENCES**

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward. Part-time employees are not entitled to compensated absences.

The Township of Willingboro compensates employees for unused sick leave upon retirement. The current policy consists of four plans. Three of the plans cover full time employees who are members of the Law Enforcement Supervisors Association, the Fraternal Order of Police, or the American Federation of State, County and Municipal Employees unions. The fourth plan covers all non- contractual full time employees. Each plan contains different retirement payments based on employee hiring dates. Details of the plans may be obtained from the Township.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2020, accrued benefits for compensated absences are valued at \$2,146,436.76.

**Note 11: LEASE OBLIGATIONS**

**County Lease Agreement** - At December 31, 2020, the Township had a capital lease agreement of \$1,133,800.00 in effect with the Burlington County Bridge Commission for the acquisition of vehicles, equipment, land and buildings; renovations to municipal buildings; reconstruction of roads, sidewalks and curbs; and improvements to drainage and storm sewer systems.

Future minimum lease payments under the capital lease agreement are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 140,000.00	\$ 14,250.00
2022	145,000.00	21,500.00
	<u>\$ 285,000.00</u>	<u>\$ 35,750.00</u>

At December 31, 2020, the Township also had lease agreements in effect for the following:

Capital Leases:

Three (3) 2020 Ford Police Interceptor Utility & One (1) F-150 Truck

Operating Lease:

Fourteen (14) Copier Machines

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

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2020</u>	<u>2019</u>
Vehicles	\$ 65,127.00	\$ 248,154.71

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 61,762.39	\$ 3,364.61

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

<u>Year</u>	<u>Amount</u>
2021	\$ 57,522.14
2022	23,491.06
	<u>\$ 81,013.20</u>

Rental payments under operating leases for the year 2020 were \$67,762.23.

**Note 12: CAPITAL DEBT**

General Obligation Refunding Bonds, Series 2009 - On December 22, 2009, the Township issued \$1,465,000.00 of general obligation refunding bonds, with interest rates ranging from 1.50% to 6.00%, to advance refund \$1,350,000.00 outstanding of the 2001 general improvement bonds with interest rates ranging from 4.25% to 7.00%. The final remaining maturity of the bonds is September 15, 2021.

General Improvement Bonds, Series 2010 - On July 14, 2010, the Township issued \$9,619,000.00 of general improvement bonds, with interest rates ranging from 2.00% to 3.00%. The bonds were issued for the purpose of funding various capital projects in the Township. The final remaining maturity of the bonds is August 1, 2023.

County Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2013A - On March 11, 2013, the Burlington County Bridge Commission issued \$7,685,000.00 of general obligation bonds on behalf of the Township, with interest rates ranging from 2.00% to 5.00%. The bonds were issued for the purpose of refunding a portion of the County Guaranteed Pooled Loan Revenue Bonds of 2003. The final maturity of the bonds is December 1, 2022.

General Improvement Bonds, Series 2015 - On April 21, 2015, the Township issued \$11,770,000.00 of general improvement bonds, with interest rates ranging from 2.00% to 5.00%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is April 1, 2028.

General Improvement Refunding Bonds, Series 2015 - On December 10, 2015, the Township issued \$5,515,000.00 in general improvement refunding bonds, with interest rates ranging from 2.00% to 4.00%, to advance refund \$5,270,000.00 of the outstanding General Improvement Bonds of 2007 with interest rates ranging from 4.00% to 4.25%. The final maturity of the bonds is August 1, 2022.

General Improvement Bonds, Series 2018 - On August 7, 2018, the Township issued \$12,200,000.00 in general improvement bonds, with interest rates ranging from 2.00% to 3.50%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is August 1, 2045.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 3,995,000.00	\$ 941,957.50
2022	4,005,000.00	799,232.50
2023	2,559,000.00	623,732.50
2024	1,700,000.00	515,062.50
2025	1,700,000.00	446,562.50
2026-2030	6,100,000.00	1,549,312.50
2031-2035	2,500,000.00	1,017,187.50
2036-2040	2,400,000.00	625,125.00
2041-2045	2,250,000.00	235,687.50
	<u>\$ 27,209,000.00</u>	<u>\$ 6,753,860.00</u>

**Note 12: CAPITAL DEBT (CONT'D)****New Jersey Environmental Infrastructure Loan**

The Township of Willingboro received a New Jersey Environmental Infrastructure Loan for the purchase of a street sweeper and for stormwater outfall. This loan is considered long term debt and is applied towards the Township's borrowing capacity. The repayment schedule for the loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 44,996.60	\$ 13,845.00
2022	49,996.60	12,845.00
2023	49,996.60	11,595.00
2024	49,996.60	10,345.00
2025	49,996.60	9,095.00
2026-2030	279,983.00	27,787.50
2031	59,996.80	2,487.50
	<u>\$ 584,962.80</u>	<u>\$ 88,000.00</u>

**Summary of Debt**

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

<b>Issued</b>	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
General:			
Bonds, Leases and Notes	\$ 37,270,825.00	\$ 38,481,900.00	\$ 35,392,000.00
Infrastructure Loan	584,962.80	629,959.40	674,956.00
Total Issued	37,855,787.80	39,111,859.40	36,066,956.00
<b>Authorized and Not Issued</b>			
General:			
Bonds and Notes	2,565,000.00	2,803,925.00	6,972,900.00
Total Issued and Authorized and Not Issued	40,420,787.80	41,915,784.40	43,039,856.00
<b>Deductions</b>			
Funds Held to Pay Bonds and Notes	-	58,574.00	-
Net Debt	<u>\$ 40,420,787.80</u>	<u>\$ 41,857,210.40</u>	<u>\$ 43,039,856.00</u>

**Note 12: CAPITAL DEBT (CONT'D)**

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 2.134%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 19,970,000.00	\$ 19,970,000.00	
General	40,420,787.80		\$ 40,420,787.80
	<u>\$ 60,390,787.80</u>	<u>\$ 19,970,000.00</u>	<u>\$ 40,420,787.80</u>

Net Debt \$40,420,787.80 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, 1,894,508,753.67 equals 2.134%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 66,307,806.38
Net Debt	<u>40,420,787.80</u>
Remaining Borrowing Power	<u>\$ 25,887,018.58</u>

An amended annual debt statement should be filed by the Chief Financial Officer.

**Note 13: SCHOOL TAXES**

Local District School Tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth as follows:

	<u>Balance Dec. 31,</u>	
	<u>2020</u>	<u>2019</u>
Balance of Tax	\$ 17,119,977.50	\$ 17,069,318.64
Deferred	17,119,977.50	17,069,318.64
Total	<u>\$ -</u>	<u>\$ -</u>

**Note 14: DEBT SERVICE AGREEMENT**

The Township entered into a debt service agreement with the Township of Willingboro Municipal Utilities Authority on June 15, 1990. This agreement obligates the Township to pay any shortfall the Authority may encounter in making payments for either operating expenses and/or debt service. The purpose of this agreement is to grant temporary relief to the Authority should it experience difficulty in meeting its obligations. The Authority is obligated, by the agreement, to repay to the Township when the Authority's operations permit. At December 31, 2020, the Authority had \$13,333,252.80 in outstanding debt covered by this agreement.



**Note 15: RISK MANAGEMENT**

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

**New Jersey Unemployment Compensation Insurance** - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Claims Paid / Payable</u>	<u>Ending Balance</u>
2020	\$ 91,075.65	\$ 24,241.37	\$ 308.52	\$ 291,487.53	\$ 8,263.57
2019	133,022.71	26,637.75	258.65	103,272.71	184,125.56
2018	122,270.36	26,015.30	150.37	122,270.36	127,479.16

**Joint Insurance Pool** - The Township of Willingboro is a member of the Professional Municipal Management Joint Insurance Fund. The Fund provides its members with the following coverage:

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

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

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

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

Professional Municipal Management Joint Insurance Fund  
9 Campus Drive, Suite 16  
Parsippany, New Jersey, 07054

**Note 16: CONTINGENCIES**

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

**Litigation** - The Township is a defendant in 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 17: CONCENTRATIONS**

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

**Note 18: TAX ABATEMENTS**

The Township entered into property tax abatement agreements with various local businesses, under several New Jersey Statutes that permit the Township to enter into these agreements. The tax abatements are considered long term tax exemptions and their types of abatements are for commercial/industrial use. For the year ended December 31, 2020, the Township abated \$594,365.31 in local purpose taxes and billed, in the aggregate, \$686,689.73 in lieu of local purpose taxes.

**Note 20: SUBSEQUENT EVENTS**

**Tax Appeals** - As of December 31, 2020, several tax appeals were on file against the Township. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Township, the estimated impact of the tax refunds could be material.

**COVID-19** - As a result of the spread of the COVID-19 coronavirus in New Jersey, economic uncertainties have arisen which could negatively impact the financial position of the Township. While the impact that COVID-19 will have is expected to be temporary, as of the date of the financial statements, the related financial impact and duration cannot be reasonably estimated.

The Federal American Rescue Plan Act of 2021 (the Act), was signed into law on March 11, 2021, was enacted to provide funding for COVID-19 pandemic response and recovery. Among the key elements of the Act is the Coronavirus Local Fiscal Recovery Fund (LFRF). All municipalities and counties will receive LFRF funds in two tranches, with the federal government releasing the second tranche next year. Municipalities and counties with populations greater than 50,000 will receive funds directly from the Federal government. Those municipalities and counties with populations less than 50,000 will receive their funds through their respective State. Since the Township's population is less than 50,000, LFRF funds will pass through the State of New Jersey.

The Township has been allocated \$3,349,917.09 in LFRF funding with half of it to be received before December 31, 2021 and the other half before December 31, 2022.

The United States Department of Treasury (U.S. Treasury) has issued an Interim Final Rule regulating county and municipal use of LFRF funds. Permitted use of LFRF funds for municipalities and counties may be for the one or more of the following purposes:

- Replacing lost public sector revenue
- Investing in water, sewer, and broadband infrastructure
- Providing premium pay for essential workers
- Supporting public health expenditures
- Addressing COVID-19 related negative economic impacts
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households

For expenditures outside of revenue replacement to be LFRF-eligible under the U.S. Treasury Interim Final Rule, costs must be incurred on or after March 3, 2021 but must be obligated no later than December 31, 2024. The "period of performance" will run until December 31, 2026 to allow recipients a reasonable amount of time to complete LFRF-funded projects.

The Township is waiting on more information to be distributed by federal and state agencies and will then formulate a plan on how the LFRF funds will be spent.

**Note 20: SUBSEQUENT EVENTS (CONT'D)**

**Authorization of Debt** - Subsequent to December 31, the Township adopted an ordinance to authorize additional bonds and notes as follows:

<u>Ordinance</u>	<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
2021-9	Various Capital Improvements	5/4/2021	\$ 1,900,000.00

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**APPENDIX C**

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**FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL**

\_\_\_\_\_, 2021

Township Council of the  
Township of Willingboro, in the  
County of Burlington, New Jersey

Dear Council Members:

We have acted as bond counsel to the Township of Willingboro, in the County of Burlington, New Jersey (the "Township"), in connection with the issuance by the Township of its \$14,241,000 original principal amount of the Township's General Improvement Bonds (the "Bonds"), dated the date hereof. In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to us as we have deemed necessary.

The Bonds are issued pursuant to the Local Bond Law of the State of New Jersey, a resolution of the Township adopted August 3, 2021 pursuant to N.J.S.A. 40A:2-26(f), in all respects duly approved, and the various bond ordinances referred to therein, each in all respects duly approved and published as required by law.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Bonds are valid and legally 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 for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Bonds in order to preserve the tax-exempt status of the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. We express no opinion regarding other federal tax consequences arising with respect to the Bonds. Further, in our opinion, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

This opinion is issued as of the date hereof. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever.

Very truly yours,