

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. This Preliminary Official Statement is deemed final by the Township within the meaning and for the purposes of Rule 15c2-12 of the Securities and Exchange Commission.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 7, 2021

In the opinion of Clark Hill PLC, Bond Counsel to the Township, based upon an analysis of existing law as enacted and construed on the date hereof and assuming the accuracy of certain certifications of the Township and continuing compliance by the Township with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excludable from gross income for purposes of federal income taxation and interest on the Bonds is not an item of tax preference for purposes of the federal individual alternative minimum tax. In addition, interest on the Bonds and any gain from the sale of the Bonds are not included in gross income under the New Jersey Gross Income Tax Act. For a more complete discussion, see "TAX MATTERS" herein.

\$13,661,000*
TOWNSHIP OF BORDENTOWN,
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2021
(Callable)

Dated: Date of Delivery

Due: September 1, as shown below

The Township of Bordentown, County of Burlington, New Jersey ("Township") is offering \$13,661,000* aggregate principal amount of its General Obligation Bonds, Series 2021 ("Bonds"). The Bonds shall be issued in fully registered book-entry only form without coupons. The principal of the Bonds shall be paid on the maturity dates thereof upon presentation and surrender of the Bonds in the office of The Bank of New York Mellon Trust Company, N.A., designated paying agent. Interest on the Bonds is payable initially on March 1, 2022 and semiannually thereafter on March 1 and September 1 ("Interest Payment Dates") in each year until maturity or earlier redemption. The Bonds are subject to redemption prior to their stated maturity dates as described herein (see "Description of the Bonds – Redemption Provisions" herein).

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

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) certain bond ordinances of the Township described herein, each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; and (iii) a resolution adopted by the Township Committee on August 16, 2021.

The Bonds are being issued by the Township to provide funds which will be used to: (i) permanently finance the costs of various capital improvements for which obligations have been authorized, but not issued; (ii) refund the Township's \$8,903,250 Bond Anticipation Notes, 2020 Series A, dated September 29, 2020 and maturing September 28, 2021; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

The full faith and credit of the Township are pledged for the payment of the principal of and interest on the Bonds. The Bonds are general obligations of the Township payable as to principal and interest from *ad valorem* taxes to be levied upon all taxable real property in the Township without limitation as to rate or amount.

MATURITY SCHEDULE, INTEREST RATES AND YIELDS

<u>Maturity Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Yield</u>
2022	\$451,000	%	%	2032	\$700,000	%	%
2023	455,000			2033	725,000		
2024	460,000			2034	800,000		
2025	465,000			2035	825,000		
2026	470,000			2036	850,000		
2027	475,000			2037	875,000		
2028	600,000			2038	875,000		
2029	625,000			2039	885,000		
2030	650,000			2040	900,000		
2031	675,000			2041	900,000		

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

The Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of Clark Hill PLC, Princeton, New Jersey, Bond Counsel, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by the Township's Solicitor, Eileen Fahey, Esquire, Moorestown, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Bonds. It is anticipated that the Bonds in definitive form will be available for delivery through DTC in New York, New York on or about September 23, 2021.

* Preliminary, subject to change

TOWNSHIP OF BORDENTOWN
County of Burlington, New Jersey

Mayor and Township Committee

Stephen Benowitz	Mayor
Eric Holliday	Deputy Mayor
James Kostoplis	Committeeperson
Aneka A. Miller	Committeeperson
Eugene Fuzy	Committeeperson

Township Administrator
Michael Theokas

Chief Financial Officer/Tax Collector
Laurie Finger

Township Clerk
Maria Carrington

Solicitor
Eileen Fahey, Esq.
Moorestown, New Jersey

Auditor
Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel
Clark Hill PLC
Princeton, New Jersey

Municipal Advisor
Phoenix Advisors, LLC
Bordentown, New Jersey

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

Where the Constitution or statutes of the State of New Jersey are referred to, reference should be made to such Constitution or statutes for a complete statement of the matters referred to therein. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

No dealer, broker, salesperson or other person has been authorized by the Township or the Underwriter 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 and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township since the date hereof.

No quotations from or summaries or explanations of laws, rules, regulations, resolutions, agreements, reports and other documents contained herein purport to be comprehensive or definitive and any such statements contained herein are qualified in their entirety by references 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 obtained from the Township during normal business hours.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933 as amended, will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission or any other federal, state, municipal or other governmental entity, other than the Township will have passed upon the accuracy or adequacy of the Official Statement.

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. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Township or any underwriter.

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

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

The CUSIP (Committee on Uniform Securities Identification Procedures) numbers referred to on the cover of this Official Statement have been assigned by an organization not affiliated with the Township or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based upon a number of factors. No party is obligated to update this Official Statement to reflect any change or correction in the CUSIP numbers set forth on the cover.

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OFFICIAL STATEMENT

RELATING TO

\$13,661,000*
TOWNSHIP OF BORDENTOWN,
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2021
(Callable)

INTRODUCTION

The purpose of this Official Statement, including the cover page hereof and the Appendices attached hereto, is to provide certain information relating to the issuance by the Township of Bordentown, County of Burlington, New Jersey ("Township") of its \$13,661,000* aggregate principal amount General Obligation Bonds, Series 2021 ("Bonds").

AUTHORIZATION FOR THE BONDS

The Bonds are authorized to be issued and sold pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) the bond ordinances of the Township described below, each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Township Committee on August 16, 2021 (the "Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer in connection with the sale of the Bonds.

PURPOSE OF THE ISSUE

The Bonds are being issued by the Township to provide funds which will be used to: (i) permanently finance the costs of various capital improvements for which obligations have been authorized, but not issued; (ii) currently refund the Township's \$8,903,250 Bond Anticipation Notes, 2020 Series A; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

* Preliminary, subject to change

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

General Obligation Bonds (General Capital)

Ordinance Number	Purpose	Amount Authorized	Notes Outstanding	Bonds to be Issued
2019-08	Various Capital Improvement Projects	\$4,286,600	\$4,191,250	\$4,286,500
2019-12	Acquisition of Roll Out Carts for Waste Collection	247,000	247,000	247,000
2020-17	Purchase of Certain Properties In the Waterfront Redevelopment Area	4,465,000	4,465,000	4,465,000
2020-23	Certain Environmental Remediation Expenditures	934,500	0	934,500
2021-07	Various Capital Improvements and Related Expenses	3,728,750	0	3,728,000
TOTAL		\$13,661,850	\$8,903,250	\$13,661,000

DESCRIPTION OF THE BONDS

Description

The Bonds will be issued in the aggregate principal amount of \$13,661,000*, and will mature on September 1 in the years and in the principal amounts shown on the cover hereof. The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the cover hereof. Interest on the Bonds will be payable semiannually commencing on March 1, 2022 and, thereafter, on March 1 and September 1 in each year until maturity or earlier redemption (each an "Interest Payment Date"). Individual purchases may be made in the principal amount of \$5,000 or any integral multiple thereof through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See "DESCRIPTION OF THE BONDS--Book-Entry- Only System" below.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the offices of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as paying agent. Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the paying agent, as of the close of business on the fifteenth (15) day of the calendar month next preceding an Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner of the Bond as of the Regular Record Date, and shall be payable to the person who is the registered owner of the Bond at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Bonds not less than fifteen (15) days prior thereto. The notice setting forth the Special Record Date shall be mailed to the person in whose name the Bond is registered at the close of business on the fifth (5th) day next preceding the date of mailing of such notice.

* Preliminary, subject to change

Redemption Provisions

The Bonds maturing on and after September 1, 2029 are subject to redemption prior to maturity at the option of the Township as a whole at any time or in part from time to time on or after September 1, 2028 in such order of maturity as the Township may direct at a redemption price equal to one hundred percent (100%) of the principal amount to be redeemed plus accrued interest thereon to the date fixed for redemption.

Notice of Redemption

Notice of redemption shall be given by mailing first class mail with postage pre-paid not less than twenty (20) days nor more than sixty (60) days prior to the redemption date to the owner of every Bond of which all or a portion is to be redeemed at his or her last address, if any, appearing on the registration books of the Paying Agent. So long as the Bonds are issued in book-entry-only form, all notices of redemption will be sent only to the Depository Trust Company ("DTC"), the securities depository for the Bonds or any successor, and will not be sent to the beneficial owners of the Bonds. Failure of an owner of the Bonds to receive such notice or of DTC to advise any participant or any failure of a participant to notify any beneficial owner of the Bonds shall not affect the validity of any proceedings for the redemption of Bonds. Such notice shall specify: (i) the series and maturity of the Bonds to be redeemed; (ii) the redemption date and the place or places where amounts that are due and payable upon such redemption will be payable; (iii) if less than all of the Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the Bonds to be redeemed; (iv) in the case of a Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (v) that on the redemption date there shall become due and payable with respect to each Bond or portion thereof to be redeemed the redemption price; and (vi) that from and after the redemption date interest on such Bond or portion thereof to be redeemed shall cease to accrue and be payable. Any redemption notice given with respect to the Bonds may state that redemption is conditioned upon the deposit on or before the redemption date of the funds necessary to pay the redemption price of the Bonds being redeemed and such notice shall be of no force and effect unless such funds are so deposited.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such 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.

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.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

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

Redemption proceeds and distributions on the Bonds 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 Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but neither the Township nor the Underwriter take any responsibility for the accuracy thereof.

THE TOWNSHIP AND THE TOWNSHIP'S DESIGNATED PAYING AGENT, IF ANY, CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS, OR (2) CONFIRMATION OF OWNERSHIP INTERESTS IN THE BONDS, OR (3) REDEMPTION OR OTHER NOTICES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH ITS PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE TOWNSHIP OR ITS PAYING AGENT, IF ANY, WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OF THE BONDS WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ITS NOMINEE, OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON ANY BONDS; (3) THE DELIVERY BY DTC, ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED TO BE GIVEN TO THE BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT.

SECURITY FOR THE BONDS

The full faith and credit of the Township are pledged for the payment of the principal of and interest on the Bonds. The Bonds shall be legal, valid and binding general obligations of the Township, and, unless paid from other sources, the Township shall levy *ad valorem* taxes upon all taxable property within the Township for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

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

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

Local Bond Law

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

Debt Limits - The authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to three and one-half percent (3.5%) of its equalized valuation basis. The equalized valuation basis of the Township is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements as annually determined by the New Jersey State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Bonds, notes and long-term loans are included in the computation of debt for the statutory debt limit. The indebtedness of the Township, including the issuance of the Bonds, will not exceed the Township's three and one-half percent (3.5%) debt limit.

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

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

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

Local Fiscal Affairs Law

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

An independent examination of the Township's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the New Jersey State Board of Accountancy and must be completed within six months after the close of the Township's fiscal year. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the municipality's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2020 is on file with the Township Clerk and is available for review during business hours.

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

Local Budget Law

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

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

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

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

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on annual increases in municipal appropriations, subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is complex, but in general, 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. When the Index Rate is 2.5% or less, municipalities may increase appropriations up to 3.5% over the prior year's appropriation. In addition to debt service, other exceptions to the limitations imposed by the Cap Law exist for such items as 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.

Additionally, legislation constituting P.L. 2010, c. 44, was adopted on July 13, 2010, which, among other things, imposes a two percent (2%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with limited exceptions and subject to certain adjustments.

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

Miscellaneous Revenues

N.J.S.A. 40A:4-26 provides that: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the [D]irector shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit." Such determination may be made by the governing body and the Chief Financial Officer in any year during which the municipality is subject to local examination.

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

Real Estate Taxes

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

Current Year Tax Levy and Reserve for Uncollected Taxes - The current year's taxes to be levied are determined by adding the sums of the cash required from taxes to support the municipal, school, county and special district budgets, if any, together with the amount of an appropriation required to be included in the annual municipal budget entitled "Reserve for Uncollected Taxes", less the total of anticipated revenues. The inclusion of the "Reserve for Uncollected Taxes" appropriation in the current year's budget protects the municipality from taxes currently unpaid. The "Reserve for Uncollected Taxes" is required to be, at a minimum, an amount sufficient to provide for the same percentage of uncollected taxes in the current year as was experienced in the immediately preceding year, the average of the previous three years in accordance with P.L. 2000, c. 126, or the previous year collection percentage after reducing the previous year levy by tax appeal judgments of the county tax board pursuant to R.S. 54:3-21 et seq., or the State tax court pursuant to R.S. 54:48-1 et seq. in accordance with Chapter 56 of P.L. 2010.

N.J.S.A. 40A:4-41 provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of such preceding fiscal year".

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

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

Deferral of Current Expenses

Emergency appropriations (i.e., those made after the adoption of the budget and determination of the tax rate for an unforeseen event or purpose) may be authorized by the governing body of the local governmental units. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director of Local Government Services must be obtained.

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

Budget Transfers

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

Capital Budget

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

Rights and Remedies of Owners of the Bonds

The State Municipal Finance Commission Act, Chapter 27 of Title 52 of the State Statutes, as amended and supplemented ("Act"), provides that when it has been established, by court proceedings, that a municipality has defaulted for over sixty days in the payment of the principal of or interest on any of its outstanding bonds or notes, the Local Finance Board of the State Department of Community Affairs (which, pursuant to the Act, is constituted the Municipal Finance Commission and shall hereinafter be referred to as the "Commission") shall take control of the fiscal affairs of the defaulting municipality.

The Act provides that the Commission shall remain in control of the municipality until all bonds or notes of the municipality that have fallen due and all bonds or notes that will fall due within one year, and the interest thereon, have been paid, funded or refunded, or the payment thereof in cash shall have been adequately provided for by a cash reserve.

The Act empowers the Commission to direct the municipality to provide for the funding or refunding of notes or bonds of the municipality and the interest thereon, which the Commission shall have found to be outstanding and unpaid and to be due or become due. The Act further authorizes the Commission to bring and maintain an appropriate proceeding for the assessment, levy or collection of taxes by the municipality for the payment of principal or of interest on such indebtedness.

Under Article 6 of the Act, while the Commission functions in the municipality, no judgment, levy, or execution against the municipality or its property for the recovery of the amount due on any bonds, notes or other obligations of the municipality in the payment of which it has defaulted, shall be enforced unless otherwise directed by Court Order. However, Article 6 of the Act also provides that upon application of any creditor made upon notice to the municipality and the Commission, a court may vacate, modify or restrict any such statutory stay contained therein.

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in 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. The last complete revaluation of property within the Township occurred in 2012.

Upon the filing of certified adopted budgets by the Township, the Fire Districts, the Regional School District, and the County, the tax rate is determined 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 provisions for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in the State for various special services rendered to the properties located within the special district.

Tax bills are mailed annually in June or July by the Township. The taxes for the third and fourth quarters, due August 1 and November 1, respectively, are adjusted to reflect the calendar years total tax liability. The taxes for the first and second quarters, due February 1 and May 1 of the succeeding year, are based upon one-half of the previous year's tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) per annum on the first \$1,500 of the delinquency and eighteen percent (18%) per annum on any amounts in excess of \$1,500. These interest charges are the highest permitted under State Statutes. Additionally, a six percent (6%) penalty may be charged on any delinquency in excess of \$10,000 if not paid by the end of the year. Certain delinquent taxes are annually included in a tax sale in accordance with State Statutes. Tax liens are periodically assigned to the Solicitor for "in rem foreclosures" in order to acquire title to these properties.

Tax Appeals

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

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

INFORMATION REGARDING THE TOWNSHIP OF BORDENTOWN

General

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

Financial Statements

Appendix "B" to this Official Statement contains audited financial statements of the Township for the years ended December 31, 2020, 2019, 2018, 2017 and 2016. Copies of the complete Reports of Audit may be obtained upon request to the office of the Township's Chief Financial Officer.

INFECTIOUS DISEASE OUTBREAK – COVID-19 AND THE AMERICAN RESCUE PLAN ACT

In early March 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, the President of the United States, in response to the COVID-19 outbreak, declared a national emergency. The Governor of the State of New Jersey (the "Governor") declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19. Numerous executive orders to contain the spread of the virus have since been enacted by the Governor, including without limitation, orders closing all non-essential businesses, cancelling all in-school classes for students, limiting restaurants to take-out and delivery service only, and restricting the number of people who can attend gatherings of any kind. Orders were also enacted postponing the collection date for certain municipal taxes. The measures taken in response to the COVID-19 pandemic have had and may continue to have impacts on regional, state and local economies.

On June 4, 2021, the Governor signed legislation and issued orders ending the COVID-19 public health emergency, while maintaining the authority to issue certain orders and exercise certain authority relating to public health through January 11, 2022. The declaration of the state of emergency relating to COVID-19 remains in effect as of the date hereof.

As of December 31, 2020, the Township's finances and operations have not been materially adversely affected by the COVID-19 pandemic. Because of the dynamic nature of the COVID-19 pandemic, the Township cannot predict whether and to what extent the COVID-19 pandemic, and any future governmental orders relating to the COVID-19 pandemic, will impact the finances and operations of the Township.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Rescue Plan Act"), signed into law on March 12, 2021, consists of \$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.

Based on available information, the Township expects to receive approximately \$1.2 million in funding from the Rescue Plan Act. Of such amount, approximately half of the funds will be received in calendar year ending December 31, 2021, with the remainder to be received the following year. Under the Rescue Plan Act, the funds may be used (i) to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including by providing assistance to households, small business and nonprofits, or aid to impacted industries such as tourism, travel and hospitality; (ii) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers that are performing essential work; (iii) 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 prior to the emergency; and (iv) to make necessary investments in water, sewer or broadband infrastructure.

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to Chapter 9 of the United States Bankruptcy Code ("Bankruptcy Code"), 11 U.S.C. Section 901 to 946. Under Chapter 9 of the Bankruptcy Code, a municipality, which is a political subdivision or public agency or instrumentality of the State, that is insolvent or unable to meet its debts may file a petition in a United States Bankruptcy Court ("Bankruptcy Court") to adjust the debt of the municipality. Chapter 9 of the Bankruptcy Code does not permit the municipality to liquidate its assets and distribute the proceeds of its assets to its creditors. Chapter 9 of the Bankruptcy Code permits a financially distressed municipality to seek protection from its creditors by staying the commencement or continuation of certain actions against the municipality while it formulates and negotiates a plan of adjustment of its debts which can be binding on a dissenting minority of creditors if it is acceptable to the majority of creditors. Should the Township file a petition in the Bankruptcy Court under Chapter 9 of the Bankruptcy Code prior to the payment in full of the principal and interest on the Bonds, the holders of the Bonds would be considered creditors and would be bound by the Township's plan of adjustment of its debt.

Reference should also be made to *N.J.S.A. 52:27-40 et seq.* which provides that any "political subdivision" of the State as defined therein, which includes the Township, has the power to file a petition with the Bankruptcy Court under Chapter 9 of the Bankruptcy Code provided the "political subdivision" has obtained approval of the Local Finance Board. Section 903 of the Bankruptcy Code, 11 U.S.C. Section 903, specifically provides that Chapter 9 of the Bankruptcy Code does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality.

LEGAL MATTERS

The legality of the Bonds will be subject to the approving legal opinion of Clark Hill PLC, Princeton, New Jersey, Bond Counsel to the Township ("Bond Counsel"). Such opinion will be delivered with the Bonds, in substantially the form set forth in Appendix "C". Certain legal matters will be passed upon for the Township by the Township's Solicitor, Eileen Fahey, Esquire, Moorestown, New Jersey.

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

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

TAX MATTERS

Federal Tax Exemption Opinion of Bond Counsel

In the opinion of Clark Hill PLC, Bond Counsel to the Township ("Bond Counsel"), based upon an analysis of existing law as enacted and construed on the date hereof and assuming the accuracy of the certifications of the Township being delivered in connection with the issuance of the Bonds and continuing compliance by the Township with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order for interest thereon to be excluded from gross income for federal income tax purposes, interest on the

Bonds is excludable from gross income for federal income tax purposes. Bond Counsel is further of the opinion that interest on the Bonds is not an item of tax preference for purposes of the federal individual alternative minimum tax.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Township has made certain representations and certifications and has covenanted to comply with certain conditions and requirements designed to ensure that interest on the Bonds will be and remain excludable from federal gross income. Inaccuracy in these representations or the failure to comply with these covenants could result in a determination that interest on the Bonds is includible in gross income retroactive to the date of issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and certifications of the Township and assumes compliance by the Township with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds. Accordingly, the opinion of Bond Counsel is not intended to be relied upon in connection with any such future actions, events or matters.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral tax consequences to certain taxpayers, including but not limited to, foreign corporations, financial institutions, property and casualty insurance companies and recipients of social security and railroad retirement benefits. The nature and extent of these other tax consequences depend upon the particular tax status of the beneficial owner of the Bond and/or the beneficial owner's other items of income or deduction. Prospective purchasers should consult their own tax advisors as to the consequences of investing in the Bonds.

A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C hereto.

Accounting Treatment of Original Issue Discount and Amortizable Bond Premium

The Bonds maturing on September 1, 20__ and September 1, 20__ are hereinafter referred to as the "Discount Bonds." In the opinion of Bond Counsel, the difference between the initial public offering price of the Discount Bonds set forth on the inside front cover page and the stated redemption price at maturity of each such Bond constitutes "original issue discount," all or a portion of which will, on the disposition or payment of such Bonds, be treated as tax-exempt interest for federal income tax purposes. Original issue discount will be apportioned to an owner of the Discount Bonds under a "constant interest method," which utilizes a periodic compounding of accrued interest. If an owner of a Discount Bond who purchases it in the original offering at the initial public offering price owns that Discount Bond to maturity, that Bondholder will not realize taxable gain for federal income tax purposes upon payment of the Discount Bond at maturity. An owner of a Discount Bond who purchases it in the original offering at the initial public offering price and who later disposes of the Discount Bond prior to maturity will be deemed to have accrued tax-exempt income in a manner described above; amounts realized in excess of the sum of the original offering price of such Discount Bond and the amount of accrued original issue discount will be taxable gain.

Purchasers of Discount Bonds should consult their tax own advisors with respect to the determination and treatment of original issue discount for federal income tax purposes and with respect to the state and local tax consequences of owning Discount Bonds.

The Bonds maturing on September 1, 20__ through and including September 1, 20__ are hereinafter referred to as the "Premium Bonds." An amount equal to the excess of the initial public offering price of a Premium Bond set forth on the inside front cover page over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the

purchaser's yield to maturity. As premium is amortized, the purchaser's basis in such Premium Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed.

Purchasers of any Premium Bonds should consult their own tax advisors with respect to the determination and treatment of original issue premium for federal income tax purposes and with respect to the state and local tax consequences of owning Premium Bonds.

State Tax Exemption – Opinion of Bond Counsel

In the opinion of Bond Counsel, under existing New Jersey law as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not included in gross income under the New Jersey Gross Income Tax Act.

Changes in Federal and State Tax Law

From time to time, there are presidential and gubernatorial proposals, proposals by various federal and state committees and legislative proposals that, if enacted, could alter or amend the tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposals may be enacted or whether if enacted such proposals would apply to bonds or notes issued prior to enactment. In addition, regulatory or other actions are from time to time announced or proposed which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory or other actions will be implemented or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulations or other potential changes in law. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulations or other potential changes in law.

LITIGATION

To the knowledge of the Township's Solicitor, Eileen Fahey, Esquire, Moorestown, New Jersey ("Solicitor"), there is no litigation of any nature, pending or threatened, to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. Moreover, to the knowledge of the Solicitor, there is no litigation of any nature now pending or threatened by or against the Township wherein an adverse judgment or ruling could have a material and adverse impact on the financial condition of the Township or adversely affect the power to levy, collect and enforce the collection of taxes or other revenues for the payment of the Bonds, which has not been otherwise disclosed in this Official Statement. A certificate to such effect will be executed by the Solicitor and delivered at closing.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("Rating Agency"), has assigned its rating of "AA" to the Bonds.

Explanations of the significance of such bond rating may be obtained from the Rating Agency at 55 Water Street, New York, New York 10041. Such rating expresses only the views of the Rating Agency. There is no assurance that the rating will continue for any period of time or that the rating will not be revised or withdrawn. Any such revision or withdrawal of the rating may have an effect on the marketability and market price of the Bonds.

MUNICIPAL ADVISOR

Phoenix Advisors, LLC, Bordentown, New Jersey, served as municipal advisor ("Municipal Advisor") to the Township with respect to the issuance of the Bonds. This Official Statement has been prepared with the assistance of the Municipal Advisor. Information set forth in the Official Statement has been obtained from the Township and other sources which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized.

CONTINUING DISCLOSURE

The Township has previously entered into continuing disclosure undertakings under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), in respect of its own obligations and obligations of the Burlington County Bridge Commission for which the Township is an obligated person.

While the Township has filed its financial information and operating data in each of the past five (5) years, as required by the Rule, certain information, required in some, but not all, of the Township's continuing disclosure agreements, was not included in the operating data for the years ended December 31, 2015, 2016, 2017, and 2018. The Township appointed Phoenix Advisors, LLC in December of 2016 to serve as continuing disclosure agent.

In connection with the issuance of the Bonds, the Township will enter into a Continuing Disclosure Agreement in substantially the form appended to this Official Statement as Appendix D.

PREPARATION OF OFFICIAL STATEMENT

The Township hereby states that the descriptions and statements herein with respect to the Township, including financial statements, are true and correct in all material respects and it will confirm the same to the purchasers of the Bonds, by certificates signed by various Township officials dated the date of closing.

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

Clark Hill PLC has participated in the preparation and review of this Official Statement, but has not verified the accuracy, completeness or, fairness of the information contained herein and accordingly, will express no opinion with respect thereto.

Bowman & Company LLP, Voorhees, New Jersey, compiled this Official Statement from information obtained from Township management and other various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information. Bowman & Company LLP, Voorhees, New Jersey, does take

responsibility for the financial statements, appearing in Appendix "B" hereto, to the extent specified in the Independent Auditor's Report.

LEGALITY FOR INVESTMENT

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

NO DEFAULT

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

In one prior instance, due to a misaddressed payment notice from DTC, the Township failed to make an interest payment on its General Obligations Bonds dated February 26, 2009, on the February 15, 2013 interest payment date. The payment was remitted on February 25, 2013. The Township has since appointed a paying agent to ensure that all future payments will be made in a timely manner.

UNDERWRITING

The Bonds have been purchased from the Township at a public sale by _____ ("Underwriter") for a purchase price of \$_____ (representing the principal amount of the Bonds of \$_____, plus net original issue premium of \$_____ less underwriter's discount of \$_____). The Underwriter has purchased the Bonds in accordance with the Notice of Sale. The Bonds are being offered for sale at the yields or prices set forth on the cover page of this Official Statement.

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

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement may be directed to Laurie Finger, Chief Financial Officer, at (609) 298-2800, or to the Municipal Advisor at (609) 291-0130.

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

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

This Official Statement has been duly executed and delivered by the Township.

TOWNSHIP OF BORDENTOWN, NEW JERSEY

By: _____
LAURIE FINGER, Chief Financial Officer

Dated: September __, 2021

APPENDIX A

General Information Concerning the Township

INFORMATION REGARDING THE TOWNSHIP

The following material presents certain economic and demographic information of the Township.

General Information

The Township of Bordentown, in the County of Burlington (the "Township"), incorporated in 1852, is located in the center of New Jersey approximately seven miles from Trenton. The population according to the 2010 census is 11,367 with a land area of 10 square miles. The Township provides to its citizens the following services: public safety, sanitation, recreation, public improvements, planning and zoning and general administrative services.

Government Structure

The Township is governed by an elected committee ("Committee") consisting of 5 members who serve three-year terms. The Mayor is chief executive officer of the Township and is annually appointed by the Committee at the beginning of each fiscal year. The functions of the Committee, as the governing body, are legislative.

Administrative responsibilities are assigned to the Township Administrator. The Committee establishes policy. The Administrator is responsible for the day-to-day operations of the Township and implementing and administering policy.

Fire Protection and Emergency Services

The Township has two fire districts. Fire District No. 1 is located in the northern part of the Township encompassing approximately two square miles. Fire District No. 2 is centrally located and provides protection for seven and one-half square miles. Each district has one fire company, both with modern firefighting apparatus. District No. 2 also houses one ladder truck. The combined number of paid fire fighters is approximately 18 and there are approximately 20 volunteers.

District No. 2 mans a paid first aid squad with 8 full time Emergency Medical Technicians responding on a 24 hour basis. The squad also serves the City of Bordentown who provides and houses four ambulances.

Ambulance service is provided by a Township EMS ambulatory service utilizing a full time and volunteer staff which also provides service to the City of Bordentown and Borough of Fieldsboro.

Hospital services for Township residents are provided by Capital Health Regional Medical Center and Saint Francis Medical Center located in Trenton, Virtua Memorial in Mount Holly, Lourdes Medical Center in Willingboro and the Robert Wood Johnson University Hospital in Hamilton. All offer excellent medical care in modern facilities. The renowned Deborah Heart and Lung Center located in Browns Mills is just twelve miles south of the Township. Additional medical facilities are available within a 30 minute drive to Philadelphia, PA and a 60 minute drive to New York City.

Library

The Township participates in the Burlington County Library System which maintains a branch library in the heart of the City of Bordentown.

Police

The Police Department consists of twenty-four full-time officers and three part-time officers. In addition, the Police Department is supported by one full-time secretary and one part-time secretary. The dispatch system is operated by the County of Burlington and is manned on a twenty-four hour basis.

The New Jersey State Police maintains a station and barracks within the Township and provides additional police services in the Township and on the major highways that traverse the Township.

Public Works

The Department of Public Works has thirteen employees and one secretary that are supervised by a Director of Public Works. The Department of Public Works cleans, repairs and maintains streets, roads and storm drains, and maintains all parks, playgrounds and public areas. The collection and disposal of garbage, trash and other solid waste is provided for by contract with a private firm.

County and State roads running through the Township are maintained by the Burlington County Road Department, New Jersey State Department of Transportation and the New Jersey Turnpike Authority.

Recreation

There are separate youth programs that operate independent of the Township that supervise a year round program of recreation and leisure time activities for children and adults. The Township Department of Public Works handles the scheduling of the park and field maintenance. Indoor and outdoor facilities are provided and operated by the Community District Alliance under the auspices of the Board of Education of the Regional School District.

A 6,500 square foot Senior Community Center is utilized by various groups for socials, meetings, dances and crafts. The Bordentown Township Senior's, a group of about 300 senior citizens, meets at the center twice a month and have an active itinerary of socials, trips and programs.

Municipal Open Space

The Township has completed a multi-phased recreation enhancement program through a Municipal Open Space Tax. In 1999, the Township was successful in obtaining voter approval for a dedicated tax of \$.03 per \$100 of assessed valuation for the purpose of establishing an Open Space Trust. This funding, along with the Township's capital funding, allows the Township to maintain and operate six parks and playground areas totaling 94 acres including two large multi-use community parks.

Utilities

Utilities are provided to Township residents by Verizon, Public Service Electric and Gas Company and Comcast Cable Television, all privately owned.

The Bordentown Sewerage Authority, of which the Township is a member, provides sanitary sewerage to most of the Township. A water supply and distribution system operated by the City of Bordentown as a water utility, supplies water to the developed areas of the Township and 80% of the Township as a whole. The water is pumped from deep wells and processed through a water treatment plant.

Township Employees

	<u>2020</u>	<u>2019</u>	<u>December 31,</u> <u>2018</u>	<u>2017</u>	<u>2016</u>
Permanent	62	61	59	57	63
Part-time	18	<u>13</u>	<u>12</u>	<u>12</u>	<u>11</u>
Total	<u>80</u>	<u>74</u>	<u>71</u>	<u>69</u>	<u>74</u>

Employee Collective Bargaining Units

There are four collective bargaining units between the Township and certain of its employees, as follows:

The Bordentown Township Police Officers are covered by three contracts, one for the Sergeants, one for the Patrolmen, and one for the Command Staff. These three contracts cover all police officers except for the Chief, who has his own contract. Membership is limited to full-time law enforcement officers. The three police officer contracts expire December 31, 2021. The Chief's contract expires December 31, 2021.

Public Works employees are represented by AFSCME and their contract expires December 31, 2021.

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.

The Township compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated. There is a maximum pay-out of fifty days pay, and is paid at the rate of pay upon termination or retirement. For additional information regarding compensated absences, see Appendix B: Financial Statements of the Township, Note 9 to Financial Statements.

Retirement Systems

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions within the New Jersey Department of Treasury is the administrator of the funds with the benefit and contribution levels set by the State. The Township employees are enrolled in either the Public Employees' Retirement System or the Police and Firemen's Retirement System.

Pension Information

Employees, who are eligible to participate in a pension plan, are enrolled in the Public Employees' Retirement System ("PERS") or the Police and Firemen's Retirement System ("PFRS"), Department of Treasury, State of New Jersey. The State Division of Pensions annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost. The Township's share of pension costs in 2020, which is based upon the annual billings received from the State, amounted to \$249,354 for PERS and \$778,194 for PFRS.

Township Population(1)

2010 Federal Census	11,367
2000 Federal Census	8,380
1990 Federal Census	7,683
1980 Federal Census	7,170
1970 Federal Census	7,303

Selected Census 2019 Data for the Township (1)

Median household income	\$93,288
Per capita income	\$45,053

Township Labor Force (2)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township					
Labor Force	6,686	6,718	6,644	6,842	6,801
Employed	6,187	6,536	6,421	6,604	6,554
Unemployed	499	182	223	238	247
Unemployment Rate	7.5%	2.7%	3.4%	3.5%	3.6%
County					
Labor Force	230,784	230,589	227,612	234,179	233,255
Employment	211,788	223,049	219,125	224,582	222,869
Unemployment	18,996	7,540	8,487	9,597	10,386
Unemployment Rate	8.2%	3.3%	3.7%	4.1%	4.5%
State					
Labor Force	4,495,200	4,493,100	4,432,500	4,518,800	4,530,800
Employment	4,055,300	4,333,300	4,250,800	4,309,700	4,305,500
Unemployment	439,900	159,800	181,700	209,100	225,300
Unemployment Rate	9.8%	3.6%	4.1%	4.6%	5.0%

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 New Jersey Uniform Construction Code. These codes and other Municipal Codes are codified as basis for improved administration and regulation.

In August 1990, the Township adopted a new land development and zoning ordinance under the Municipal Land Use Law. In this way, the Township is able to promote orderly development and to protect the character and maintain the stability of residential, business and manufacturing areas and secure and protect open space and recreation areas within the Township.

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

(2) Source: New Jersey Department of Labor

Building Permits Issued(1)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2021(2)	501	\$30,738,393
2020	685	36,741,595
2019	729	39,348,134
2018	624	21,864,240
2017	737	24,359,123
2016	722	26,621,689

Tax Exemptions and Tax Abatements

In recent years, the Township has experienced success in expanding the commercial activity in the Township as a direct result of the dedicated efforts of the Township Committee and Administrative Staff. In addition to other features that make the Township attractive to commercial businesses, the Township has utilized New Jersey’s Long Term Tax Exemption Law and Five-Year Exemption and Abatement Law to help make a variety of projects successful, including a warehouse distribution center and an upscale apartment complex. Financial agreements entered into with property owners in connection with these programs typically require payments in lieu of taxes (PILOT) to be made to the Township. In 2020, the Township received approximately \$3.5 million in PILOT revenue and, from that amount received, remitted approximately \$573,000 to the Bordentown Regional School District and \$175,000 to Burlington County.

GENERAL INFORMATION ON THE SCHOOL DISTRICT (3)

Overview

The Bordentown Regional School District is a Type II (Grades Pre-K through 12th) regional school district consisting of the municipalities of the City of Bordentown, the Township of Bordentown, and the Borough of Fieldsboro (the “Constituent Municipalities”). Students from the New Hanover School District attend the existing Bordentown Regional High School on a tuition basis. The School District operates five school buildings: three elementary schools, junior school, one middle school and a high school. The Bordentown Regional School District is located in the County of Burlington, New Jersey.

Staff

The Superintendent of Schools is the chief administrative officer of the School District. The Board Secretary/Business Administrator oversees the Board’s business functions and reports through the Superintendent to the Board. There are approximately 406 full-time employees of the Board, of which 230 are teaching professionals. The balance are administrative, facilities, pupil transportation and support personnel.

(1) Source: Township Construction Official

(2) As of August 15, 2021

(3) Source: School District officials

**BORDENTOWN REGIONAL SCHOOL DISTRICT
SCHOOL ENROLLMENTS (1)**

Grade	<u>2020</u>	<u>2019</u>	<u>October 15, 2018</u>	<u>2017</u>	<u>2016</u>
PreK 4 Yr: Full Day	10	10	4		
Kindergarten: Full Day	132	122	145	174	153
1	116	142	166	148	156
2	150	159	136	144	175
3	147	130	138	169	183
4	131	137	154	179	136
5	136	153	176	134	175
6	151	174	138	181	179
7	178	133	178	181	187
8	135	177	182	186	164
9	160	178	179	158	171
10	175	180	172	173	139
11	175	164	177	136	151
12	159	176	143	151	145
Special Education	386	397	386	377	352
State Facility	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>1</u>
Totals	<u>2,342</u>	<u>2,433</u>	<u>2,476</u>	<u>2,493</u>	<u>2,467</u>
 Bordentown Township Enrollment(2)	 <u>1,792</u>	 <u>1,860</u>	 <u>1,889</u>	 <u>1,921</u>	 <u>1,901</u>

PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY(1)

<u>Name of School</u>	<u>Date Constructed</u>	<u>Grades</u>	<u>Enrollment Oct. 15, 2020</u>	<u>Functional Capacity</u>
Clara Barton Elementary (3)	1953	K-2	233	346
Peter Muschal Elementary (3)	1953	PreK 4YR - 5	522	517
Mac Farland Intermediate	1924	3-5	244	334
Bordentown Regional Middle School	1965	6-8	576	545
Bordentown Regional High School	2006	9-12	<u>767</u>	<u>1,102</u>
 Totals			 <u>2,341</u> (4)	 <u>2,844</u>

(1) Source: School District officials

(2) Bordentown Township total enrollment figure is shown. Enrollment by grade is not available

(3) District reconfiguration 2018/2019 SY

(4) Excludes State Facility

HIGHER EDUCATION FACILITIES

Rowan College at Burlington County (Formerly Burlington County College)

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

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

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

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

The Board of Trustees governs the County College and certain fiscal matters are subject to review by the Board of School Estimate. The County College is not permitted to borrow for capital expenditures. Instead, the Board of Trustees and the Board of School Estimate certify the need for funding to the Board, which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law 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 and programs are provided for: (1) the orthopedically handicapped, the multiple handicapped, autistic and deaf and hard of hearing; (2) elementary school students with severe emotional and social problems; (3) students ages fourteen (14) through twenty-one (21) with educational needs which are beyond the capabilities of existing local school boards and regions; and (4) trainable mentally retarded young people from ages fourteen (14) to twenty-one (21). The enrollment for the Special Services School District for the 2019-20 academic year is 544 students.

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2021 Assessed Valuation</u>
WW Grainger, Inc. c/o Marvin Poer	Distributor of Industrial Equipment	\$18,277,400
DCT Midline, LLC	Commerce Center	17,580,400
Anchor Bordentown Owner, LLC	Medical Building	15,542,300
HPT PSC Properties Trust	Truck Stop	12,000,000
LBA RVI – Company XXXI LLC	Warehouse/Office Space	11,120,000
Mosholu Realty LLC	Apartments	11,000,000
Dunns Mill Rd Retail LLC	ACME Shopping Center	10,898,400
First Industrial	Business Park	8,836,200
Bordentown Realty LLC	Realty	8,111,500
Exeter 2473 Old York LLC	Industrial Building Space	7,669,700

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	\$43,038,365	\$42,308,120	98.30%	\$626,668	1.46%
2019	41,847,394	41,246,144	98.56	489,338	1.17
2018	41,393,070	39,826,137	96.21	1,453,048	3.51
2017	39,047,533	38,475,211	98.53	477,692	1.22
2016	38,234,984	37,817,282	98.91	399,112	1.04

(1) Source: Township Tax Assessor

(2) Source: Annual Reports of Audit

CERTAIN TAX INFORMATION (CONT'D)

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding Jan 1</u>	<u>Added</u>	<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
			<u>Amount</u>	<u>Percentage</u>			
2020	\$548,458	\$1,494	\$481,063	87.47%			\$68,889
2019	1,492,508	11,827	1,442,576	95.89	\$2,638		59,120
2018	509,911		425,907	83.53	41,093	\$3,450	39,461
2017	431,514		387,953	89.91	6,882	4,461	32,218
2016	881,829		804,341	91.21	181	44,905	32,402

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by Sales and Transfers</u>	<u>Collected</u>	<u>Balance Dec. 31</u>
2020	\$229,829	\$88,037	\$23,683	\$294,183
2019	158,963	108,390	37,524	229,829
2018	17,026	141,937		158,963
2017	23,095	18,009	24,078	17,026
2016	33,815	10,416	21,136	23,095

FORECLOSED PROPERTY (1)(2)

<u>Year</u>	<u>Balance Dec. 31</u>
2020	\$515,200
2019	515,200
2018	515,200
2017	515,200
2016	515,200

(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.

CERTAIN TAX INFORMATION (CONT'D)

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (1)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (2)</u>				
		<u>Total</u>	<u>County</u>	<u>Regional School</u>	<u>Municipal</u>	<u>Municipal Open Space</u>
2021	\$1,613,562,065	\$3.273	\$.519	\$2.196	\$.558	\$.000
2020	1,189,011,386	3.298	.536	2.175	.557	.030
2019	1,173,483,390	3.226	.493	2.147	.557	.029
2018	1,157,607,035	3.180	.480	2.128	.542	.030
2017	1,159,322,203	3.127	.466	2.090	.541	.030

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

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value Per Capita(4)</u>
2021	\$1,205,997,627	79.46%	\$1,517,741,791	\$133,522
2020	1,185,928,458	81.10	1,462,303,894	128,645
2019	1,170,287,118	85.28	1,372,287,896	120,726
2018	1,154,414,317	86.08	1,341,094,699	117,981
2017	1,156,183,717	86.69	1,333,699,062	117,331

REAL PROPERTY CLASSIFICATION (5)

<u>Year</u>	<u>Assessed Value Land Use Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Farm</u>
	2021	\$1,205,997,627	\$33,495,410	\$857,742,973	\$228,196,855	\$50,171,389	\$34,707,800
2020	1,185,928,458	28,265,401	858,252,073	210,549,855	51,021,389	34,707,800	3,131,940
2019	1,170,287,118	25,637,901	858,462,573	212,348,055	37,127,789	34,707,800	2,003,000
2018	1,154,414,317	38,222,725	858,120,773	190,043,430	31,303,789	34,707,800	2,015,800
2017	1,156,183,717	42,441,925	857,230,173	188,835,830	30,786,689	34,707,800	2,181,300

(1) Source: Township Tax Collector

(2) Per \$100 of assessed valuation; does not include fire district

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

(4) Based upon the 2010 Federal Census of 11,367

(5) Source: Township's Tax Assessor

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

The following table summarizes the direct debt of the Township as of December 31, 2020 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 Regional School District. Deductions from gross debt to arrive at net debt include deductible regional school district debt as well as reserves for payment of debt and grant proceeds. The resulting net debt of \$36,843,532 represents 2.577% 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	Notes			School Debt	Reserve for Pmt. of Debt	Accounts Receivable	
General	\$ 18,355,000	\$ 8,903,250	\$ 15,802,850	\$ 43,061,100		\$ 2,684,268	\$ 3,533,300	\$ 36,843,532
School District	20,737,714			20,737,714	\$ 20,737,714			
	<u>\$ 39,092,714</u>	<u>\$ 8,903,250</u>	<u>\$ 15,802,850</u>	<u>\$ 63,798,814</u>	<u>\$ 20,737,714</u>	<u>\$ 2,684,268</u>	<u>\$ 3,533,300</u>	<u>\$ 36,843,532</u>

(1) As of December 31, 2020

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements for 2018, 2019 and 2020	\$1,429,725,859
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2018, 2019 and 2020	2.577%
2020 Net Valuation Taxable	\$1,189,011,386
2020 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$1,462,303,894
Gross Debt (2):	
As a percentage of 2020 Net Valuation Taxable	5.37%
As a percentage of 2020 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	4.36%
Net Debt (2):	
As a percentage of 2020 Net Valuation Taxable	3.10%
As a percentage of 2020 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	2.52%
Gross Debt Per Capita (3)	\$5,613
Net Debt Per Capita (3)	\$3,241

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Averaged (2018-20) Equalized Valuation of Real Property including Improvements (\$1,429,725,859.00)	\$50,040,405
Net Debt	<u>36,843,532</u>
Remaining Borrowing Capacity	<u><u>\$13,196,873</u></u>

REGIONAL SCHOOL DISTRICT BORROWING CAPACITY (1)

4% of Average (2018-20) Equalized Valuation of Real Property including Improvements (\$1,844,508,267.00)	\$73,780,331
Gross Debt (4)	<u>26,754,000</u>
Remaining Borrowing Capacity	<u><u>\$47,026,331</u></u>

(1) As of December 31, 2020

(2) Excluding overlapping debt

(3) Based on 2010 Federal Census of 11,367

(4) Debt portion allocated to the Township \$20,737,714.40

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

	DEBT ISSUED					Debt Auth. but not Issued
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Allocated to the Issuer</u>		
County of Burlington:						
General						
Bonds	\$ 198,880,000	\$ 17,704,990	(1)	\$ 181,175,010	\$ 5,870,070	(2)
Notes	-					(2) \$ 14,705,827
Loans	6,529,506			6,529,506	211,556	(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
	<u>\$ 637,815,806</u>	<u>\$ 450,111,290</u>		<u>\$ 187,704,516</u>	<u>\$ 6,081,626</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 3.24% .
(3) Deductible in accordance with N.J.S. 40:37A-80.

TOWNSHIP OF BORDENTOWN
SCHEDULE OF LONG TERM DEBT SERVICE(1)

Year Ending Dec. 31	BCBC Ref. Series 2013		Series 2014 - G.O. Bonds		Series 2016 - G.O. Bonds		Series 2018 - G.O. Bonds		Grand Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2021	\$ 345,000	\$ 69,750	\$ 395,000	\$ 186,013	\$ 245,000	\$ 122,094	\$ 275,000	\$ 170,250	\$ 1,808,106
2022	350,000	52,500	420,000	177,863	250,000	117,144	275,000	162,000	1,804,506
2023	350,000	35,000	440,000	168,988	255,000	112,094	300,000	153,750	1,814,831
2024	350,000	17,500	460,000	159,138	260,000	106,944	325,000	144,750	1,823,331
2025			525,000	146,088	365,000	100,694	500,000	135,000	1,771,781
2026			535,000	130,188	365,000	93,394	500,000	120,000	1,743,581
2027			545,000	113,988	370,000	86,044	500,000	105,000	1,720,031
2028			100,000	104,313	370,000	78,644	500,000	90,000	1,242,956
2029			110,000	101,163	375,000	70,959	500,000	75,000	1,232,122
2030			115,000	97,788	375,000	62,288	500,000	60,000	1,210,075
2031			125,000	94,031	380,000	51,900	500,000	45,000	1,195,931
2032			140,000	89,725	380,000	40,500	500,000	30,000	1,180,225
2033			150,000	84,825	385,000	29,025	500,000	15,000	1,163,850
2034			160,000	79,400	375,000	17,625			632,025
2035			175,000	73,100	50,000	11,250			309,350
2036			190,000	65,800	50,000	9,750			315,550
2037			210,000	57,800	55,000	8,175			330,975
2038			225,000	49,100	60,000	6,450			340,550
2039			245,000	39,700	60,000	4,650			349,350
2040			265,000	29,500	60,000	2,850			357,350
2041			290,000	18,400	65,000	975			374,375
2042			315,000	6,300					321,300
	<u>\$ 1,395,000</u>	<u>\$ 174,750</u>	<u>\$ 6,135,000</u>	<u>\$ 2,073,206</u>	<u>\$ 5,150,000</u>	<u>\$ 1,133,447</u>	<u>\$ 5,675,000</u>	<u>\$ 1,305,750</u>	<u>\$ 23,042,153</u>

(1) As of December 31, 2020

**TOWNSHIP OF BORDENTOWN
2021 MUNICIPAL BUDGET (1)**

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 875,000.00
Miscellaneous Revenues:	
Local Revenues	527,930.00
State Aid without Offsetting Appropriations	894,032.00
Dedicated Uniform Construction Code Fees	880,000.00
Shared Service Agreements	152,500.00
Additional Revenues	431,000.00
Public and Private Programs Offset with Appropriations	849,974.67
Other Special Items of Revenues	3,037,337.93
Receipts from Delinquent Taxes	632,500.00
Amount to be Raised by Taxation for Municipal Purposes	6,751,725.40
Total Appropriated Revenues	\$ 15,032,000.00
Appropriations:	
Within CAPS:	
Operations	\$ 8,968,651.53
Deferred Charges and Statutory Expenditures	1,432,748.00
Excluded from CAPS:	
Other Operations	3,037.00
Shared Service Agreements	152,500.00
Additional Appropriations Offset by Revenues	431,000.00
Public and Private Programs	849,974.67
Capital Improvements	500,000.00
Debt Service	1,944,883.48
Reserve for Uncollected Taxes	749,205.32
Total Appropriations	\$ 15,032,000.00

**TOWNSHIP OF BORDENTOWN
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2021 - 2026 (1)**

	<u>Estimated Total Cost</u>	<u>Capital Improvement Fund</u>	<u>Grants-in-Aid and Other Funds</u>	<u>Bonds and Notes General</u>
Repair/Replacement/Maintenance of Streets and Roads	\$ 2,050,000.00	\$ 102,500.00		\$ 1,947,500.00
Public Works Equipment, Buildings & Improvements	212,500.00	22,500.00		190,000.00
Public Works Vehicles and Equipment	388,750.00	8,750.00		380,000.00
Municipal Complex Improvements	173,750.00	7,500.00		166,250.00
Police Technology & Equipment	130,000.00	6,500.00		123,500.00
Park Improvements	550,000.00	27,500.00		522,500.00
Purchase of Land and Buildings	15,000,000.00	750,000.00		14,250,000.00
	\$ 18,505,000.00	\$ 925,250.00	\$ -	\$ 17,579,750.00

(1) As adopted

APPENDIX B

Audited Financial Statements of the Township of Bordentown

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Bordentown
Bordentown, New Jersey 08505

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 Bordentown 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

10250

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 Bordentown 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 Bordentown, in the County of Burlington, State of New Jersey, as of 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 16, 2021

**TOWNSHIP OF BORDENTOWN
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>
ASSETS					
Regular Fund:					
Cash--Treasurer	\$ 8,209,746	\$ 7,628,635	\$ 5,209,644	\$ 5,746,106	\$ 5,347,465
Cash--Change Fund	950	950	625	625	650
	<u>8,210,696</u>	<u>7,629,585</u>	<u>5,210,269</u>	<u>5,746,731</u>	<u>5,348,115</u>
Receivables and other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	695,558	548,458	1,492,508	509,911	431,514
Tax Title Liens Receivable	294,183	229,829	158,963	17,026	23,095
Property Acquired for Taxes-- Assessed Valuation	515,200	515,200	515,200	515,200	515,200
Revenue Accounts Receivable	64,473	51,984	37,015	42,106	235,177
Interfunds Receivable	18,928	144,894	210,628	751,719	
	<u>1,588,342</u>	<u>1,490,365</u>	<u>2,414,314</u>	<u>1,835,962</u>	<u>1,204,986</u>
Deferred Charges:					
Emergency Authorizations	-	64,754	-	-	190,010.00
Total Regular Fund	<u>9,799,038</u>	<u>9,184,704</u>	<u>7,624,583</u>	<u>7,582,693</u>	<u>6,743,111</u>
Federal and State Grant Fund:					
Federal and State Grants Receivable	2,978,157	2,991,964	473,573	478,668	187,477
Interfunds Receivable	294,348	472,276	400,271	397,452	223,960
Total Federal and State Grant Fund	<u>3,272,505</u>	<u>3,464,240</u>	<u>873,844</u>	<u>876,120</u>	<u>411,437</u>
Total Assets	<u>\$ 13,071,543</u>	<u>\$ 12,648,944</u>	<u>\$ 8,498,427</u>	<u>\$ 8,458,813</u>	<u>\$ 7,154,548</u>

(Continued)

**TOWNSHIP OF BORDENTOWN
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>
LIABILITIES, RESERVES AND FUND BALANCE					
Regular Fund:					
Appropriation Reserves	\$ 361,434	\$ 493,966	\$ 249,294	\$ 934,254	\$ 481,887
Encumbrances Payable	97,915	110,995	210,723	214,380	204,612
Accounts Payable					85,967
Payroll Deductions Payable	30,493	40,630	69,551	22,163	40,629
Reserve for Special Funds	964,070	792,209	679,947	811,561	904,307
Prepaid Taxes	670,807	634,483	346,304	1,213,053	412,929
Due to County for Added or Omitted Taxes or PILOT	88,382	123,588	217,516	17,881	49,274
Regional School Taxes Payable					66,695
Interfund Payable	655,629	768,194	484,239	484,239	314,982
Due State of New Jersey-- SBI Fingerprinting				3,252	3,252
Senior Citizen's and Veteran's Deductions	36,698	36,198	34,861	34,361	33,860
Marriage License Fees	375	275	425	350	550
Training Fees for New Construction	17,130	15,857	10,812	17,857	11,267
	<u>2,922,933</u>	<u>3,016,395</u>	<u>2,303,672</u>	<u>3,753,351</u>	<u>2,610,211</u>
Reserve for Receivables and Other Assets	1,588,342	1,490,365	2,414,314	1,835,962	1,204,986
Fund Balance	<u>5,287,763</u>	<u>4,677,944</u>	<u>2,906,597</u>	<u>1,993,380</u>	<u>2,927,914</u>
Total Regular Fund	<u>9,799,038</u>	<u>9,184,704</u>	<u>7,624,583</u>	<u>7,582,693</u>	<u>6,743,111</u>
Federal and State Grant Fund:					
Unappropriated Reserves		2,387,488		14,294	14,951
Due to General Capital		220,495	195,215		
Appropriated Reserves	3,272,505	854,482	674,690	859,914	386,421
Encumbrances Payable		1,775	3,939	1,912	10,065
Total Federal and State Grant Fund	<u>3,272,505</u>	<u>3,464,240</u>	<u>873,844</u>	<u>876,120</u>	<u>411,437</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 13,071,543</u>	<u>\$ 12,648,944</u>	<u>\$ 8,498,427</u>	<u>\$ 8,458,813</u>	<u>\$ 7,154,548</u>

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

TOWNSHIP OF BORDENTOWN
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>
Revenue and Other Income Realized:					
Fund Balance Utilized	\$ 2,158,060	\$ 2,185,000	\$ 1,215,000	\$ 2,000,000	\$ 1,250,000
Miscellaneous Revenues Anticipated	8,899,478	6,964,304	5,719,165	4,855,826	4,719,898
Receipts from Current Taxes	42,308,120	41,246,144	39,826,137	38,475,211	37,817,282
Receipts from Delinquent Taxes	504,745	1,480,100	425,907	412,031	825,477
Non-Budget Revenue	400,381	256,171	480,078	856,720	711,612
Other Credits to Income	526,263	370,715	858,371	658,632	562,473
Total Income	54,797,047	52,502,434	48,524,658	47,258,420	45,886,742
Expenditures:					
Operating	11,333,328	9,076,071	9,223,355	9,164,504	8,667,325
Deferred Charges and Statutory Expenditures	1,264,717	1,184,977	1,127,340	1,182,810	951,698
Capital Improvements	300,000	114,754	420,000	415,000	237,500
Debt Service	3,065,480	3,083,399	1,676,589	1,670,129	1,343,016
Judgments & Settlements					230,424
Emergency Authorization	64,754				
Deferred Charges to Future Taxation	79,654				
County Taxes	6,432,484	5,888,758	5,755,880	5,403,007	5,253,943
Regional School District Taxes	25,872,046	25,188,850	24,633,306	24,232,263	23,648,092
Special District Taxes	3,595,277	3,568,842	3,474,460	3,041,456	2,961,108
Creation of Reserve for:					
Due from Trust - Animal Control	18,928	144,894			
Due from Animal Control	2,250				
Other Expenditures	250	360,296	85,511	1,083,785	177,289
Total Expenditures	52,029,168	48,610,841	46,396,441	46,192,954	43,470,395
Excess in Revenue	2,767,879	3,891,593	2,128,217	1,065,466	2,416,347
Adjustments to Income Before Fund Balance:					
Expenditures Included Above Which by Statute are Deferred to Following Year	-	64,754	-	-	190,010
Statutory Excess to Fund Balance	2,767,879	3,956,347	2,128,217	1,065,466	2,606,357
Fund Balance, January 1	4,677,944	2,906,597	1,993,380	2,927,914	1,571,557
Decreased by:	7,445,823	6,862,944	4,121,597	3,993,380	4,177,914
Utilized as Revenue	2,158,060	2,185,000	1,215,000	2,000,000	1,250,000
Fund Balance December 31	\$ 5,287,763	\$ 4,677,944	\$ 2,906,597	\$ 1,993,380	\$ 2,927,914

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

TOWNSHIP OF BORDENTOWN
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>	<u>2017</u>	<u>2016</u>
ASSETS					
Animal Control Fund:					
Cash - Treasurer	\$ 26,943	\$ 2,774	\$ 7,192	\$ 7,383	\$ 19,779
Accounts Receivable	3,295	4,595	2,593		
Interfunds Receivable		906	906	453	
	<u>30,238</u>	<u>8,275</u>	<u>10,691</u>	<u>7,836</u>	<u>19,779</u>
Open Space Trust Fund:					
Cash - Treasurer	321,695	430,427	243,160	517,866	192,832
Interfunds Receivable	11,499		23,266		3,285
	<u>333,194</u>	<u>430,427</u>	<u>266,426</u>	<u>517,866</u>	<u>196,117</u>
Other Trust Funds:					
Cash - Treasurer	4,246,386	4,090,622	3,887,218	4,723,178	3,007,959
Accounts Receivable	277,871	42,168	35,895	32,887	193,756
Interfunds Receivable		152,107	59,796	21,800	
	<u>4,524,257</u>	<u>4,284,897</u>	<u>3,982,909</u>	<u>4,777,865</u>	<u>3,201,715</u>
	<u>\$ 4,887,689</u>	<u>\$ 4,723,599</u>	<u>\$ 4,260,026</u>	<u>\$ 5,303,567</u>	<u>\$ 3,417,611</u>
LIABILITIES AND RESERVES					
Animal Control Fund:					
Interfund Payable	\$ 18,928	\$ 142	\$ 141	\$ 127	\$ 17,260
Accounts Payable	137			1,897	463
Reserve for Animal Control	11,173	8,133	10,550	5,812	2,056
	<u>30,238</u>	<u>8,275</u>	<u>10,691</u>	<u>7,836</u>	<u>19,779</u>
Open Space Trust Fund:					
Encumbrances Payable	500	389	185	21,515	5,184
Interfund Payable		144,894		297,871	
Reserve - Municipal Open Space	332,694	285,144	266,241	198,480	190,933
	<u>333,194</u>	<u>430,427</u>	<u>266,426</u>	<u>517,866</u>	<u>196,117</u>
Other Trust Funds:					
Accounts Payable	2,460	2,591	5,878	1,887	10,326
Prepaid Off Duty Police Employment		6,570			
Encumbrances Payable	43,954	53,786	2,932	279,412	11,590
Reserve for Special Funds	4,477,843	4,221,949	3,974,098	4,496,566	3,179,799
	<u>4,524,257</u>	<u>4,284,897</u>	<u>3,982,909</u>	<u>4,777,865</u>	<u>3,201,715</u>
	<u>\$ 4,887,689</u>	<u>\$ 4,723,599</u>	<u>\$ 4,260,026</u>	<u>\$ 5,303,567</u>	<u>\$ 3,417,611</u>

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

**TOWNSHIP OF BORDENTOWN
TRUST - OPEN SPACE FUND**

Statements of Operations and Changes in Reserve for Future Use--Regulatory Basis

	For the Years Ended December 31,				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenue Realized:					
Amount to be Raised by Taxation	\$ 361,952	\$ 356,464	\$ 363,108	\$ 349,089	\$ 351,316
Reserves Utilized	130,427	243,160	160,182	190,933	132,192
Cancellation of Prior Year Encumbrances	6,500	14,359	21,515		
Miscellaneous Revenue	201	484	7,478	7,440	59,519
	<u>499,080</u>	<u>614,467</u>	<u>552,283</u>	<u>547,462</u>	<u>543,027</u>
Expenditures:					
Payment of Bond Principal	300,000	300,000	300,000	300,000	300,000
Reserve for Future Use	21,103	52,404	24,340	48,982	52,094
	<u>321,103</u>	<u>352,404</u>	<u>324,340</u>	<u>348,982</u>	<u>352,094</u>
Statutory Excess to Reserve for Future Use	177,977	262,063	227,943	198,480	190,933
Balance January 1	285,144	266,241	198,480	190,934	132,192
	463,121	528,304	426,423	389,414	323,125
Decreased by:					
Utilized as Revenue	130,427	243,160	160,182	190,934	132,192
Balance December 31	<u>\$ 332,694</u>	<u>\$ 285,144</u>	<u>\$ 266,241</u>	<u>\$ 198,480</u>	<u>\$ 190,933</u>

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

**TOWNSHIP OF BORDENTOWN
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> (Restated)	<u>2017</u>	<u>2016</u>
ASSETS					
Cash and Investments	\$ 8,705,250	\$ 9,052,221	\$ 8,897,563	\$ 4,271,288	\$ 7,020,168
Interfunds Receivable					20,462
Deferred Charges to Future Taxation:					
Funded	18,355,000	20,705,000	23,075,000	18,020,000	19,070,000
Unfunded	24,706,100	19,389,505	14,855,905	10,390,905	8,273,405
Due From Current Fund	98,451	142,905			
Due From Federal and State Grant Fund		220,495	195,215		
Grants Receivable	3,497,669	907,243	1,290,323	2,003,594	1,870,146
	<u>\$ 55,362,470</u>	<u>\$ 50,417,369</u>	<u>\$ 48,314,006</u>	<u>\$ 34,685,787</u>	<u>\$ 36,254,181</u>
LIABILITIES, RESERVES AND FUND BALANCE					
General Serial Bonds	\$ 18,355,000	\$ 20,705,000	\$ 23,075,000	\$ 18,020,000	\$ 19,070,000
Bond Anticipation Notes	8,903,250	4,438,250			553,000
Due To Federal and State Grant Fund	26,540				
Interfund Payable			210,628	455,003	
Improvement Authorizations:					
Funded	3,161,851	1,905,195	3,733,223	1,843,551	3,048,832
Unfunded	19,470,422	18,579,076	14,776,773	10,212,356	8,194,273
Reserve for:					
Grants Receivable	552,445	907,243	1,290,323	1,940,448	1,807,000
Encumbrances	2,041,805	1,524,863	3,375,136	874,631	2,474,998
Reserve to Payment of Debt Service	2,684,268	2,194,766	1,638,547	1,335,422	999,202
Capital Improvement Fund	67,082	162,915	214,315	4,315	26,815
Fund Balance	99,807	61	61	61	80,061
	<u>\$ 55,362,470</u>	<u>\$ 50,417,369</u>	<u>\$ 48,314,006</u>	<u>\$ 34,685,787</u>	<u>\$ 36,254,181</u>

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Bordentown ("Township"), in the County of Burlington, incorporated in 1852, is located in the center of New Jersey approximately seven miles from Trenton. The population according to the latest census is 11,367 with a land area of 10 square miles. The Township provides to its citizens the following services: public safety, sanitation, recreation, public improvements, planning and zoning and general administrative services.

The Township is governed by an elected committee ("Committee") consisting of five members who serve three-year terms. The Mayor is chief executive officer of the Township and is annually appointed by the Committee at the beginning of each fiscal year. The functions of the Committee, as the governing body, are legislative.

Administrative responsibilities are assigned to the Township Administrator. The Committee establishes policy. The Administrator is responsible for the day-to-day operations of the Township and implementing and administering policy.

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:

Bordentown Sewerage Authority
954 Farnsworth Ave
Bordentown, NJ 08505

Annual financial reports may be inspected directly at the office of the component unit during regular business hours.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Township contain all funds and account groups in accordance with the *Requirements of Audit* ("*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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

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

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

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

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

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity.

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.

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

Cash, Cash Equivalents and Investments (Cont'd) - 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.

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.

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

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

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

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

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

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington, Bordentown Regional School District and Township of Bordentown Fire Districts No. 1 and No. 2. 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 Bordentown Regional School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from January 1 to December 31. The Township does not defer any school taxes.

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

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting Fire District Taxes for Township of Bordentown Fire Districts No. 1 and No. 2. Operations is charged for the full amount required to be raised from taxation to operate the Fire Districts for the period from January 1 to December 31.

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

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

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

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

As of December 31, 2020, the Township's bank balances of \$22,377,390.10 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 250,000.00
Insured by GUDPA	19,808,552.08
Uninsured and Uncollateralized	<u>2,318,838.02</u>
Total	<u>\$ 22,377,390.10</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Apportionment of Tax Rate:					
Municipal	\$0.557	\$0.557	\$0.542	\$0.541	\$0.540
Municipal Open Space	0.030	0.029	0.030	0.030	0.030
County	0.536	0.493	0.480	0.466	0.450
Regional School District	<u>2.175</u>	<u>2.147</u>	<u>2.128</u>	<u>2.090</u>	<u>2.038</u>
Total Tax Rate (1)	<u>\$3.298</u>	<u>\$3.226</u>	<u>\$3.180</u>	<u>\$3.127</u>	<u>\$3.058</u>
Special District Rates:					
Fire District No. 1	\$0.288	\$0.277	\$0.270	\$0.260	\$0.252
Fire District No. 2	0.266	0.273	0.274	0.220	0.213

(1) Excludes Special District Rates

Assessed Valuation

<u>Year</u>	<u>Assessed Valuation</u>
2020	\$ 1,189,011,386.00
2019	1,173,483,390.00
2018	1,157,607,035.00
2017	1,159,322,203.00
2016	1,160,103,244.00

Note 3: PROPERTY TAXES (CONT'D)

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

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy (Net of Appeals)</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2020	\$ 43,038,365.52	\$ 42,308,119.97	98.30%
2019	41,847,393.79	41,246,144.06	98.56%
2018	41,393,070.17	39,826,136.89	96.21%
2017	39,047,532.85	38,475,210.67	98.53%
2016	38,234,984.13	37,817,282.33	98.91%

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	\$ 294,183.03	\$ 695,557.78	\$ 989,740.81	2.30%
2019	229,828.66	548,458.45	778,287.11	1.86%
2018	158,963.07	1,492,507.70	1,651,470.77	3.99%
2017	17,026.45	509,910.60	526,937.05	1.35%
2016	23,094.99	431,513.68	454,608.67	1.19%

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

<u>Year</u>	<u>Number of Tax Title Liens Receivable</u>
2020	11
2019	13
2018	14
2017	6
2016	4

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2020	\$ 515,200.00
2019	515,200.00
2018	515,200.00
2017	515,200.00
2016	515,200.00

Note 5: FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available in the Current Fund 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	\$ 5,287,763.33	\$ 875,000.00	16.55%
2019	4,677,943.81	2,158,060.00	46.13%
2018	2,906,597.32	2,185,000.00	75.17%
2017	1,993,379.77	1,215,000.00	60.95%
2016	2,927,914.96	2,000,000.00	68.31%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 18,928.24	\$ 655,629.21
Federal and State Grant Fund	294,347.68	
Trust-Animal Control		18,928.24
Trust-Other Funds	277,871.24	
Truth-Open Space	11,499.36	
Capital Fund	98,450.93	26,540.00
	<u>\$ 701,097.45</u>	<u>\$ 701,097.45</u>

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

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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 14.44% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, 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 \$249,354.00, 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 \$220,270.00, which was paid by April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$132,308.66.

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 34.59% 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 \$778,194.00, 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 \$664,299.00, which was paid by April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$224,975.90.

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 4.78% 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 \$107,488.00, 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 \$85,627.00, 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, there were no employees participating in DCRP.

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 \$3,717,092.00. 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 .0227939211%, which was an increase of .0001488333% 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 \$249,209.00. 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 \$220,270.00, 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	\$ 9,000,676.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>1,396,864.00</u>
	<u>\$ 10,397,540.00</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 .0696575638%, which was an increase of .0038925869% 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 .0696575638%, which was an increase of .0038925869% 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 \$917,258.00. 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 \$664,299.00, 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 \$158,307.00. 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		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 67,682.00	\$ 90,742.00	\$ 158,424.00	\$ 13,145.00	\$ 32,302.00	\$ 45,447.00
Changes of Assumptions	120,587.00	22,650.00	143,237.00	1,556,382.00	2,413,027.00	3,969,409.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	127,053.00	527,752.00	654,805.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	491,682.00	1,707,054.00	2,198,736.00	255,820.00	422,176.00	677,996.00
Township Contributions Subsequent to the Measurement Date	124,677.00	389,097.00	513,774.00	-	-	-
	<u>\$ 931,681.00</u>	<u>\$ 2,737,295.00</u>	<u>\$ 3,668,976.00</u>	<u>\$ 1,825,347.00</u>	<u>\$ 2,867,505.00</u>	<u>\$ 4,692,852.00</u>

Deferred outflows of resources in the amounts of \$124,677.00 and \$389,097.00 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 other deferred outflows 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 Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2021	\$ (379,618.00)	\$ (489,805.00)	\$ (869,423.00)
2022	(376,610.00)	(280,919.00)	(657,529.00)
2023	(175,755.00)	(2,281.00)	(178,036.00)
2024	(66,147.00)	234,514.00	168,367.00
2025	(20,213.00)	19,184.00	(1,029.00)
	<u>\$ (1,018,343.00)</u>	<u>\$ (519,307.00)</u>	<u>\$ (1,537,650.00)</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: ⁽¹⁾		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

⁽¹⁾ based on years of service

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 4,679,199.00</u>	<u>\$ 3,717,092.00</u>	<u>\$ 2,900,718.00</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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 11,969,046.00	\$ 9,000,676.00	\$ 6,535,218.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>1,857,541.00</u>	<u>1,396,864.00</u>	<u>1,014,236.00</u>
	<u>\$ 13,826,587.00</u>	<u>\$ 10,397,540.00</u>	<u>\$ 7,549,454.00</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	0.0227939211%	0.0226450878%	0.0198378987%	0.0222659233%
Township's Proportionate Share of the Net Pension Liability	\$ 3,717,092.00	\$ 4,080,301.00	\$ 3,905,983.00	\$ 5,183,151.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,605,784.00	\$ 1,588,168.00	\$ 1,353,592.00	\$ 1,524,500.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	231.48%	256.92%	288.56%	339.99%
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	0.0213569395%	0.0204036886%	0.0179287412%	0.0180858254%
Township's Proportionate Share of the Net Pension Liability	\$ 6,325,313.00	\$ 4,580,219.00	\$ 3,356,502.00	\$ 3,456,561.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,431,748.00	\$ 1,234,980.00	\$ 1,170,896.00	\$ 1,213,268.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	441.79%	370.87%	286.66%	284.90%
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	\$ 249,354.00	\$ 220,270.00	\$ 197,323.00	\$ 206,270.00
Township's Contribution in Relation to the Contractually Required Contribution	\$ (249,354.00)	\$ (220,270.00)	(197,323.00)	(206,270.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,727,103.00	\$ 1,634,155.00	\$ 1,581,027.00	\$ 1,433,721.00
Township's Contributions as a Percentage of Covered Payroll	14.44%	13.48%	12.48%	14.39%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 189,732.00	\$ 175,417.00	\$ 147,791.00	\$ 136,273.00
Township's Contribution in Relation to the Contractually Required Contribution	(189,732.00)	(175,417.00)	(147,791.00)	(136,273.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,495,628.00	\$ 1,411,198.00	\$ 1,283,427.00	\$ 1,189,360.00
Township's Contributions as a Percentage of Covered Payroll	12.69%	12.43%	11.52%	11.46%

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)*

	<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	0.0696575638%	0.0657649769%	0.0569478360%	0.0625128205%
Township's Proportionate Share of the Net Pension Liability	\$ 9,000,676.00	\$ 8,048,199.00	\$ 7,705,981.00	\$ 9,650,771.00
State's Proportionate Share of the Net Pension Liability associated with the Township	1,396,864.00	1,270,826.00	1,046,730.00	1,080,968.00
Total	<u>\$ 10,397,540.00</u>	<u>\$ 9,319,025.00</u>	<u>\$ 8,752,711.00</u>	<u>\$ 10,731,739.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 2,403,524.00	\$ 2,215,648.00	\$ 1,889,272.00	\$ 2,023,520.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	374.48%	363.24%	407.88%	476.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	<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	0.0563235786%	0.0566224423%	0.0512673947%	0.0508483163%
Township's Proportionate Share of the Net Pension Liability	\$ 10,759,244.00	\$ 9,431,325.00	\$ 6,448,963.00	\$ 6,759,825.00
State's Proportionate Share of the Net Pension Liability associated with the Township	903,510.00	827,096.00	694,445.00	630,098.00
Total	<u>\$ 11,662,754.00</u>	<u>\$ 10,258,421.00</u>	<u>\$ 7,143,408.00</u>	<u>\$ 7,389,923.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,800,240.00	\$ 1,793,128.00	\$ 1,685,872.00	\$ 1,551,388.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	597.66%	525.97%	382.53%	435.73%
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	\$ 778,194.00	\$ 664,299.00	\$ 556,749.00	\$ 553,250.00
Township's Contribution in Relation to the Contractually Required Contribution	(778,194.00)	(664,299.00)	(556,749.00)	(553,250.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,249,759.00	\$ 2,403,877.00	\$ 2,201,025.00	\$ 1,936,569.00
Township's Contributions as a Percentage of Covered Payroll	34.59%	27.63%	25.29%	28.57%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 459,229.00	\$ 460,256.00	\$ 393,769.00	\$ 370,978.00
Township's Contribution in Relation to the Contractually Required Contribution	(459,229.00)	(460,256.00)	(393,769.00)	(370,978.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,024,689.00	\$ 1,854,013.00	\$ 1,843,205.00	\$ 1,684,852.00
Township's Contributions as a Percentage of Covered Payroll	22.68%	24.82%	21.36%	22.02%

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

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the OPEB Plan (Cont'd)**

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

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

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

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

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.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the OPEB Plan (Cont'd)****Contributions (Cont'd)**

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

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

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township, is not known, however, under the Special Funding Situation, the State's OPEB (benefit) expense, on-behalf of the Township, is \$103,189.00 for the year ended December 31, 2019 representing 4.29% of the Township's covered payroll.

OPEB Liability and OPEB (Benefit) Expense

OPEB Liability - At December 31, 2019 the State's proportionate Share of the Net OPEB liability associated with the Township is \$7,784,798.00. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The 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 .140883% which was a decrease of .003402% from its proportion measured as of the June 30, 2018 measurement date.

OPEB (Benefit) Expense - At December 31, 2019, the State's proportionate share of the OPEB (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2019 measurement date, is \$103,189.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 8: 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:	
Not Applicable Under Special Funding Situation	
PFRS:	
Rate for all Years	3.25% to 15.25%

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

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

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

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

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

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 8: 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 the Township's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2019, the Plan's measurement date, calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>\$ 9,001,207.00</u>	<u>\$ 7,784,798.00</u>	<u>\$ 6,796,305.00</u>

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>\$ 6,569,410.00</u>	<u>\$ 7,784,798.00</u>	<u>\$ 9,335,230.00</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 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Supplementary OPEB Information

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

Schedule of the State's Proportionate Share of the net OPEB Liability Associated with the Township (Last Three 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	0.000000%	0.000000%	0.000000%
State's Proportion of the Net OPEB Liability Associated with the Township	100.000000%	100.000000%	100.000000%
	<u>100.000000%</u>	<u>100.000000%</u>	<u>100.000000%</u>
Township's Proportionate Share of the Net OPEB Liability \$	-	-	-
State's Proportionate Share of the Net OPEB Liability Associated with the Township	7,784,798.00	8,965,646.00	11,558,465.00
Total	<u>\$ 7,784,798.00</u>	<u>\$ 8,965,646.00</u>	<u>\$ 11,558,465.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 2,320,564.00	\$ 2,049,232.00	\$ 1,989,988.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	335.470%	437.512%	580.831%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

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

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

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Other Notes to Supplementary OPEB Information (Cont'd)****Changes in Assumptions**

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

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

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

Note 9: 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.

The Township compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated. There is a maximum pay-out of fifty days' pay, and is paid at the rate of pay upon termination or retirement up to \$12,000.00 for Police Officers and \$7,500.00 for all other employees.

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 \$411,347.23.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 11: LEASE OBLIGATIONS

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

Operating:
Six Photocopy Machines
One Postage Machine

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

<u>Year</u>	<u>Amount</u>
2021	\$ 21,985.08
2022	4,228.95
	<u>\$ 26,214.03</u>

Rental payments under operating leases for the year 2020 were \$21,985.08.

Note 12: CAPITAL DEBT**General Obligation Bonds**

General Obligation Bonds, Series 2009 - On February 10, 2009, the Township issued \$4,000,000.00 in general obligation bonds, with interest rates ranging from 3.25% to 4.00%. The bonds were issued to finance the acquisition of various properties within the Township for the purpose of preserving open space. The final maturity of the bonds was scheduled to be February 15, 2028, however due to the partial defeasance made by the Township in 2019, the final payment is now February 15, 2024.

General Obligation Refunding Bonds, Series 2014 - On April 17, 2014, the Township issued \$8,181,000.00 in general obligation bonds, with interest rates ranging from 2.00% to 4.00%. The bonds were issued for the purpose of financing the cost of various capital improvements. The final maturity of the bonds is March 1, 2042.

General Obligation Bonds, Series 2016 - On June 1, 2016, the Township issued \$6,010,000.00 in general obligation bonds, with interest rates ranging from 1.00% to 3.00%. The bonds were issued for the purpose of financing the cost of various capital improvements. The final maturity of the bonds is March 1, 2041.

General Obligation Bonds, Series 2018 - On August 1, 2018, the Township issued \$6,175,000.00 in general obligation bonds, with a 3.00% rate of interest. The bonds were issued for the purpose of financing the cost of various capital improvements. The final maturity of the bonds is August 1, 2033.

Burlington County Bridge Commission – Guaranteed Pooled Loan Revenue Refunding Bonds

On March 11, 2013, the Township entered into a guaranteed pooled loan agreement with the Burlington County Bridge Commission with interest rates ranging from 2.00% to 5.00%. The proceeds were used to advance refund a 2004 loan with the Burlington County Bridge Commission. The final maturity of the loan is December 1, 2024.

Note 12: CAPITAL DEBT (CONT'D)**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,260,000.00	\$ 548,106.28	\$ 1,808,106.28
2022	1,295,000.00	509,506.28	1,804,506.28
2023	1,345,000.00	469,831.27	1,814,831.27
2024	1,395,000.00	428,331.26	1,823,331.26
2025	1,390,000.00	381,781.26	1,771,781.26
2026-2030	5,760,000.00	1,388,765.66	7,148,765.66
2031-2035	3,820,000.00	661,381.25	4,481,381.25
2036-2040	1,420,000.00	273,775.00	1,693,775.00
2041-2042	670,000.00	25,675.00	695,675.00
	<u>\$ 18,355,000.00</u>	<u>\$ 4,687,153.26</u>	<u>\$ 23,042,153.26</u>

Summary of Debt

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

Issued	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
General:			
Bonds and Notes	\$ 27,258,250.00	\$ 25,143,250.00	\$ 23,075,000.00
Authorized and Not Issued			
General:			
Bonds and Notes	<u>15,802,850.00</u>	<u>14,951,255.02</u>	<u>14,855,905.00</u>
Total Issued and Authorized and Not Issued	<u>43,061,100.00</u>	<u>40,094,505.02</u>	<u>37,930,905.00</u>
Deductions			
Funds Temporarily Held to Pay Bonds and Notes	2,684,267.58	2,194,765.98	1,638,547.24
Accounts Receivable Applicable to the Payment of Gross Debt	<u>3,533,300.00</u>	<u>3,837,242.55</u>	<u>1,290,322.55</u>
Total Deductions	<u>6,217,567.58</u>	<u>6,032,008.53</u>	<u>2,928,869.79</u>
Net Debt	<u>\$ 36,843,532.42</u>	<u>\$ 34,062,496.49</u>	<u>\$ 35,002,035.21</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 2.577%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 20,737,714.40	\$ 20,737,714.40	
General	43,061,100.00	6,217,567.58	\$ 36,843,532.42
	<u>\$ 63,798,814.40</u>	<u>\$ 26,955,281.98</u>	<u>\$ 36,843,532.42</u>

Net Debt \$36,843,532.42 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,429,725,859.33 equals 2.577%.

3.5% of Equalized Valuation Basis (Municipal)	\$ 50,040,405.08
Net Debt	<u>36,843,532.42</u>
Remaining Borrowing Power	<u>\$ 13,196,872.66</u>

Revised Annual Debt Statements should be filed by the Chief Financial Officer.

Note 13: 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>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Expenses Paid</u>	<u>Ending Balance</u>
2020	\$ 6,893.97	\$ 43.03	\$ 1,014.73	\$ 88,028.53
2019	7,130.43		3,464.74	82,106.26
2018	7,076.86		1,900.16	78,440.57

Note 13: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The Township is a member of several joint insurance funds. The Township maintains the following funds and coverage:

Statewide Excess Liability Fund – Umbrella Liability Coverage
Statewide Workers' Compensation Fund – Workers' Compensation Coverage

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

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

Burlington County Municipal Joint Insurance Fund
6000 Sagemore Drive, Suite 6203
Marlton, New Jersey 08053

Note 14: 1986 SERVICE CONTRACT

The Township entered into a service contract with the Bordentown Sewerage Authority and the City of Bordentown. Under the 1986 Service Contract, should certain items of expense exceed certain items of receipts during any fiscal year, then upon certification by the Authority to the City and Township not later than January 15, next succeeding the completion of such fiscal year of the amount of such excess, each municipality is obligated to pay to the Authority its proportionate share of such excess in an amount to be computed in accordance with the 1986 Service Contract.

At any time after five years from the date of the 1986 Service Contract, and after the payment in full of all obligations of the Authority, including all outstanding bonds, the 1986 Service Contract, upon two years notice to the Authority and to each of the municipalities, may be terminated by the Authority or either municipality.

Note 15: OPEN SPACE PRESERVATION TRUST

On November 2, 1999, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Bordentown Open Space Preservation Trust Fund effective January 1, 2000, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of open space. As a result, the Township levies a tax not to exceed three cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Bordentown Open Space Preservation Trust Fund.

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: 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 of Bordentown's population is less than 50,000, LFRF funds will pass through the State of New Jersey.

The Township has been allocated \$1,247,021.16 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 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 18: SUBSEQUENT EVENTS (CONT'D)

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

<u>Ordinance #</u>	<u>Purpose</u>	<u>Introduction</u>	<u>Authorization</u>
2021-07	Various Capital Improvements	May 24, 2021	<u>\$ 3,728,750.00</u>

Cancellation of Debt - Subsequent to December 31, the Township introduced an ordinance to cancel bonds and notes previously authorized as follows:

<u>Ordinance #</u>	<u>Purpose</u>	<u>Introduction</u>	<u>Cancellation</u>
2021-06	Cancellation of Ordinance 2011-22, as amended by Ordinance 2018-15	May 24, 2021	<u>\$ 14,773,000.00</u>

APPENDIX C

Form of Bond Counsel's Opinion

FORM OF OPINION OF BOND COUNSEL

§ _____
**TOWNSHIP OF BORDENTOWN, IN THE COUNTY OF BURLINGTON, NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2021**

September __, 2021

Township Committee of
The Township of Bordentown, in the
County of Burlington, New Jersey

To the Mayor and Township Committee Members,

The Township of Bordentown, in the County of Burlington, New Jersey (the “Township”), has authorized the issuance of \$ _____ principal amount of General Obligation Bonds (the “Bonds”), for the purpose of providing funds for certain general capital improvements within the Township and to currently refund the Township’s \$8,903,250 Bond Anticipation Notes, 2020 Series A. The Bonds are dated their date of delivery, and bear interest, mature and are subject to redemption at the times, in the manner and upon the terms set forth in the Bonds.

The Bonds are issued pursuant to (i) the Local Bond Law of the State of New Jersey constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962, as amended (the “Local Bond Law”), (ii) Ordinance Nos. 2019-08, 2019-12, 2020-17, 2020-23 and 2021-07, duly and finally adopted by the Township Committee of the Township in accordance with the Local Bond Law (the “Ordinances”), and (iii) a bond resolution adopted by the Township Committee of the Township on August 16, 2021 (the “Resolution”).

As Bond Counsel for the Township, we have examined the proceedings relating to the authorization and issuance of the Bonds, including, among other things: (a) certified copies of the Ordinances; (b) proofs of publication of legal notices relating to the enactment of the Ordinances; (c) a certificate of the Solicitor to the Township; and (d) certificates of Township officials as to material factual matters, including a certificate of the Township pursuant to the federal income tax laws and regulations applicable to the Bonds. In rendering our opinion, we have relied upon the genuineness, authenticity, truthfulness and completeness of all documents, records and other instruments examined. As to any facts material to our opinion, we have, when such facts were not independently established, relied upon the aforesaid instruments, certificates and documents without undertaking to verify the same by independent investigation.

From our examination of the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized, issued and sold by the Township and constitute legal, valid and binding obligations of the Township, enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency or other similar laws or equitable principles affecting the rights and remedies of creditors.

2. The Township has pledged its full faith, credit and taxing power for the punctual payment of the principal of and interest on the Bonds and, unless paid from other sources, such principal and interest is payable from *ad valorem* taxes levied upon all taxable property within the Township without limitation as to rate or amount.

3. The interest on the Bonds and any gain from the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

4. Under existing law as enacted and construed on the date hereof and assuming the accuracy of the certifications of the Township being delivered in connection with the issuance of the Bonds and continuing compliance by the Township with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order for interest thereon to be excluded from gross income for federal income tax purposes, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not an item of tax preference for purposes of the federal individual alternative minimum tax.

Except as expressly stated above, we express no opinion regarding any other federal, state or local tax consequences relating in any way to the Bonds or the receipt of interest thereon. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of purchasing, owning, carrying or disposing of the Bonds and the treatment of the accrual or receipt of interest on the Bonds.

No opinions may be inferred or implied beyond the matters expressly stated herein, and our opinions expressed herein must be read in conjunction with the assumptions, limitations, exceptions and qualifications set forth herein.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated September __, 2021 or any other offering material relating to the Bonds.

The opinions set forth above are given solely as of the date hereof and are based upon the laws and reported judicial decisions as they exist and are construed as of the date hereof. We do not undertake to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX D

Form of Continuing Disclosure Agreement

**TOWNSHIP OF BORDENTOWN
IN THE COUNTY OF BURLINGTON, NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2021**

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the Township of Bordentown, in the County of Burlington, New Jersey (the “Issuer”) in connection with the issuance by the Issuer of its General Obligation Bonds, Series 2021 (the “Bonds”). The Issuer covenants and agrees as follows:

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

SECTION 2. Definitions. Unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

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

“Bondholder” shall mean any person who is the registered owner of any Bond, including Beneficial Owners of the Bonds.

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

“EMMA” shall mean the Electronic Municipal Market Access System maintained by the MSRB at <http://emma.msrb.org/>, which serves as the sole nationally recognized municipal securities information repository under the Rule.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor organization.

“Repository” shall mean each nationally recognized municipal securities information repository under the Rule. **As of the date hereof, the Securities and Exchange Commission**

has appointed the MSRB through EMMA to act as the sole Repository. Any information filed in connection with this Disclosure Agreement shall be filed with EMMA at <http://emma.msrb.org/>, and any future Repository as may be required under the Rule.

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

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

“State” shall mean the State of New Jersey.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of the Issuer’s fiscal year, commencing with the report for the fiscal year ending December 31, 2021, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Prior to the date specified in subsection (a) for providing the Annual Report, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Repository in substantially the form attached as Exhibit A.

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

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

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

audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The financial information and operating data set forth in the Official Statement dated September 14, 2021 prepared in connection with the sale of the Bonds under the following captions: “Ten Largest Taxpayers,” “Current Tax Collections,” “Delinquent Taxes,” “Tax Title Liens,” “Net Assessed Valuations and Annual Tax Rates,” “Ratio of Assessed Valuation to True Value and True Value Per Capita,” “Real Property Classification,” “Statement of Indebtedness,” “Debt Ratios and Valuations” and “Township Borrowing Capacity”.

SECTION 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (“Listed Events”) with respect to the Bonds, as applicable:

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 Bondholders, if material;
8. Bond calls (excluding mandatory sinking fund redemption), if material, or tender offers;
9. defeasances.
10. release, substitution or sale of property securing repayment of the Bonds;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the obligated

person;

13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall (i) within ten (10) Business Days of the occurrence of any of the Listed Events, provide notice to the Repository, or (ii) if a Dissemination Agent is appointed, within five (5) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of any of the Listed Events specified in clauses (2), (7), (8), (10), (13), (14) or (15) of subsection (a) of this Section 5, the Issuer may, but shall not be required to, rely conclusively on an Opinion of Counsel. The Dissemination Agent shall have no obligation under this Disclosure Agreement to provide, or to monitor the Issuer's obligation to provide, notification of the occurrence of any of the Listed Events which are material.

(c) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Repository within five (5) Business Days of the receipt of such instruction and no later than ten (10) Business Days from the date of the occurrence of the Listed Event, with a copy of such notice provided by the Dissemination Agent to the Issuer.

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

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a

successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement. The Issuer has appointed Phoenix Advisors, LLC, as the initial Dissemination Agent hereunder.

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

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

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

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

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

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

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

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

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

This Disclosure Agreement is executed and delivered by the Issuer this 23rd day of September, 2021.

TOWNSHIP OF BORDENTOWN, IN THE
COUNTY OF BURLINGTON, NEW JERSEY

By: _____
Laurie Finger
Chief Financial Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: TOWNSHIP OF BORDENTOWN, IN THE
COUNTY OF BURLINGTON, NEW JERSEY

Name of Bond Issue: GENERAL OBLIGATION BONDS, SERIES 2021

Date of Issuance: September 23, 2021

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Agreement dated September 23, 2021. The Issuer anticipates that the Annual Report will be filed by

_____.

Dated:

TOWNSHIP OF BORDENTOWN, IN THE
COUNTY OF BURLINGTON, NEW JERSEY

By: _____