

This is a Preliminary Official Statement "deemed final" within the meaning of and with the exception of certain information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission. The Township will deliver a final Official Statement in compliance with Rule 15c2-12. This Preliminary 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 by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

**PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 26, 2022**

In the opinion of Malamut & Associates, LLC, Bond Counsel to the Township, based on certifications of the Township (as hereinafter defined) and assuming continuing compliance with their respective covenants pertaining to provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and subject to certain provisions of the Code which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Bonds (as hereinafter defined), interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference for purposes of calculating the alternative minimum tax. In the opinion of Bond Counsel, interest on the Bonds and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein for a full discussion.

**\$14,565,000\***  
**TOWNSHIP OF MOUNT LAUREL**  
**IN THE COUNTY OF BURLINGTON,**  
**NEW JERSEY**  
**GENERAL OBLIGATION BONDS, SERIES 2022**  
**(Book-Entry-Only) (Callable)**

The Township of Mount Laurel, County of Burlington, New Jersey ("Township") is issuing \$14,565,000\* aggregate principal amount of its General Obligation Bonds, Series 2022 ("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 respective February 15 maturity dates upon presentation and surrender of the Bonds at the offices of the Township, as paying agent ("Paying Agent"). Interest on the Bonds is payable semi-annually on February 15 and August 15 ("Interest Payment Dates"), commencing August 15, 2022 in each year until maturity or earlier redemption thereof. The Bonds are subject to redemption prior to their stated maturity dates on the terms and conditions set forth herein.

Upon initial issuance, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("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 Direct Participants (as hereinafter defined) which will, in turn, remit such payments to the Beneficial Owners (as hereinafter 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 Direct 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) bond ordinances 2019-20, 2020-10, and 2021-13 ("Bond Ordinances"), duly and finally adopted by the Township and published in accordance with the requirements of the Local Bond Law; (iii) Resolution 22-R-55 adopted by the Township on January 24, 2022; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on February 2, 2022.

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

**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 of 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 Malamut & Associates, LLC, Cherry Hill, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by George M. Morris, Esquire, Solicitor. Phoenix Advisors, LLC, Bordentown, New Jersey, has acted as Municipal Advisor to the Township in connection with the issuance of the Bonds. It is anticipated that the Bonds in definitive form will be available for delivery, in immediately available funds, through DTC in New York, New York on or about February 17, 2022.

\* Preliminary, subject to change.

## MATURITY SCHEDULE

**\$14,565,000\***

### GENERAL OBLIGATION BONDS, SERIES 2022

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2023	\$450,000	%	%	
2024	805,000			
2025	825,000			
2026	845,000			
2027	860,000			
2028	880,000			
2029	900,000			
2030	900,000			
2031	900,000			
2032	900,000			
2033	900,000			
2034	900,000			
2035	900,000			
2036	900,000			
2037	900,000			
2038	900,000			
2039	900,000			

\* Preliminary, subject to change.

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

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, NEW JERSEY**

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**Mayor and Township Council  
Kareem Pritchett, Mayor  
Stephen Steglik, Deputy Mayor  
Nikitas Moustakas, Esq.  
Fozia Janjua  
Karen Cohen**

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**Township Manager  
Meredith Tomczyk**

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**Chief Financial Officer  
Tara Krueger**

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**Solicitor  
George M. Morris, Esquire  
Mount Laurel, New Jersey**

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**Auditor  
Mercadien, P.C.  
Princeton, New Jersey**

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**Accountant  
Bowman & Company LLP  
Voorhees, New Jersey**

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**Bond Counsel  
Malamut & Associates, LLC  
Cherry Hill, New Jersey**

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**Municipal Advisor  
Phoenix Advisors, LLC  
Bordentown, New Jersey**

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor 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.

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

IN CONNECTION WITH THIS OFFERING, THE 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 this Official Statement, including the Appendices, must be considered in its entirety.**

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**OFFICIAL STATEMENT**

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**\$14,565,000\***  
**TOWNSHIP OF MOUNT LAUREL**  
**IN THE COUNTY OF BURLINGTON,**  
**NEW JERSEY**  
**GENERAL OBLIGATION BONDS,**  
**SERIES 2022**  
**(Book-Entry-Only) (Callable)**

**INTRODUCTION**

This Official Statement, including the cover page and Appendices hereto, is to provide certain information relating to the issuance by the Township of Mount Laurel, County of Burlington, New Jersey ("Township") of its \$14,565,000\* aggregate principal amount of General Obligation Bonds, Series 2022 ("Bonds").

**AUTHORIZATION FOR THE BONDS**

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2019-20, 2020-10, and 2021-13 (collectively, the "Bond Ordinances"), duly and finally adopted by the Township and published in accordance with the requirements of the Local Bond Law; (iii) Resolution 22-R-55 adopted by the Township on January 24, 2022; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on the date hereof.

**PURPOSE OF THE ISSUE**

Proceeds from the sale and issuance of the Bonds will be used by the Township to: (i) currently refund the Township's \$9,675,000 Bond Anticipation Note, dated and issued on April 1, 2021 and maturing on February 18, 2022 (the "2021A Bond Anticipation Notes"), (ii) provide \$4,890,000 in new money to finance various capital improvements; and (iii) provide funds for the costs incurred in connection with the authorization, sale and issuance of the Bonds.

\* Preliminary, subject to change.

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

<b>Bond Ordinance</b>	<b>Purpose/ Improvement</b>	<b>Original Amount Authorized</b>	<b>Prior Notes Outstanding</b>	<b>Bonds to be Issued</b>
2019-20	Various Capital Improvements	\$5,172,309	\$5,172,000	\$5,172,000
2020-10	Various Capital Improvements	5,700,000	4,503,000	4,503,000
2021-13	Various Capital Improvements	4,892,500	0	4,890,000
<b>TOTAL</b>		<b>\$15,764,809</b>	<b>\$9,675,000</b>	<b>\$14,565,000</b>

## **DESCRIPTION OF THE BONDS**

### **General**

The Bonds will be issued in the aggregate principal amount of \$14,565,000\*.

The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds is payable semi-annually on February 15 and August 15 (each an "Interest Payment Date" and collectively, "Interest Payment Dates"), commencing August 15, 2022, in each year until maturity or earlier redemption thereof. Individual purchases of the Bonds may be made in the principal amount of \$5,000, or any integral multiple of \$5,000, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds, through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See "DESCRIPTION OF THE BONDS--Book-Entry-Only System" below. The Bonds will mature on February 15 in the years and in the principal amounts, all as shown on the inside front cover page of this Official Statement.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the offices of the Township, as paying agent for the Bonds ("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 first (1st) day of the calendar month containing an Interest Payment Date (each a "Record Date").

\* Preliminary, subject to change.

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

## **Redemption Provisions**

The Bonds maturing prior to February 15, 2030 are not subject to redemption prior to maturity. The Bonds maturing on or after February 15, 2030 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 February 15, 2029, 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 shall be given by mailing first class mail in a sealed envelope with postage pre-paid not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the owner of every Bond of which all or a portion is to be redeemed at his or her last address, if any, appearing on the registration books of the Paying Agent. So long as the Bonds are issued in book-entry-only form, all notices of redemption will be sent only to DTC or any successor, and will not be sent to the beneficial owners of the Bonds. Failure of an owner of the Bonds to receive such notice or of DTC to advise any participant or any failure of a participant to notify any beneficial owner of the Bonds shall not affect the validity of any proceedings for the redemption of Bonds. Such notice shall specify: (i) the series and maturity of the Bonds to be redeemed; (ii) the redemption date and the place or places where amounts that are due and payable upon such redemption will be payable; (iii) if less than all of the Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the Bonds to be redeemed; (iv) in the case of a Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (v) that on the redemption date there shall become due and payable with respect to each Bond or portion thereof to be redeemed the redemption price; and (vi) that from and after the redemption date interest on such Bond or portion thereof to be redeemed shall cease to accrue and be payable.

## **Book-Entry-Only System <sup>1</sup>**

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

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<sup>1</sup> Source: The Depository Trust Company



Accordingly, the Township does not make any representations as to the completeness or accuracy of such information.

The DTC will act as securities depository for the 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 issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

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 the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

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

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

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

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

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

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

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

## **SECURITY FOR THE BONDS**

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

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

## **GENERAL INFORMATION REGARDING THE TOWNSHIP**

### **General**

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

### **Financial**

Appendix "B" to this Official Statement contains audited financial statements of the Township for the year ended December 31, 2020 with selected comparative information for 2019. Copies of the entire completed Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

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

### **Local Bond Law**

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

conclusively presumed to be fully authorized and issued by all of the laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery.

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

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

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

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

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

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

## **Local Fiscal Affairs Law**

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

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

An independent examination of the Township's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the New Jersey State Board of Accountancy. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 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 local unit file annually with the Director a verified statement of the financial condition of the local unit as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end local units and August 10 for June 30 fiscal year end local units. The statutory filing deadline of the Annual Compiled Financial Statement for the year ended December 31, 2021 has been extended, by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, to March 4, 2022.

## **Local Budget Law**

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

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

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

Each local governmental unit must include in its budget an appropriation for the payment of debt service. The Director is required to examine such appropriation to

determine whether it is properly set forth, in addition to determining whether all estimates of revenue contained in the budget are reasonable, accurate and correctly stated.

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

Additionally, legislation constituting P.L. 2010, c. 44, was adopted on July 13, 2010 (S-29R1), which, among other things, imposes a two percent (2%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments.

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (*C.52:14-17.25 et seq.*), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the "Cap Law" (specifically, *N.J.S.A. 40A:4-45-46*) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2%) tax levy cap. Such

approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

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

### **Miscellaneous Revenues**

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

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

### **Real Estate Taxes**

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

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

*N.J.S.A.* 40A:4-41 provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount



which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of such preceding fiscal year."

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

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

### **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 and, although subaccounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

### **Capital Budget**

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

## **Related Constitutional and Statutory Provisions**

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

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

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

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

## **Rights and Remedies of Owners of Bonds**

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

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

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

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

### **Limitation of Remedies Under Federal Bankruptcy Code**

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

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

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

THE SUMMARIES OF AND REFERENCES TO THE STATE CONSTITUTION AND OTHER STATUTORY PROVISIONS ABOVE ARE NOT AND SHOULD NOT BE CONSTRUED AS COMPREHENSIVE OR DEFINITIVE. ALL REFERENCES TO SUCH DOCUMENTS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PARTICULAR DOCUMENT, THE FULL TEXT OF WHICH MAY CONTAIN QUALIFICATIONS OF AND EXCEPTIONS TO STATEMENTS MADE HEREIN.

## **TAXATION**

### **Procedure for Assessment and Collection of Taxes**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. The last complete revaluation of property within the Township was in 2013 effective for the 2014 tax year.

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

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under New Jersey Statutes. Additionally, a 6% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. Tax liens retained by the Township are periodically assigned to the Township Solicitor for "in rem foreclosures" in order to acquire title to these properties.

### **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.

## TAX MATTERS

In the opinion of Malamut & Associates, LLC, Bond Counsel to the Township, assuming continuing compliance by the Township with its respective covenants pertaining to provisions of the Internal Revenue Code of 1986, as amended (the "Code"), pertaining to the issuance of the Bonds, and subject to certain provisions of the Code that are described below, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, and will not be treated as an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations. In the opinion of Bond Counsel to the Township, interest on the Bonds and any gain from the sale thereof are excludable from gross income of the owners thereof under the New Jersey Gross Income Tax Act.

The Code contains a number of provisions that apply to the Bonds, including restrictions relating to the use or investment of the proceeds of the Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Bonds being includable in gross income for federal income tax purposes retroactive on the date of issuance of the Bonds. The Township has covenanted in the Leases to comply with these requirements. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to the changes in the law after the date of issuance of the Bonds that may affect the tax-exempt status of the interest thereon.

The Code imposes an alternative minimum tax on individuals and corporations. Interest received with respect to certain types of private activity bonds issued after August 7, 1986 is considered a tax preference subject to the alternative minimum tax. As the Bonds are not private activity bonds, interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

Section 265(b) of the Code generally denies to banks, thrift institutions and other financial institutions any deduction for that portion of interest expense incurred or continued to purchase or carry tax-exempt obligations.

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

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

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

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

### **Original Issue Premium**

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

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

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain

Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

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

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

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

### **State Taxation**

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

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

## **LITIGATION**

Upon delivery of the Bonds, the Township shall furnish an opinion of its Solicitor, George M. Morris, Esquire, Mount Laurel, New Jersey, dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending, 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. In addition, such opinion shall state that there is no litigation of any nature now pending 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.

## **CERTAIN RISK FACTORS**

### **Recent Healthcare Developments**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (“Coronavirus” or “COVID-19”), which was first detected in China and has spread to other countries, including the United States, has been declared a pandemic by the World Health Organization, a national emergency by the President of the United States (“President”) and a state of emergency by the Governor of the State (“Governor”).

In response, the President declared a national emergency on March 13, 2020. Additionally, on March 9, 2020, the Governor issued Executive Order 103, pursuant which the Governor declared a State of Emergency and a Public Health Emergency, thereby allowing State agencies and departments to utilize State resources to assist affected communities in response to the COVID-19 outbreak. Other Executive Orders (some of which have since been modified or rescinded), limited various activities and undertook measures in an attempt to slow the spread of COVID-19 throughout the State. Quarantine and other “social distancing” measures undertaken by government agencies, businesses, schools and other entities in response to the COVID-19 outbreak altered behavior and have affected commerce in a manner that has negatively affected global, national and local economies.

Notwithstanding the disruptions that have resulted from COVID-19, the State and the Township have recently seen a dramatic reduction in reported cases of COVID-19, and a corresponding reduction in hospitalization rates and fatalities. As a result, on June 4, 2021, the Governor signed legislation formally ending the Public Health Emergency declaration, while retaining certain limited Executive Orders related to public health and safety until January 1, 2022. The previous declaration of the State of Emergency, however, remains in effect as of the date hereof.



In an effort to provide relief to entities impacted by the COVID-19 pandemic, the American Rescue Plan Act of 2021, H.R. 1319 (“Plan”) was signed into law by President Biden on March 12, 2021 and provides \$1.9 trillion in financial assistance to businesses, individuals and governmental entities. In particular, the Plan includes various forms of financial relief, including up to a \$1,400 increase in direct stimulus payments to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan also provides funding for state and local governments to recoup and offset costs related to COVID-19 and to encourage and re-establish economic development and certain infrastructure improvements.

Pursuant to the funding methodology under the Plan, the Township is expected to receive approximately \$4,317,577.88 in funding (“Plan Funds”), all of which must be expended by December 31, 2024. Such funds are expected to be received in two (2) equal payments; one (1) of which has already been received by the Township and the balance to be received no earlier than 12 months from the initial payment. Pursuant to the Plan (codified as Section 603(c) of the Social Security Act (42 U.S.C. 603(c)), Plan Funds may be utilized to: (i) respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (ii) respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the Township that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (iii) provide government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the Township prior to the emergency; and (iv) make necessary investments in water, sewer or broadband infrastructure. Plan Funds may not, however, be utilized for debt service, legal settlements or judgments or financial reserves.

While the effects of COVID-19 have abated significantly in the State, the Township cannot predict, and does not predict, the duration, severity or ultimate impact of COVID-19 upon global, State-wide and local economies and operations, including that of the Township.

Moreover, the Township has provided and intends to continue to provide essential services in and for the Township including, but limited to, emergency services, core health and human services, and public works, together with certain other vital services the Township deems necessary to remain operational and responsive to public needs.

## **RATING**

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

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

## **PREPARATION OF OFFICIAL STATEMENT**

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

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

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

Bowman & Company LLP, 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. Mercadien, P.C. and Bowman & Company LLP take responsibility for the financial statements, appearing in Appendix "B" hereto, to the extent specified in their respective Independent Auditor's Reports.

## **UNDERWRITING**

The Bonds have been purchased from the Township at a public sale by \_\_\_\_\_, as underwriter ("Underwriter"), at a purchase price of \$\_\_\_\_\_ which represents a par amount of \$\_\_\_\_\_ plus a bid premium of \$\_\_\_\_\_ pursuant to a Certificate of Determination and Award, dated February 2, 2022. The Underwriter has purchased the Bonds in accordance with the Notice of Sale

prepared in connection with the Bonds. The Bonds are being offered for sale at the yields [or prices] set forth on the inside front cover page of this Official Statement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

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

### **LEGALITY FOR INVESTMENT**

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

### **NO DEFAULT**

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

### **MUNICIPAL ADVISOR**

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

## **CONTINUING DISCLOSURE**

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

Within the five (5) years immediately preceding the date of this Official Statement, the Township previously failed to file, in accordance with the Rule, in a timely manner, under previous filing requirements, adopted budgets for fiscal years ended December 31, 2017, 2018, 2019 and 2020. Additionally, the Township previously failed to file late filing notices and/or event notices in connection with its untimely filings of its adopted budgets, as described above, and a notice of financial obligation. Such notices of events and late filings have since been filed with the MSRB's Electronic Municipal Market Access Dataport "EMMA". The Township appointed Phoenix Advisors, LLC in March of 2021 to serve as continuing disclosure agent.

If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under the Resolution, insofar as the provisions of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

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

## **LEGAL MATTERS**

The legality of the Bonds will be subject to the approving legal opinions of Malamut & Associate, LLC, Cherry Hill, New Jersey, Bond Counsel to the Township ("Bond Counsel"). Such opinions will be printed on or accompany the Bonds and provide, *inter alia*, that the Bonds are valid and binding obligations of the Township, and the Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Township without limitation as to rate or amount for the payment of the Bonds and interest thereon. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, or other law affecting creditors' rights or remedies heretofore or hereinafter enacted. Certain legal matters will be passed upon for the Township by George M. Morris, Esquire, Solicitor.

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

The various legal opinions to be delivered concurrently with the delivery of the 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.

#### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Tara Krueger, Chief Financial Officer, Township of Mount Laurel, 100 Mount Laurel Road, Mount Laurel, New Jersey, (856) 234-0001 x 1210.

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.

#### **TOWNSHIP OF MOUNT LAUREL, NEW JERSEY**

By: \_\_\_\_\_  
TARA KRUEGER, Chief Financial Officer

Dated: February \_\_, 2022

**APPENDIX A**  
**CERTAIN INFORMATION REGARDING THE TOWNSHIP**

## **GENERAL INFORMATION ON THE TOWNSHIP**

### **History**

The Township was incorporated in 1872. It is located in the Northwestern section of the County, bordered on the north by Moorestown Township, on the south by Evesham Township and on the west by Cherry Hill Township in Camden County. The land area of the Township is approximately 22.15 square miles with a resident population of 44,633, according to the 2020 census.

The Township encompasses the unincorporated communities of Amberfield, Ashurst Glen, Autumnwood Estates, Bedford Walk, Bedford Walk Estates, Bedford Walk Manor, Birchfield, Bobby's Hunt, Bridlewood, Courts of Brookfield, Cambridge Estates, Canterbury Greene, Chalfonte Estates, Chamonix, Christopher's Crossing, Claridge Estates, Connelly Tract, Country Club Villas, Countryside Farms, Devonshire, Eagle Pointe, Enclave, Fairfield Estates, Fox Run, Gables, Grande at Springville, Hartford, Hartford Woods, Heather Glen, Hickory Knoll, Hidden Lake Estate, Holiday-on-the-Green, Holiday Village, Holiday Village East, Hunters Crossing, Innisfree, Ivy Ridge, Jerrick Court, Krysta Court, Larchmont (including Devonshire Village, the Lakes and Brentwood Village), Larchmont Estates, Larchmont Manor, Laurel Creek, Laurel Knoll, Laurel Knoll East, Laurel Place, Laurel Pond, Laurel Ridings, Laurelton, Laurelwood, Ethel R. Lawrence, Longwood, Madison Place, Maple Glen, Masonville, Michaelson's Gate, Mill Run, Park Place, Parkers Creek, Pembroke, Pennoak, Pheasantmere, Ramblewood, Ramblewood Farms, Ramblewood Mews, Ramblewood-on-the-Green, Rancocas Pointe, Rancocas Woods, Ravenscliff, Rolling Glen, Saratoga Farms, Saybrooke, Signature Place, Springville, Spring Valley Estates, Stonegate, Stone Mill Estates, Stoney Hill, Tara Estates, Timbercrest, Tricia Meadows, Trotter's Landing, Union Mill Farms, Union Mill Terrace, Wellesley Reserve, Wilderness Run, Wildflowers, Willowmere, Wellsey Hunt and Wellington Estates.

### **Police**

The Township has a full-time police department that has been accredited by the New Jersey State Association of Chiefs of Police since 2009. The department's professional and well trained staff consists of approximately seventy (70) sworn officers and is arranged into four divisions; Office of The Chief of Police, Operations Division, Administrative Division and the Office of Professional Standards. Many of the department's support and logistical functions are handled by it's seven (7) civilian employees, one (1) full time and two (2) part time Special Law Enforcement Officers. Dispatch and 911 services for the Mount Laurel Police Department are handled by Burlington County Central Communications.

### **Emergency Medical Services**

Mount Laurel Township Emergency Medical Services (MLEMS) is a combination career and volunteer department that provides basic life support ambulance services to the township. MLEMS is a NJ Department of Health Licensed Ambulance Service and is funded and operated as a Township Department. The department is composed of approximately 55 volunteers and 40 career emergency services personnel operating under the direction of a Career Chief and Deputy Chief that respond from one of three stations; Station 369, (the Rodger Sharp Building on Masonville Road), Station 368, (the Charles Kritz Building on South Church Street) and Station 367 (MLFD Station 362 on Church Road). MLEMS, Inc., is the voluntary component of the combination department that provides volunteer ambulance staffing from 6:00 PM to 6:00 AM Monday through Friday and 24 Hours on the weekends in addition to all-call EMS assignments during career staff operation hours. The career staff are township employees that are scheduled to provide staffing for three (3) ambulances five (5) days a week from 6:00 AM to 7:00 PM and two ambulances on the weekends from 6:00 AM to 6:00 PM. MLEMS minimal staffing is two (2) basic life support ambulances staffed by a minimum of two (2) EMTs operating one (1) ambulance out of each of the two (2) EMS Stations, an on-call EMS crew, an EMS Supervisor and a Duty EMS Chief. Mount Laurel Township EMS operates seven (7) ambulances, three (3) first responder/command vehicles, a disaster medical supply trailer, an Incident Rehabilitation Trailer, a 4x4 Pickup Truck, three (3) Bariatric Transport Units and Training utility vehicle.

## **Emergency Management**

Mount Laurel Office of Emergency Management (MLOEM) is a Township Department that is responsible for local emergency preparedness, response, recovery and mitigation following an "All-Hazard" approach to community safety. MLOEM is staffed by an Emergency Management Coordinator, two (2) Deputy Coordinators and sixteen (16) EOP Annex Coordinators. MLOEM operates a state of the art, fixed facility, Emergency Operations Center and communicates with the community thru Social Media and Nixle. Mount Laurel Township is a FEMA EMAA Funded Town. MLOEM has a supplemental staff of volunteers including a Community Emergency Response Team (CERT) with over twenty-five (25) members. MLOEM also has a two (2) SUV's and two (2) trailers stocked with disaster supplies to operate a one hundred ten (110) person Shelter Facility and a Medical Counter Measures – Point of Distribution (POD). MLOEM in cooperation with the Local Emergency Planning Committee (LEPC) maintains a NJ State Approved Township Emergency Operation Plan which is updated and tested annually. Our LEPC is comprised of representatives from OEM, Police, Fire, EMS, MUA, Public Works, Board of Education, Township Management, Mayor and Rowan College Public Safety. MLOEM also participates in the Burlington County Multi-Jurisdictional All Hazards Mitigation Plan.

## **Public Works**

The Township's Department of Public Works is headed by a Director and is responsible for weekly trash collection which is outsourced to a private company, road repair, snow removal, leaf pick up, brush removal and maintenance and upkeep of all public buildings and parks. In addition, the Township participates in a recycling program for glass, paper, aluminum and used motor oil. There are a total of forty-four (44) employees in the Township's Department of Public Works who operate various equipment owned by the Township.

## **Recreation**

Twenty-six (26) parks and other various recreational areas are located in the Township including nineteen (19) tennis courts, twenty-six (26) baseball fields, fourteen (14) tot lots, seventeen (17) basketball courts, twenty-four (24) soccer fields, three (3) volleyball courts and two (2) football fields. The Township maintains a senior citizen building for the Township's senior citizens. All parks and recreational areas are maintained by the Township's Parks and Recreation Division. The Township has four (4) large parks, Laurel Acres, Trotters, Spencer and Memorial Complex. Laurel Acres, a full ninety-eight (98) acre recreational facility, has six (6) soccer fields, seven (7) ball fields, walking/biking paths, two (2) fenced-in dog runs, two (2) pavilions, barbecue areas, a lake, volleyball courts, playground equipment, a maintenance building and rest rooms. Trotters is situated on one hundred fifty three (153) acres, has five (5) soccer fields. The Memorial Multi-Sport facility has two (2) turf-fields, two (2) multipurpose grass fields and a concession stand utilized by football, lacrosse, field hockey and soccer. Spencer Park is a ten (10)-acre section of Rancocas State Park leased and maintained by the Township and contains five (5) softball fields. The PAWS Sports Complex is owned by the board of education and is situated on thirty-four (34) acres, has two (2) football/soccer fields, two (2) ball fields, four (4) sand volleyball courts and one (1) basketball court. In the last fifteen (15) years, the Township purchased over 741 acres of land for open space purposes.

## **Library**

The Township's Free Public Library opened its doors in September 1975 and the building was expanded in 1992. The library currently houses 129,474 volumes of books, audio books, DVDs, CDs and other formats. The library provides access to over 1,000,000 digital items as well as programs and activities for the community. There are currently 18,086 active library card holders.



## Mount Laurel Municipal Utilities Authority

The Mount Laurel Municipal Utilities Authority ("MUA") furnishes water and sewer services to Township residents. The MUA was organized by an ordinance of the Township Council on December 6, 1965.

In conjunction with the Utility System Revenue Bond Resolution dated July 1, 1992, as amended and supplemented, the MUA has entered into a service agreement with the Township. In the unlikely event that it becomes necessary, the Township has agreed to advance to the MUA sufficient monies to eliminate any deficiency in the MUA's revenues required for its operation and administrative expenses, including certain debt service requirements, and to meet certain coverage requirements. Any monies advanced in accordance with this agreement would be refunded at such time as the MUA deems appropriate.

The computation of sufficiency of revenues of the MUA for the years ended June 30, 2021, 2020, 2019, 2018, and 2017 as defined by the Utility System Revenue Bond Resolution is as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Operating Revenues:					
Utility Service Charges	\$19,316,936	\$18,938,682	\$18,499,488	\$18,778,311	\$19,230,637
Connection Fees	999,199	1,749,091	2,429,188	718,515	291,795
Investment and Misc. Income	<u>552,245</u>	<u>1,073,666</u>	<u>1,211,762</u>	<u>815,181</u>	<u>743,454</u>
Total Revenues	<u>20,868,380</u>	<u>21,761,439</u>	<u>22,140,438</u>	<u>20,312,008</u>	<u>20,265,886</u>
Operating Expenses:					
Cost of Providing Services	11,511,783	11,431,998	11,106,756	11,706,337	13,046,665
Administrative	2,195,562	2,366,807	2,393,502	2,262,778	2,368,285
Other Operating Expenses	<u>384,918</u>	<u>389,382</u>	<u>388,002</u>	<u>380,257</u>	<u>374,070</u>
Total Operating Expenses	<u>14,092,263</u>	<u>14,188,186</u>	<u>13,888,259</u>	<u>14,349,372</u>	<u>15,789,020</u>
Excess of Revenues	6,776,117	7,573,253	8,252,179	5,962,636	4,476,866
110% of Current Fiscal Year's Annual Debt Service Requirement	<u>2,468,733</u>	<u>2,472,875</u>	<u>2,311,184</u>	<u>2,299,425</u>	<u>2,633,169</u>
Sufficiency of Revenues	<u>\$4,307,384</u>	<u>\$5,100,378</u>	<u>\$5,940,994</u>	<u>\$3,663,210</u>	<u>\$1,843,696</u>

The Township approved a resolution on June 11, 2018 approving the plans of the MUA to undertake multiple capital improvements and consenting in accordance with and pursuant to the aforementioned service agreement between the Township and the MUA authorizing Utility System Revenue Bonds or Notes not to exceed \$17,500,000.

## Township Employees

	<u>2021</u>	<u>2020</u>	<u>December 31,</u>		<u>2017</u>
			<u>2019</u>	<u>2018</u>	
Full Time	180	172	165	165	157
Part Time	<u>45</u>	<u>49</u>	<u>83</u>	<u>80</u>	<u>59</u>
	<u>225</u>	<u>221</u>	<u>248</u>	<u>245</u>	<u>216</u>

## Employee Collective Bargaining Units

The Township has six collective bargaining agreements with organizations representing the Police Department, Public Works Department, EMS, Clerical and Supervisor of Administrative Staff.

Members of these collective bargaining units are represented by POA, SOA, CWA, AFSCME, and IAFF. The POA and IAFF agreement for EMS contracts expire December 31, 2025. The SOA contract expires on December 31, 2024. The Public Works AFSCME-AFL-CIO, CWA Clerical and CWA Supervisors contracts expire on December 31, 2022.

**Compensated Absences**

Under the existing policy of the Township, full-time employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year.

The Township compensates employees for unused sick leave and vacation days upon termination if they have ten years of service or retirement. The current contract provides for compensated pay of 30%, 40% or 50% of sick days accumulated with a maximum pay-out of thirty or forty days' pay or \$15,000.00 depending on which contract. All unused vacation days are paid out upon termination or retirement. Compensation is paid at the rate of pay upon termination or retirement.

**Pension Plans**

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

**Township Population(1)**

2020 Federal Census	44,633
2010 Federal Census	41,864
2000 Federal Census	40,221
1990 Federal Census	30,270
1980 Federal Census	17,164

**Selected Census 2019 Data for the Township(1)**

Median household income	\$94,832
Per capita income	52,943

**Labor Force(2)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Township</b>					
Labor Force	22,455	22,627	22,220	22,879	22,736
Employment	20,741	22,027	21,530	22,067	21,889
Unemployment	1,714	600	690	812	847
Unemployment Rate	7.6%	2.7%	3.1%	3.5%	3.7%
<b>County</b>					
Labor Force	230,784	232,247	228,342	234,179	233,042
Employment	211,788	224,918	220,071	224,582	222,708
Unemployment	18,996	7,329	8,271	9,597	10,334
Unemployment Rate	8.2%	3.2%	3.6%	4.1%	4.4%

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

(2) Source: New Jersey Department of Labor

## Labor Force (Cont'd) (2)

	2020	2019	2018	2017	2016
<b>State</b>					
Labor Force	4,495,200	4,522,200	4,455,500	4,518,800	4,524,300
Employment	4,055,300	4,367,300	4,278,300	4,309,700	4,299,900
Unemployment	439,900	154,900	177,200	209,100	224,300
Unemployment Rate	9.8%	3.4%	4.0%	4.6%	5.0%

## Business and Industry

Commercial development within the Township has kept pace with the population increase and residential housing construction. The Route 73 corridor has complete hotel build out and is now experiencing retail development with a super Wal-Mart that opened in June 2018, and provides over 200 jobs within the Fellowship Road Redevelopment Area. Lifetime Fitness, also incentivized by the redevelopment area, is now complete.

Commercial growth in the entertainment sector is highlighted by a new Top Golf facility that opened October 2018, adjacent to Centerton Square. The facility is a premier recreational social center providing three stories of tee off space with computer tracked balls for driving performance and stats. A club restaurant will be the social heart of the venue. Metro Storage facility opened in 2019 complementing the influx of new residents.

On the northern side of the Township, along the Route 38 corridor, there is a surge in commercial growth. Two new hotels, a new super WaWa, a Royal Farms, infill retail centers (Taylor Rental Center site), and the expansion of Rowan University at Burlington all combine to make Mount Laurel a vibrant hub in the county. The opening of the Bancroft Neuro Health Campus on Walton Avenue has brought a cutting edge medical treatment facility to the mix of current commercial growth. In conjunction, the northern side of the Township has seen a spurt in residential growth (catering to young professionals) with a mix of high end apartments and townhouses at Signature Place. Additionally, we have Haddon Point on the corner of Route 38 and Fostertown Road and the Gables on Marne Highway that are both currently under construction.

## TEN LARGEST NON-GOVERNMENTAL EMPLOYERS (1)

<u>Employer</u>	<u>Nature of Business</u>	<u>Employees</u>
TD Bank	Corporate Offices	3,650
Freedom Mortgage	Mortgage Services	1,248
Automotive Resources International	Automotive Fleet Management	1,190
OCWEN	Mortgage Services	1,080
Top Golf	Entertainment and Event Venue/Golf Games	400
Title Resource Group (TRG)	Supports Real Estate Transactions	300
Bancroft	Human and Health-Care Programs	290
Lifetime Fitness	Gym	270
Ravitz/ShopRite Markets	Supermarket	250
NFL Films	Headquarters/Production Facility	235

## 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.

(1) Source: Township officials

(2) Source: New Jersey Department of Labor

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

The Township adopted the Municipal Land Use Law to give the Township Planning Board and the Township Zoning Board of Adjustment authority to regulate most land use other than single-family residential use. Accordingly, the Township is able to guide the approximate use or development of land to promote the public health, safety and general welfare.

**Building Permits (1)**

<u>Year</u>	<u>Number of Permits</u>	<u>Value of Construction</u>
2021	2,726	\$118,581,671
2020	2,751	117,255,551
2019	3,612	132,425,247
2018	2,980	98,401,491
2017	3,400	82,776,898

**GENERAL INFORMATION ON THE SCHOOL DISTRICT(2)**

The public school system in the Township is operated by the Board as a Type II school district. It functions independently of the Township through a nine (9) member board, elected by the voters in alternate three (3) year terms.

The Township's public school system has a total of eight (8) schools - seven (7) elementary schools and one (1) middle school. Students in grades nine through twelve attend Lenape Regional High School. The Lenape Regional High School District ("High School District") is comprised of the following Burlington County municipalities: Evesham Township, Medford Township, Medford Lakes Borough, Mount Laurel Township, Shamong Township, Southampton Township, Tabernacle Township and Woodland Township. The High School District has four senior high schools, Cherokee – North and South, Lenape, Shawnee, and Seneca High School. The High School District also has a transition high school, Sequoia. Students in grades nine through twelve may also elect to attend the Burlington County Vocational School.

**TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT  
SCHOOL ENROLLMENTS(2)**

<u>Grade</u>	<u>2021</u>	<u>2020</u>	<u>October 15, 2019</u>	<u>2018</u>	<u>2017</u>
PreK- K	441	364	452	398	419
Pre-1 - 1	407	389	361	409	402
2	380	349	403	409	384
3	367	379	407	391	411
4	380	405	401	416	423
5	398	384	414	435	381
6	385	418	431	388	419
7	415	415	405	420	413
8	420	408	422	411	428
Spec. Ed.	<u>571</u>	<u>551</u>	<u>548</u>	<u>528</u>	<u>580</u>
Total	<u>4.164</u>	<u>4.062</u>	<u>4.244</u>	<u>4.205</u>	<u>4.260</u>

(1) Source: Township construction officials

(2) Source: Local School District officials

**School Facilities, Enrollment and Capacity(1)**

The School District currently consists of eight (8) schools including grades K to 8. Below is a schedule of school facilities with current enrollments.

<u>Facilities</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Enrollment 10/15/21</u>	<u>Functional Capacity</u>
Countryside	1971	1987/2003/2019	K-4	321	418
Fleetwood	1963	1987/2003/2019	K-4	404	417
Hillside	1954	1959/1987/1998/2003/2019	K-4	354	443
Parkway	1966	1987/2003/2019	K-4	345	405
Harrington Middle	1969	2001/2003/2019	7-8	988	1,213
Larchmont	1990	2003/2019	K-4	392	444
Hartford School	1995	2001/2003/2019	5-6	906	1,178
Springville	2001	2019	K-4	<u>454</u>	<u>502</u>
Total				<u>4,164</u>	<u>5,020</u>

**Lenape Regional High School District School Enrollments (2)(3)**

	<u>2021</u>	<u>2020</u>	<u>June 30, 2019</u>	<u>2018</u>	<u>2017</u>
Totals	<u>1,960</u>	<u>1,989</u>	<u>1,979</u>	<u>1,956</u>	<u>1,814</u>

**HIGHER EDUCATION FACILITIES**

**Rowan College at Burlington County (Formerly Burlington County College)**

Rowan College at Burlington County (RCBC) is a comprehensive, publicly-supported, two-year institution developed by the county and the state and accredited by the Middle States Commission on Higher Education. The college, originally named Burlington County College, was founded in October 1965 and opened in September 1969.

In June 2015, the Rowan University Board of Trustees approved a resolution to partner with the college allowing students to obtain a bachelor's degree from Rowan University at the community college. The unique partnership provides students the opportunity to seamlessly transition from the community college to the university. RCBC was 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 2015, RCBC began a transition from its original Pemberton Campus to the more accessible and modern Mount Laurel Campus to serve students more efficiently and effectively. The 100-acre Mount Laurel campus is located at the intersection of Route 38 and I-295. The \$55 million transition included a new Student Success Center and renovation of 240,000 square feet.

(1) Source: Local School District officials  
 (2) Source: Regional District officials  
 (3) Township of Mount Laurel students only

RCBC's fall 2021 enrollment in academic courses was 6,315 students. In addition, the college serves thousands of students each semester through youth programs, senior programs, workforce development, and community events.

The RCBC Board of Trustees governs the college and certain fiscal matters are subject to review by the Board of School Estimate. The Burlington County Board of County Commissioners sponsors the college, appointing nine of the twelve trustees. The college is not permitted to borrow for capital expenditures. Instead, the Board of Trustees and the Board of School Estimate certify the need for funding to the Board of County Commissioners, 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 REAL PROPERTY TAXPAYERS(1)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<b>2022</b>	
		<u>Assessed</u>	<u>Valuation</u>
Centerton Square Owners LLC	Retail Shopping Center	\$	66,097,200
Istar Bishops Gate	Office Buildings		64,129,800
Centerton Road, LLC	Housing		46,126,700
Jefferson Place, LLC	Apartments		45,377,700
Laurel Corporate Center LLC	Office Space		44,802,900
TD Bank	Office Buildings/Banks		44,750,100
PFI VPN c/o Brandywine	Real Estate Leasing and Rentals		43,192,600
Reep-MF Mount Laurel NJ LLC	Apartments		38,020,200
Country Club Parkway LLC	Apartments		37,210,700
US MJW East Gate I, LLC	Retail/Strip Center		37,128,800

**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	\$ 170,520,448	\$ 168,810,761	99.00%	\$ 1,582,724	0.93%
2019	167,212,520	165,674,081	99.08%	1,398,494	0.84%
2018	165,526,386	163,999,236	99.08%	1,288,037	0.78%
2017	161,531,375	159,996,949	99.05%	1,117,486	0.69%
2016	159,826,997	158,034,048	98.88%	1,496,332	0.94%

**DELINQUENT TAXES (2)**

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transferred</u>	<u>Other</u>	<u>Outstanding</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>	<u>to Liens</u>	<u>Credits</u>	<u>Dec. 31</u>
2020	\$ 1,411,223	\$ 22,000	\$ 1,251,029	87.29%	\$ 8,876	\$ 154,615	\$ 18,703
2019	1,299,144	23,250	1,151,072	87.04%	2,319	156,274	12,729
2018	1,123,037	22,750	924,494	80.69%	21,138	189,047	11,107
2017	1,496,678	27,290	1,189,041	78.02%	34,584	294,793	5,551
2016	1,181,934	26,010	1,046,111	86.60%	45,917	115,570	346

(1) Source: Township Tax Assessor  
 (2) Source: Township Reports of Audit

**TAX TITLE LIENS (1)**

<u>Year</u>	<u>Balance</u>	<u>Added by</u>	<u>Collected</u>	<u>Cancellations/</u>	<u>Balance</u>
	<u>Jan. 1</u>	<u>Sales and</u>		<u>Foreclosures</u>	
		<u>Transfers</u>			<u>Dec. 31</u>
2020	\$ 2,394	\$ 24,924	\$ 105	\$ -	\$ 27,213
2019	90,409	26,863	78,804	36,074	2,394
2018	70,199	61,181	40,971	-	90,409
2017	92,841	126,859	149,501	-	70,199
2016	178,215	137,201	118,599	103,976	92,841

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

<u>Year</u>	<u>Balance</u>	<u>Gain/(Loss)</u>	<u>Added by</u>	<u>Adjustment</u>	<u>Receipts in</u>	<u>Balance</u>
	<u>Jan. 1</u>	<u>On Sale</u>	<u>Transfer</u>	<u>to Assessed</u>	<u>Misc. Revenue</u>	
				<u>Valuation</u>	<u>Not Anticipated</u>	<u>Dec. 31</u>
2020	\$ 1,591,496	\$ -	\$ -	\$ (500)	\$ -	\$ 1,590,996
2019	1,267,196	-	36,074	288,226	-	1,591,496
2018	1,834,100	2,120	-	(555,204)	(13,820)	1,267,196
2017	1,834,100	-	-	-	-	1,834,100
2016	1,207,100	(21,480)	103,976	546,024	(1,520)	1,834,100

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

<u>Year</u>	<u>Net Valuation</u>	<u>Total</u>	<u>Tax Rate (4)</u>							
			<u>County</u>	<u>County/ Farm Open Space</u>	<u>Municipal</u>	<u>Municipal Open Space</u>	<u>Municipal Library</u>	<u>Local School</u>	<u>Regional High School</u>	<u>Fire District</u>
2021	\$ 5,811,323,589	\$ 2.971	\$ 0.385	\$ 0.023	\$ 0.352	\$ 0.080	\$ 0.037	\$ 1.153	\$ 0.746	\$ 0.195
2020	5,789,619,291	2.913	0.380	0.023	0.352	0.080	0.036	1.135	0.726	0.181
2019	5,772,418,290	2.883	0.368	0.033	0.352	0.080	0.036	1.121	0.716	0.177
2018	5,775,966,890	2.861	0.382	0.028	0.347	0.080	0.036	1.108	0.713	0.167
2017	5,764,242,792	2.787	0.362	0.044	0.347	0.080	0.036	1.081	0.677	0.160

(1) Source: Township Reports of Audit

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

(3) Source: Township Assessor

(4) Per \$100 of assessed valuation



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

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita</u>
2021	\$ 5,811,323,500	88.62%	\$ 6,557,575,604	\$ 146,922 (2)
2020	5,789,619,200	90.57%	6,392,424,865	143,222 (2)
2019	5,772,418,200	91.20%	6,329,405,921	151,646 (3)
2018	5,775,966,800	90.02%	6,416,315,041	153,728 (3)
2017	5,764,242,700	92.09%	6,259,357,911	149,968 (3)

**REAL PROPERTY CLASSIFICATION (4)**

<u>Year</u>	<u>Assessed Value of land and</u>			<u>Farmland &amp;</u>		
	<u>Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>
2021	\$ 5,811,323,500	\$ 44,650,500	\$ 3,904,920,600	\$1,504,427,100	\$ 152,301,000	\$ 205,024,300
2020	5,789,619,200	42,222,600	3,893,863,500	1,516,291,500	153,245,900	183,995,700
2019	5,772,418,200	57,662,900	3,891,272,300	1,511,332,200	152,504,200	159,646,600
2018	5,775,966,800	60,987,400	3,892,833,200	1,519,645,600	142,855,800	159,644,800
2017	5,764,242,700	48,256,300	3,894,567,900	1,519,573,000	151,451,900	150,393,600

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

(2) Based upon 2020 Federal Census from U.S. Department of Commerce of 44,633

(3) Based upon 2016 Estimated Federal Census from U.S. Department of Commerce of 41,738

(4) Source: Township Assessor

**TOWNSHIP OF MOUNT LAUREL  
STATEMENT OF INDEBTEDNESS (1)**

The following table summarizes the direct debt of the Township in accordance with the requirements of the Local Bond Law of the State (N.J.S.A. 40A:2-2 et seq.). The gross debt is comprised of short and long-term debt issued, including General, debt of the Local School District and the Regional High School District. Deductions from gross debt to arrive at net debt include deductible school debt, as well as reserve for payment of debt. The resulting net debt of \$45,134,705 represents .683% of the average of equalized valuations for the Township for the last three years, within the 3.5% limit imposed by N.J.S.A 40A:2-6.

	<u>Debt Issued</u>		<u>Debt Auth. But Not Issued</u>	<u>Gross Debt</u>	<u>Deductions</u>		<u>Net Debt</u>
	<u>Bonds</u>	<u>Notes</u>			<u>School Debt</u>	<u>Reserve for Payment of Debt</u>	
General	\$ 34,745,000	\$ 9,675,000	\$ 6,089,809	\$ 50,509,809		\$ 5,375,104	\$ 45,134,705
School - Local	31,240,000			31,240,000	\$ 31,240,000		
School - Regional	12,669,285		22,898,172	35,567,457	35,567,457		
	<u>\$ 78,654,285</u>	<u>\$ 9,675,000</u>	<u>\$ 28,987,981</u>	<u>\$ 117,317,266</u>	<u>\$ 66,807,457</u>	<u>\$ 5,375,104</u>	<u>\$ 45,134,705</u>

(1) As of December 31, 2021

Source: Township Annual Debt Statement

## DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements and Second Class Railroad Property for 2021, 2020, and 2019	\$	6,612,654,040
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2021, 2020, and 2019		0.68%
2021 Net Valuation Taxable	\$	5,811,323,589
2021 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$	6,557,575,693
Gross Debt (2)		
As a Percentage of 2021 Net Valuation Taxable		2.02%
As a Percentage of 2021 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		1.79%
Net Debt (2)		
As a Percentage of 2021 Net Valuation Taxable		0.78%
As a Percentage of 2021 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		0.69%
Gross Debt per Capita(3)	\$	2,628
Net Debt per Capita(3)	\$	1,011

## TOWNSHIP BORROWING CAPACITY(1)

3.5% of Average (2019-21) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$6,612,654,040)	\$	231,442,891
Net Debt		<u>45,134,705</u>
Remaining Borrowing Capacity	\$	<u><u>186,308,186</u></u>

(1) As of December 31, 2021

(2) Excluding Overlapping Debt

(3) Based upon 2020 Federal Census from U.S. Department of Commerce of 44,633

**LOCAL SCHOOL DISTRICT BORROWING CAPACITY(1)**

3.0% of Average (2019-21) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$6,612,654,040)	\$ 198,379,621
Local School Debt	<u>31,240,000</u>
Remaining Borrowing Capacity	<u>\$ 167,139,621</u>

**REGIONAL HIGH SCHOOL DISTRICT BORROWING CAPACITY(1)**

3.0% of Average (2019-21) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$19,241,455,706)	\$ 577,243,671
Regional School Debt (2)	<u>103,493,944</u>
Remaining Borrowing Capacity	<u>\$ 473,749,727</u>

(1) As of December 31, 2021  
(2) Mount Laurel's share \$35,567,457.

**TOWNSHIP OF MOUNT LAUREL  
OVERLAPPING DEBT  
AS OF DECEMBER 31, 2020**

	<b>DEBT ISSUED</b>				<b>Debt Auth. but not Issued</b>
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	
County of Burlington:					
General					
Bonds	\$ 198,880,000	\$ 17,704,990 (1)	\$ 181,175,010	\$ 23,425,929 (2)	
Notes	-				(2) \$ 14,705,827
Loans	6,529,506		6,529,506	844,265 (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
Township of Mount Laurel Fire District No. 1 (4)	2,530,000		2,530,000	2,530,000	
Township of Mount Laurel MUA (4)	20,909,912		20,909,912	20,909,912	
	<u>\$ 661,255,718</u>	<u>\$ 450,111,290</u>	<u>\$ 211,144,428</u>	<u>\$ 47,710,106</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 12.93% .

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

(4) Source: Entity's Audit Report

**TOWNSHIP OF MOUNT LAUREL  
2021 MUNICIPAL BUDGET**

**CURRENT FUND**

Anticipated Revenues:	
Fund Balance	\$ 7,340,000.00
Miscellaneous Revenues:	
Local Revenues	1,786,000.00
State Aid without Offsetting Appropriations	2,825,561.00
Dedicated Uniform Construction Code Fees	1,400,000.00
Public and Private Programs Offset with Appropriations	157,617.68
Other Special Items Offset with Appropriations	4,240,000.00
Receipts from Delinquent Taxes	845,400.00
Amount to be Raised by Taxation for Municipal Purposes:	
Local Tax	20,484,628.17
Minimum Library Tax	2,177,692.58
Total Anticipated Revenues	\$ 41,256,899.43

Appropriations:	
Within CAPS:	
Operations	\$ 27,628,616.00
Deferred Charges and Statutory Expenditures	4,108,523.17
Judgments	
Excluded from CAPS:	
Other Operations	2,656,692.58
Shared Service Agreements	25,000.00
Public and Private Programs	157,617.68
Capital Improvements	300,000.00
Debt Service	2,710,450.00
Deferred Charges	
Reserve for Uncollected Taxes	3,670,000.00
Total Appropriations	\$ 41,256,899.43

**MUNICIPAL OPEN SPACE FUND**

Anticipated Revenues:	
Amount to be Raised by Taxation	\$ 4,675,191.44
Reserve Funds	10,000,000.00
Total Anticipated Revenues	\$ 14,675,191.44

Appropriations:	
Acquisition of Lands for Recreation and Conservation	\$ 8,000,000.00
Development of Lands for Recreation and Conservation	5,000,000.00
Payment on Bond Principal	885,000.00
Interest on Bonds	458,200.00
Reserve for Future Use	331,991.44
Total Appropriations	\$ 14,675,191.44

**TOWNSHIP OF MOUNT LAUREL  
CAPITAL PROGRAM  
PROJECTS SCHEDULED FOR THE YEARS 2021 - 2026**

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	<u>Estimated Total Cost</u>	<u>Budget Current Year 2021</u>	<u>Capital Improvement Fund</u>	<u>Bonds and Notes General</u>
Purchase of Public Works Vehicles and Equipment	\$ 999,500		\$ 49,975	\$ 949,525
Outside Road Programs	2,500,000		125,000	2,375,000
Inside Road Programs	250,000		12,500	237,500
Acquisition of Equipment and Improvements for EMS	420,000		21,000	399,000
Improvements to Parks and Public Property	75,000		3,750	71,250
Acquisition of Equipment and Improvements to Police	260,000		13,000	247,000
Upgrade and Installation of Information Technology and Scanning	550,000		27,500	522,500
	<u>\$ 5,054,500</u>	<u>\$ -</u>	<u>\$ 252,725</u>	<u>\$ 4,801,775</u>

**TOWNSHIP OF MOUNT LAUREL  
SCHEDULE OF DEBT SERVICE  
(BONDED DEBT ONLY)**

Year	Existing Debt (1)						2021 Proposed GO Bonds		
	General			Open Space			Principal	Interest	Total
	Principal	Interest	Total	Principal	Interest	Total			
2022	\$ 1,540,000.00	\$ 957,150.00	\$ 2,497,150.00	\$ 890,000.00	\$ 427,150.00	\$ 1,317,150.00			
2023	1,555,000.00	874,675.00	2,429,675.00	925,000.00	395,300.00	1,320,300.00			
2024	1,600,000.00	795,800.00	2,395,800.00	960,000.00	357,600.00	1,317,600.00			
2025	1,650,000.00	714,550.00	2,364,550.00	1,000,000.00	318,400.00	1,318,400.00			
2026	1,705,000.00	630,675.00	2,335,675.00	1,040,000.00	277,600.00	1,317,600.00			
2027	1,775,000.00	543,675.00	2,318,675.00	1,085,000.00	229,675.00	1,314,675.00			
2028	1,750,000.00	464,300.00	2,214,300.00	1,130,000.00	179,950.00	1,309,950.00			
2029	1,800,000.00	393,300.00	2,193,300.00	1,170,000.00	133,950.00	1,303,950.00			
2030	1,800,000.00	321,300.00	2,121,300.00	1,215,000.00	80,175.00	1,295,175.00			
2031	1,800,000.00	249,300.00	2,049,300.00	1,245,000.00	24,900.00	1,269,900.00			
2032	1,800,000.00	186,300.00	1,986,300.00						
2033	1,800,000.00	132,300.00	1,932,300.00						
2034	1,800,000.00	78,300.00	1,878,300.00						
2035	1,710,000.00	25,650.00	1,735,650.00						
	<u>\$ 24,085,000.00</u>	<u>\$ 6,367,275.00</u>	<u>\$ 30,452,275.00</u>	<u>\$ 10,660,000.00</u>	<u>\$ 2,424,700.00</u>	<u>\$ 13,084,700.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<b>Grand Total</b>								
Year	Principal	Interest	Total						
2022	\$ 2,430,000.00	\$ 1,384,300.00	\$ 3,814,300.00						
2023	2,480,000.00	1,269,975.00	3,749,975.00						
2024	2,560,000.00	1,153,400.00	3,713,400.00						
2025	2,650,000.00	1,032,950.00	3,682,950.00						
2026	2,745,000.00	908,275.00	3,653,275.00						
2027	2,860,000.00	773,350.00	3,633,350.00						
2028	2,880,000.00	644,250.00	3,524,250.00						
2029	2,970,000.00	527,250.00	3,497,250.00						
2030	3,015,000.00	401,475.00	3,416,475.00						
2031	3,045,000.00	274,200.00	3,319,200.00						
2032	1,800,000.00	186,300.00	1,986,300.00						
2033	1,800,000.00	132,300.00	1,932,300.00						
2034	1,800,000.00	78,300.00	1,878,300.00						
2035	1,710,000.00	25,650.00	1,735,650.00						
	<u>\$ 34,745,000.00</u>	<u>\$ 8,791,975.00</u>	<u>\$ 43,536,975.00</u>						

(1) As of December 31, 2021

Source: Township Auditor



**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS  
OF THE TOWNSHIP OF MOUNT LAUREL  
IN THE COUNTY OF BURLINGTON, NEW JERSEY**

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON,  
STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**

December 31, 2020

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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## **INDEPENDENT AUDITORS' REPORT**

## **INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor and Members of the Township Council  
Township of Mount Laurel  
Mount Laurel, New Jersey 08054

### **Report on the Financial Statements**

We have audited the accompanying financial statements – regulatory basis of the various funds and account group of the Township of Mount Laurel, County of Burlington, State of New Jersey, (the “Township”), as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the Township’s basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

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

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

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note A of the financial statements, these 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 A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" 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 respective financial position of each fund and account group of the Township as of December 31, 2020, and the changes in financial position for the year then ended.

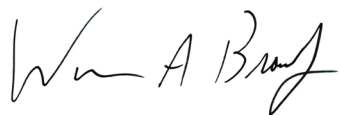
### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each fund and account group of the Township as of December 31, 2020, and the changes in financial position for the year then ended, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note A to the financial statements.

### **Other Matter**

The financial statements of the Township as of and for the year ended December 31, 2019, were audited by other auditors whose report dated September 2, 2020, expressed an unmodified opinion on those financial statements, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note A to the financial statements.

**MERCADIEN, P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**



Warren A. Broudy, CPA, CGFM, PSA, CGMA  
Registered Municipal Accountant  
License No. 554

September 20, 2021

**BASIC FINANCIAL STATEMENTS – REGULATORY BASIS**

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT A**

**CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE  
December 31, 2020 and 2019**

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Regular Fund:			
Cash - Treasurer	SA-1	\$ 34,999,516.23	\$ 32,002,858.66
Cash - Change Funds	SA-3	800.00	800.00
Due State of New Jersey - Seniors & Veterans	SA-4	29,994.63	30,994.63
		<u>35,030,310.86</u>	<u>32,034,653.29</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-6	1,601,426.66	1,411,222.88
Tax Title Liens Receivable	SA-7	27,212.92	2,394.20
Property Acquired for Taxes - Assessed Valuation	SA-8	1,590,996.00	1,591,496.00
Property Maintenance Liens Receivable	SA-5	1,703.22	1,183.40
Revenue Accounts Receivable	SA-9	21,518.07	39,484.91
Due Federal and State Grant Fund	SA-1	266,277.77	-
Due Animal Control Fund	SB-3	27,679.76	15,613.32
Due Trust - Assessment Fund	SB-13	147,182.77	146,822.59
Due Trust - Other Fund	SB-5	66,436.57	546,028.15
Due General Capital Fund	SC-6	304,420.50	77,990.88
		<u>4,054,854.24</u>	<u>3,832,236.33</u>
		<u>39,085,165.10</u>	<u>35,866,889.62</u>
Federal, State and Local Grant Fund:			
Cash - Treasurer	SA-1	-	37,518.08
State Grants Receivable	SA-20	1,066,339.75	606,075.75
		<u>1,066,339.75</u>	<u>643,593.83</u>
		<u>\$ 40,151,504.85</u>	<u>\$ 36,510,483.45</u>



**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT A**

**CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)  
December 31, 2020 and 2019**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<b>Regular Fund:</b>			
Appropriation Reserves	A-3 & SA-11	\$ 3,981,515.19	\$ 3,022,224.47
Reserve for Encumbrances	A-3 & SA-11	744,993.00	828,962.94
Due State of New Jersey - Marriage Licenses	SA-10	1,175.00	1,400.00
Due State of New Jersey - DCA Fees	SA-10	30,547.00	16,996.00
Prepaid Taxes	SA-12	1,380,249.38	1,164,983.39
Tax Overpayments	SA-13	305,838.42	313,337.21
Due County for Added and Omitted Taxes	SA-17	276,559.57	117,810.07
Local School District Taxes Payable	SA-18	5,550,139.65	5,043,169.65
Regional High School Taxes Payable	SA-19	2,857,449.61	2,495,976.13
		<u>15,128,466.82</u>	<u>13,004,859.86</u>
Reserve for Receivables and Other Assets	A	4,054,854.24	3,832,236.33
Fund Balance	A-1	<u>19,901,844.04</u>	<u>19,029,793.43</u>
		<u>39,085,165.10</u>	<u>35,866,889.62</u>
<b>Federal, State and Local Grant Fund:</b>			
Unappropriated Reserves	SA-21	60,000.00	118,277.04
Appropriated Reserves	SA-22	737,561.98	296,818.48
Reserve for Encumbrances	SA-23	2,500.00	32,498.31
Due Current Fund	SA-1	266,277.77	-
Due General Capital Fund	SA-22	-	196,000.00
		<u>1,066,339.75</u>	<u>643,593.83</u>
		<u>\$ 40,151,504.85</u>	<u>\$ 36,510,483.45</u>

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT A-1**

**CURRENT FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
Years Ended December 31, 2020 and 2019**

<u>Revenue and Other Income Realized</u>	<u>2020</u>	<u>2019</u>
Fund Balance Utilized	\$ 6,665,000.00	\$ 6,350,000.00
Miscellaneous Revenue Anticipated	10,688,526.31	12,733,891.36
Receipts from Delinquent Taxes	1,251,134.19	1,229,875.99
Receipts from Current Taxes	168,810,760.58	165,674,080.88
Non-Budget Revenues	690,622.23	843,047.38
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	3,004,900.78	2,372,777.02
Liquidation of Reserves:		
Due Trust - Assessment Fund	-	39,324.29
Due Trust - Other Fund	479,591.58	-
Due Trust - Animal Control Fund	-	15,936.90
 Total Income (Carried Forward)	 <u>191,590,535.67</u>	 <u>189,258,933.82</u>
 <u>Expenditures</u>		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	13,968,327.00	13,231,964.00
Other Expenses	13,043,381.00	12,858,975.00
Deferred Charges, Statutory Expenditures and Judgements Municipal	3,595,380.94	3,545,362.27
Excluded from "CAPS":		
Operations:		
Salaries and Wages	358,655.39	178,630.24
Other Expenses	3,021,299.46	2,887,378.89
Capital Improvements	300,000.00	300,000.00
Debt Service	2,786,250.00	2,988,047.58
County Taxes	23,254,957.61	23,096,582.86
Due County for Added and Omitted Taxes	276,559.57	117,810.07
Local District School Tax	65,711,426.00	64,697,486.00
Regional High School Tax	42,045,472.00	41,322,525.00
Special District Taxes	10,477,500.00	10,192,609.00
Local Municipal Open Space Tax	4,632,256.23	4,617,934.63
Due Municipal Open Space Trust Fund for Added and Omitted Taxes	54,855.85	23,471.03

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT A-1**

**CURRENT FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE (CONTINUED)  
Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Total Income (Brought Forward)	<u>\$ 191,590,535.67</u>	<u>\$ 189,258,933.82</u>
<u>Expenditures (Cont'd)</u>		
State of New Jersey - Senior Citizens' and Veterans'		
Deductions Disallowed by Tax Collector - Prior Year Taxes	22,000.00	23,250.00
Refund of Prior Year Revenue	30.00	377.00
Create Reserves for:		
Due Federal and State Grant Fund	266,277.77	-
Due Trust - Animal Control Fund	12,066.44	-
Due Trust - Assessment Fund	360.18	-
Due Trust - Other Fund	-	495,436.96
Due General Capital Fund	<u>226,429.62</u>	<u>77,990.88</u>
Total Expenditures	<u>184,053,485.06</u>	<u>180,655,831.41</u>
Statutory Excess to Fund Balance	7,537,050.61	8,603,102.41
<u>Fund Balance</u>		
Balance Jan. 1	<u>19,029,793.43</u>	<u>16,776,691.02</u>
	26,566,844.04	25,379,793.43
Decreased by:		
Utilized as Revenue	<u>6,665,000.00</u>	<u>6,350,000.00</u>
Balance Dec. 31	<u>\$ 19,901,844.04</u>	<u>\$ 19,029,793.43</u>

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT A-2**

**CURRENT FUND  
STATEMENT OF REVENUES  
Year Ended December 31, 2020**

	Anticipated		Realized	Excess
	Budget	N.J.S.A. 40A:4-87		
Fund Balance Anticipated	\$ 6,665,000.00	\$ -	\$ 6,665,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	80,000.00	-	83,360.00	3,360.00
Other	100,000.00	-	112,845.00	12,845.00
Fees and Permits	71,000.00	-	77,278.14	6,278.14
Fines and Costs:				
Municipal Court	550,000.00	-	385,545.82	(164,454.18)
Interest and Costs on Taxes	265,000.00	-	349,464.03	84,464.03
Interest on Investments and Deposits	350,000.00	-	916,721.41	566,721.41
Franchise Fees	175,000.00	-	178,909.24	3,909.24
Dedicated Uniform Construction Code Fees Off-Set with Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees	1,275,000.00	-	1,251,098.00	(23,902.00)
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)	2,825,561.00	-	2,825,561.00	-
State and Federal Revenue Off-Set with Appropriations:				
Recycling Tonnage Grant	58,277.04	-	58,277.04	-
Safe and Secure Communities Program	60,000.00	-	60,000.00	-
Drive Sober or Get Pulled Over Grant	-	6,000.00	6,000.00	-
Body Armor Fund	6,375.42	-	6,375.42	-
Emergency Management Grant	-	10,000.00	10,000.00	-
Municipal Alliance Program	10,000.00	7,971.00	17,971.00	-
NJ Department of Transportation Trust Fund - Union Mill	231,500.00	210,000.00	441,500.00	-
County Park Grant	175,000.00	-	175,000.00	-
Bullet Proof Vest Partnership Grant	-	6,671.00	6,671.00	-
Clean Communities Program	-	81,684.39	81,684.39	-
Walmart Community Grant	-	2,500.00	2,500.00	-
Distracted Driving Crackdown Grant	5,500.00	-	5,500.00	-
Municipal Occupancy Tax	2,000,000.00	-	1,358,836.38	(641,163.62)
Reserve for Payment of Bonds/Notes	350,000.00	-	350,000.00	-
Contribution from Municipal Utility Authority	350,000.00	-	384,918.00	34,918.00
Spectra Tower Rental	40,000.00	-	47,052.02	7,052.02
Rental Registration Fees	225,000.00	-	353,625.00	128,625.00
Emergency Medical Service Billings	1,200,000.00	-	1,141,833.42	(58,166.58)
	<u>10,403,213.46</u>	<u>324,826.39</u>	<u>10,688,526.31</u>	<u>(39,513.54)</u>
Receipts from Delinquent Taxes	845,400.00	-	1,251,134.19	405,734.19
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes - Including				
Reserve for Uncollected Taxes	20,381,937.42	-	23,904,816.80	3,522,879.38
Minimum Library Tax	2,124,475.55	-	2,124,475.55	-
	<u>22,506,412.97</u>	<u>-</u>	<u>26,029,292.35</u>	<u>3,522,879.38</u>
Budget Totals	40,420,026.43	324,826.39	44,633,952.85	3,889,100.03
Non-Budget Revenues	-	-	690,622.23	690,622.23
	<u>\$40,420,026.43</u>	<u>\$ 324,826.39</u>	<u>\$ 45,324,575.08</u>	<u>\$ 4,579,722.26</u>

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT A-2**

**CURRENT FUND  
STATEMENT OF REVENUES (CONTINUED)  
Year Ended December 31, 2020**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 168,810,760.58
Allocated to:	
School, County, Municipal Open Space and Special District Taxes	<u>146,453,027.26</u>

Balance for Support of Municipal Budget Appropriations	22,357,733.32
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Add: Appropriation "Reserve for Uncollected Taxes"	<u>3,671,559.03</u>
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Amount for Support of Municipal Budget Appropriations	<u>\$ 26,029,292.35</u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 1,251,029.33
Tax Title Liens	<u>104.86</u>

	<u>\$ 1,251,134.19</u>
--	------------------------

Licenses - Other:

Clerk-Other	\$ 23,625.00
Other Licenses	85,060.00
Registrar of Vital Statistics	<u>4,160.00</u>

	<u>112,845.00</u>
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Fees and Permits - Other:

Clerk	16.00
Police	5,264.05
Planning Board	12,426.00
Zoning Board of Adjustment	37,435.09
Registrar of Vital Statistics	20,250.00
Road Opening Fees	<u>1,887.00</u>

	<u>77,278.14</u>
--	------------------

Interest Earned on Investments and Deposit:

Treasurer	691,993.07
Municipal Court	1,660.77
Due from Trust - Animal Control Fund	57.70
Due from Trust - Assessment Fund	338.29
Due from Trust - Other Funds	46,241.96
Due from General Capital Fund	<u>176,429.62</u>

	<u>916,721.41</u>
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**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT A-2**

**CURRENT FUND  
STATEMENT OF REVENUES (CONTINUED)  
Year Ended December 31, 2020**

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:

Revenue Accounts Receivable - Tax Collector:

Duplicate Tax Bills	556.00
Tax Searches	1,240.00
Property Certifications	550.00
6% Year-End Penalty Tax	33,569.36
Miscellaneous	40.00

35,955.36

Treasurer:

Ballfield/Pavilion Rental Fees	6,280.00
Senior Center Rental Fees	2,120.00
Host Fees	26,597.69
State Housing Inspection Fees	7,149.20
Bad Check Surcharges	1,485.00
Payment in Lieu of Taxes	137,987.76
Police OT Outside Admin. Fee	46,707.50
Canceled Outdated Checks	768.00
Accident Reports	1,302.00
Senior Citizens' and Veterans' Administration Fee	6,300.00
Sale of Municipal Assets	3,668.56
EMS Reports	725.00
DMV Inspection Fines	950.00
Verizon Lease	11,173.11
Insurance Dividends	957.40
Lien Forfeitures	409.95
Liquor License	275,000.00
Waste Oil Removal	20,938.82
State Highway Department PILOT	540.00
Forfeited FSA Funds	258.00
Refund of Prior Year Expenditures	86,831.48
Miscellaneous	2,000.00

640,149.47

Due From Trust - Other Funds - Canceled Outstanding Checks	943.74
Due From Animal Control Trust Fund - Excess Animal Control Reserve	12,008.74
Due From Trust Assessment Fund - Interest and Costs on Assessments	21.89
Property Maintenance Lien Receipts	1,543.03

\$ 690,622.23

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT A-3**

**CURRENT FUND  
STATEMENT OF EXPENDITURES  
Year Ended December 31, 2020**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<b>OPERATIONS--WITHIN "CAPS"</b>						
<b>Department of Legislative and Executive</b>						
Mayor and Council						
Salaries and Wages	\$ 30,227.00	\$ 30,227.00	\$ 30,020.52	\$ -	\$ 206.48	\$ -
Other Expenses	5,000.00	5,000.00	2,223.00	167.94	2,609.06	-
<b>Township Manager and Office of Township Clerk</b>						
Salaries and Wages						
Manager	52,350.00	52,350.00	42,552.88	-	9,797.12	-
Clerk	218,050.00	218,050.00	205,650.89	-	12,399.11	-
Other Expenses						
Manager	224,500.00	274,500.00	194,160.86	11,960.00	68,379.14	-
Clerk	115,000.00	115,000.00	49,405.29	776.09	64,818.62	-
<b>Insurance</b>						
General Liability	311,718.00	311,718.00	224,172.70	-	87,545.30	-
Employee Group Health	3,250,000.00	2,980,000.00	2,710,652.97	185.00	269,162.03	-
Workers Compensation	726,963.00	726,963.00	600,654.30	-	126,308.70	-
<b>Township Solicitor</b>						
Other Expenses	350,000.00	350,000.00	186,857.97	5,797.72	157,344.31	-
<b>Other Legal Services and Costs</b>						
Other Expenses	60,000.00	80,000.00	51,833.66	2,682.00	25,484.34	-
<b>Department of Administration and Finance</b>						
<b>Director of Finance</b>						
Salaries and Wages	304,000.00	304,000.00	291,110.05	-	12,889.95	-
Other Expenses	54,500.00	54,500.00	32,222.48	1,227.77	21,049.75	-
Audit Services	80,000.00	80,000.00	65,000.00	-	15,000.00	-
<b>Tax Assessor</b>						
Salaries and Wages	183,850.00	183,850.00	175,720.17	-	8,129.83	-
Other Expenses	77,900.00	77,900.00	17,508.53	152.65	60,238.82	-
<b>Tax Collector</b>						
Salaries and Wages	131,100.00	131,100.00	118,267.38	-	12,832.62	-
Other Expenses	39,100.00	44,100.00	21,267.69	-	22,832.31	-
<b>Municipal Court</b>						
Salaries and Wages	316,750.00	316,750.00	276,175.54	-	40,574.46	-
Other Expenses	31,500.00	31,500.00	15,240.49	1,215.21	15,044.30	-

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT A-3**

**CURRENT FUND  
STATEMENT OF EXPENDITURES (CONTINUED)  
Year Ended December 31, 2020**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS--WITHIN "CAPS" (CONTD)						
Department of Administration and Finance (Cont'd)						
Public Prosecutor						
Other Expenses	65,000.00	65,000.00	59,583.37	5,416.63	-	-
Department of Public Safety						
Police Department						
Salaries and Wages	7,651,700.00	7,651,700.00	7,195,245.81	-	456,454.19	-
Other Expenses	390,000.00	390,000.00	147,938.43	227,453.24	14,608.33	-
Emergency Management Services						
Salaries and Wages	23,500.00	23,500.00	10,159.81	-	13,340.19	-
Other Expenses	9,000.00	9,000.00	1,136.41	2,483.86	5,379.73	-
Aid to First Aid Organizations						
Mount Laurel EMS						
Salaries and Wages	1,450,000.00	1,580,000.00	1,377,423.46	-	202,576.54	-
Other Expense	174,300.00	174,300.00	100,568.67	13,228.72	60,502.61	-
Other Expenses - Billing	80,000.00	80,000.00	37,253.69	3,803.91	38,942.40	-
Department of Public Works						
Road Repairs and Maintenance						
Salaries and Wages	1,604,400.00	1,604,400.00	1,472,088.08	-	132,311.92	-
Other Expenses	135,550.00	135,550.00	69,201.18	1,756.09	64,592.73	-
Snow Trust Fund	350,000.00	350,000.00	350,000.00	-	-	-
Garbage and Trash Removal						
Other Expenses	900,000.00	900,000.00	703,884.51	68,179.55	127,935.94	-
Municipal Services Act (N.J.S.A. 40:67-23.2 et seq.)						
Other Expenses	750,000.00	795,000.00	630,753.01	142,855.36	21,391.63	-
Public Buildings and Grounds						
Salaries and Wages	214,200.00	214,200.00	133,083.65	-	81,116.35	-
Other Expenses	270,000.00	320,000.00	226,443.70	22,928.88	70,627.42	-
Maintenance of Motor Vehicles						
Salaries and Wages	236,150.00	236,150.00	228,122.16	-	8,027.84	-
Other Expenses	245,700.00	245,700.00	188,039.37	2,008.43	55,652.20	-
Municipal Engineer						
Other Expenses	150,000.00	190,000.00	141,609.77	19,071.95	29,318.28	-
Sanitary Landfill--Contractual	1,785,500.00	1,785,500.00	1,510,355.63	146,653.27	128,491.10	-



**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT A-3**

**CURRENT FUND  
STATEMENT OF EXPENDITURES (CONTINUED)  
Year Ended December 31, 2020**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS--WITHIN "CAPS" (CONTD)						
Department of Health and Welfare						
Public Assistance						
Other Expenses	100.00	100.00	-	-	100.00	-
Animal Control						
Other Expenses	6,000.00	6,000.00	3,269.24	318.00	2,412.76	-
Department of Parks and Recreation						
Salaries and Wages	36,000.00	36,000.00	31,973.39	-	4,026.61	-
Other Expenses	90,000.00	90,000.00	27,369.70	1,792.50	60,837.80	-
Maintenance of Parks						
Salaries and Wages	369,200.00	369,200.00	343,190.57	-	26,009.43	-
Other Expenses	369,300.00	369,300.00	174,709.80	11,946.93	182,643.27	-
Department of Community Development						
Planning Board						
Salaries and Wages	62,700.00	62,700.00	54,631.51	-	8,068.49	-
Other Expenses	39,000.00	39,000.00	14,079.17	465.00	24,455.83	-
Zoning Board						
Salaries and Wages	97,100.00	97,100.00	68,201.63	-	28,898.37	-
Other Expenses	18,650.00	18,650.00	6,411.54	2,929.65	9,308.81	-
Housing Enforcement						
Salaries and Wages	45,850.00	45,850.00	43,723.64	-	2,126.36	-
Other Expenses	5,000.00	5,000.00	-	-	5,000.00	-
Uniform Construction Code--Appropriations Off-Set by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Construction Code Official						
Salaries and Wages	801,200.00	811,200.00	802,032.55	-	9,167.45	-
Other Expenses	105,000.00	105,000.00	47,054.17	10,972.74	46,973.09	-
Unclassified:						
Utilities:						
Gasoline	475,000.00	475,000.00	197,881.85	15,197.56	261,920.59	-
Street Lighting	600,000.00	600,000.00	514,098.81	1,570.83	84,330.36	-
Telephone	170,000.00	170,000.00	130,786.80	11,855.33	27,357.87	-
Electricity	460,000.00	460,000.00	267,232.45	6,300.95	186,466.60	-
Water	32,000.00	32,000.00	12,038.31	905.37	19,056.32	-
Sewer	17,000.00	17,000.00	9,152.96	596.87	7,250.17	-

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT A-3**

**CURRENT FUND  
STATEMENT OF EXPENDITURES (CONTINUED)  
Year Ended December 31, 2020**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>	
			<u>Paid or Charged</u>	<u>Encumbered</u>		<u>Reserved</u>
<b>OPERATIONS--WITHIN "CAPS" (CONT'D)</b>						
Unclassified (Cont'd):						
Traffic Lights						
Other Expenses	85,000.00	85,000.00	51,632.50	137.00	33,230.50	-
Accumulated Absences	100.00	100.00	100.00	-	-	-
<b>Total Operations Within "CAPS"</b>	<b>26,931,708.00</b>	<b>27,011,708.00</b>	<b>22,693,158.67</b>	<b>744,993.00</b>	<b>3,573,556.33</b>	<b>-</b>
Detail:						
Salaries and Wages	13,828,327.00	13,968,327.00	12,899,373.69	-	1,068,953.31	-
Other Expenses (Including Contingent)	13,018,381.00	13,043,381.00	9,793,784.98	744,993.00	2,504,603.02	-
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES-- MUNICIPAL--WITHIN "CAPS"</b>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	707,730.94	627,730.94	621,594.09	-	6,136.85	-
Social Security System (O.A.S.I.)	1,025,000.00	1,025,000.00	983,595.14	-	41,404.86	-
Police and Firemen's Retirement System of N.J.	1,926,450.00	1,926,450.00	1,926,450.00	-	-	-
New Jersey Unemployment	100.00	100.00	-	-	100.00	-
Defined Contribution Retirement Plan	16,000.00	16,000.00	5,782.85	-	10,217.15	-
<b>Total Deferred Charges and Statutory Expenditures-- Municipal--Within "CAPS"</b>	<b>3,675,280.94</b>	<b>3,595,280.94</b>	<b>3,537,422.08</b>	<b>-</b>	<b>57,858.86</b>	<b>-</b>
Judgements	100.00	100.00	-	-	100.00	-
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>30,607,088.94</b>	<b>30,607,088.94</b>	<b>26,230,580.75</b>	<b>744,993.00</b>	<b>3,631,515.19</b>	<b>-</b>

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT A-3**

**CURRENT FUND  
STATEMENT OF EXPENDITURES (CONTINUED)  
Year Ended December 31, 2020**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>						
Road Repair and Maintenance						
Other Expenses	9,000.00	9,000.00	9,000.00	-	-	-
Reserve for Tax Appeals	300,000.00	300,000.00	-	-	300,000.00	-
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	2,124,476.00	2,124,476.00	2,124,476.00	-	-	-
Length of Service Award Program						
Other Expenses	50,000.00	50,000.00	-	-	50,000.00	-
Shared Service Agreements						
Animal Control						
Other Expenses	25,000.00	25,000.00	25,000.00	-	-	-
State and Federal Programs Off-Set by Revenues:						
Body Armor Fund	6,375.42	6,375.42	6,375.42	-	-	-
Clean Communities Program (40A:4-87 \$81,684.39)		81,684.39	81,684.39	-	-	-
Safe and Secure Communities Grant	60,000.00	60,000.00	60,000.00	-	-	-
Recycling Tonnage Grant	58,277.04	58,277.04	58,277.04	-	-	-
Distracted Driving Crackdown Grant	5,500.00	5,500.00	5,500.00	-	-	-
Drive Sober or Get Pulled Over Grant (40A:4-87 \$6,000.00)	-	6,000.00	6,000.00	-	-	-
Municipal Alliance Program (40A:4-87 \$7,971.00)	10,000.00	17,971.00	17,971.00	-	-	-
Walmart Community Grant (40A:4-87 \$2,500.00)	-	2,500.00	2,500.00	-	-	-
County Park Grant	175,000.00	175,000.00	175,000.00	-	-	-
Emergency Management Grant (40A:4-87 \$10,000.00)	-	10,000.00	10,000.00	-	-	-
NJ Department of Transportation (40A:4-87 \$210,000.00)	231,500.00	441,500.00	441,500.00	-	-	-
Bullet Proof Vest Partnership Grant (40A:4-87 \$6,671.00)	-	6,671.00	6,671.00	-	-	-
<b>Total Operations--Excluded from "CAPS"</b>	<b>3,055,128.46</b>	<b>3,379,954.85</b>	<b>3,029,954.85</b>	<b>-</b>	<b>350,000.00</b>	<b>-</b>
<b>Detail:</b>						
Salaries and Wages	250,500.00	358,655.39	358,655.39	-	-	-
Other Expenses	2,804,628.46	3,021,299.46	2,671,299.46	-	350,000.00	-
<b>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</b>						
Capital Improvement Fund	300,000.00	300,000.00	300,000.00	-	-	-
<b>Total Capital Improvements--Excluded from "CAPS"</b>	<b>300,000.00</b>	<b>300,000.00</b>	<b>300,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT A-3**

**CURRENT FUND  
STATEMENT OF EXPENDITURES (CONTINUED)  
Year Ended December 31, 2020**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	
MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,670,000.00	1,670,000.00	1,670,000.00	-	-
Interest on Bonds	1,116,250.00	1,116,250.00	1,116,250.00	-	-
Total Municipal Debt Service--Excluded from "CAPS"	<u>2,786,250.00</u>	<u>2,786,250.00</u>	<u>2,786,250.00</u>	<u>-</u>	<u>-</u>
Total General Appropriations--Excluded from "CAPS"	<u>6,141,378.46</u>	<u>6,466,204.85</u>	<u>6,116,204.85</u>	<u>-</u>	<u>350,000.00</u>
Subtotal General Appropriations	36,748,467.40	37,073,293.79	32,346,785.60	744,993.00	3,981,515.19
Reserve for Uncollected Taxes	3,671,559.03	3,671,559.03	3,671,559.03	-	-
Total General Appropriations	<u>\$ 40,420,026.43</u>	<u>\$ 40,744,852.82</u>	<u>\$ 36,018,344.63</u>	<u>\$ 744,993.00</u>	<u>\$ 3,981,515.19</u>
Appropriation by N.J.S.40A:4-87 Budget		\$ 324,826.39 <u>40,420,026.43</u>			
		<u>\$ 40,744,852.82</u>			
Reserve for Federal, State and Local Grants - Appropriated			\$ 871,478.85		
Reserve for Uncollected Taxes			3,671,559.03		
Due General Capital Fund			300,000.00		
Disbursed			<u>31,175,306.75</u>		
			<u>\$ 36,018,344.63</u>		

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT B**

**TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE  
December 31, 2020 and 2019**

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Control Fund:			
Cash - Treasurer	SB-1	\$ 62,834.06	\$ 50,676.32
Assessment Fund:			
Cash - Treasurer	SB-1 & SB-12	25,817.54	4,091.83
Assessments Receivable	SB-14	121,365.23	142,730.76
		<u>147,182.77</u>	<u>146,822.59</u>
Municipal Open Space Fund:			
Cash - Treasurer	SB-1	21,847,238.16	18,335,237.75
Length of Service Award Program:			
Investments - Length of Service Award Program	SB-15	787,668.13	687,477.94
Other Funds:			
Cash - Treasurer	SB-1	13,990,395.99	14,661,572.36
Accounts Receivable--Outside Police Employment	SB-6	34,625.00	-
		<u>14,025,020.99</u>	<u>14,661,572.36</u>
		<u>\$ 36,869,944.11</u>	<u>\$ 33,881,786.96</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-2	\$ 35,142.30	\$ 35,059.40
Due Current Fund	SB-3	27,679.76	15,613.32
Due State of New Jersey	SB-4	12.00	3.60
		<u>62,834.06</u>	<u>50,676.32</u>
Assessment Fund:			
Due Current Fund	SB-13	147,182.77	146,822.59
Municipal Open Space Fund:			
Reserve for Encumbrances	SB-10	282,035.10	59,522.27
Reserve for Municipal Open Space Trust Fund	SB-9	17,188,850.97	13,899,363.39
Reserve for Payment of Debt	B	4,376,352.09	4,376,352.09
		<u>21,847,238.16</u>	<u>18,335,237.75</u>
Length of Service Award Program:			
Reserve for Length of Service Award Program	SB-6	787,668.13	687,477.94

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT B**

**TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)  
December 31, 2020 and 2019**

<u>LIABILITIES AND RESERVES (CONTD)</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Other Funds:			
Due Current Fund	SB-5	66,436.57	546,028.15
Due New Jersey Crime Compensation Board	SB-6	323,535.74	308,312.74
Reserve for Encumbrances	SB-8	490,007.15	393,916.47
Reserves and Special Deposits:			
Developers' Recreation	SB-6	334,293.35	334,293.35
Municipal Recreation: Summer Camp	SB-6	97,597.06	101,952.06
Municipal Recreation: Concert Series	SB-6	2,646.00	4,316.00
Municipal Recreation: Fall Festival	SB-6	87,783.70	83,083.70
Municipal Recreation: Senior Center	SB-6	20,716.55	20,406.55
Municipal Recreation: Special Events	SB-6	848.94	848.94
Municipal Recreation: Storm Recovery Trust	SB-6	1,638,871.25	1,329,438.19
Municipal Recreation: Women's Basketball	SB-6	280.00	280.00
Municipal Recreation: Men's Basketball	SB-6	3,400.00	3,400.00
Municipal Recreation: Softball	SB-6	1,887.72	1,887.72
Municipal Recreation Trust	SB-6	4,701.00	4,701.00
Recycling Trust Fund	SB-6	22,280.58	21,302.58
Special Law Enforcement Trust Fund	SB-6	52,496.06	89,956.69
Street Opening Deposits	SB-6	5,070.00	3,950.00
Low Income Housing	SB-6	5,860.75	5,860.75
Parking Offense Adjudication Act	SB-6	4,118.62	4,072.62
Public Defender Fees	SB-6	17,500.00	14,000.00
Outside Police Employment	SB-6	34,234.33	28,055.11
Developer's Fees - Spring Valley	SB-6	100,052.15	104,734.03
Reserve for Sidewalks	SB-6	89,715.00	89,715.00
Developer's Fees - Orleans Litigation Deposits	SB-6	1,425.88	1,425.88
Developer's Fees - Traffic Impact	SB-6	104,437.50	104,437.50
Reserve for Developer Fees - Hovnanian	SB-6	166.00	166.00
Reserve for Environmental - Kowalski	SB-6	250,000.00	250,000.00
New Jersey Unemployment Compensation			
Insurance Trust Fund	SB-6	322,542.37	303,403.87
Affordable Housing	SB-6	3,776,588.12	4,240,741.15
Affordable Housing - Low Income	SB-6	88,176.19	88,176.19
Fair Share Housing - Senior Citizens' Housing	SB-6	81,574.61	81,411.64
Payroll Deductions Payable	SB-6	134,434.03	139,095.22
Accumulated Absences	SB-6	100.00	-
K-9 Fund	SB-6	65,166.48	85,694.99
Redemption of Tax Sale Certificates	SB-6	16,362.53	53,953.73
Redemption of Tax Sale Premiums	SB-6	1,213,800.00	782,500.00
Reserve for Community Development Escrow Deposits	SB-7	4,565,914.76	5,036,054.54
		<u>14,025,020.99</u>	<u>14,661,572.36</u>
		<u>\$ 36,869,944.11</u>	<u>\$ 33,881,786.96</u>

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT B-1**

**MUNICIPAL OPEN SPACE TRUST FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN RESERVE FOR USE  
Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
REVENUE REALIZED:		
Amount to be Raised by Taxation	\$ 4,687,112.08	\$ 4,641,405.66
Reserve Funds	10,000,000.00	10,000,000.00
Miscellaneous Revenue not Anticipated	<u>336,310.03</u>	<u>301,191.45</u>
Total Income	<u>15,023,422.11</u>	<u>14,942,597.11</u>
EXPENDITURES:		
Budget Appropriations:		
Development of Land	391,034.53	1,273,533.87
Debt Service	<u>1,342,900.00</u>	<u>1,351,400.00</u>
Total Expenditures	<u>1,733,934.53</u>	<u>2,624,933.87</u>
Statutory Excess to Reserve for Future Use	13,289,487.58	12,317,663.24
RESERVE FOR FUTURE USE:		
Balance January 1	<u>13,899,363.39</u>	<u>11,581,700.15</u>
Decreased by:	27,188,850.97	23,899,363.39
Utilized as Revenue	<u>10,000,000.00</u>	<u>10,000,000.00</u>
Balance December 31	<u>\$ 17,188,850.97</u>	<u>\$ 13,899,363.39</u>

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT B-2**

**MUNICIPAL OPEN SPACE TRUST FUND  
STATEMENT OF REVENUES  
Year Ended December 31, 2020**

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	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess</u>
Amount to be Raised by Taxation	\$ 4,632,256.23	\$ 4,687,112.08	\$ 54,855.85
Reserve Funds	10,000,000.00	10,000,000.00	-
Miscellaneous Revenue not Anticipated	-	336,310.03	336,310.03
	<u>\$ 14,632,256.23</u>	<u>\$ 15,023,422.11</u>	<u>\$ 391,165.88</u>

Analysis of Realized Revenues

Amount to be Raised by Taxation	
Current Year Levy	\$ 4,632,256.23
Added and Omitted Taxes	54,855.85
	<u>\$ 4,687,112.08</u>
Miscellaneous Revenue not Anticipated:	
Community Gardens Rentals	\$ 2,380.00
Interest on Deposits	333,930.03
	<u>\$ 336,310.03</u>



**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT B-3**

**MUNICIPAL OPEN SPACE TRUST FUND  
STATEMENT OF EXPENDITURES  
Year Ended December 31, 2020**

	Appropriations		Expended	Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	
Development of Lands:				
Other Expenses	\$ 5,000,000.00	\$ 5,000,000.00	\$ 391,034.53	\$ 4,608,965.47
Acquisition of Lands	8,000,000.00	8,000,000.00		8,000,000.00
Debt Service:				
Payment of Bond Principal	850,000.00	850,000.00	850,000.00	-
Interest on Bonds	492,900.00	492,900.00	492,900.00	-
Reserve for Future Use	289,356.23	289,356.23	-	289,356.23
	<u>\$ 14,632,256.23</u>	<u>\$ 14,632,256.23</u>	<u>\$ 1,733,934.53</u>	<u>\$ 12,898,321.70</u>
Disbursed			\$ 1,511,421.70	
Prior Year Encumbrances Canceled			(59,522.27)	
Reserve for Encumbrances Charged			282,035.10	
			<u>\$ 1,733,934.53</u>	

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT C**

**GENERAL CAPITAL FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE  
December 31, 2020 and 2019**

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash	SC-1	\$ 5,916,052.34	\$ 11,249,319.28
Deferred Charges to Future Taxation - Funded	SC-3	37,300,000.00	39,820,000.00
Deferred Charges to Future Taxation - Unfunded	SC-4	10,872,309.00	5,172,309.00
Due Federal and State Grant Fund	SC-1	-	196,000.00
		<u>\$ 54,088,361.34</u>	<u>\$ 56,437,628.28</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Capital Improvement Fund	SC-2	\$ 44,811.00	\$ 44,811.00
Reserve for Payment of Bonds and Bond Anticipation Notes	SC-5	1,287,121.89	1,637,121.89
Due Current Fund	SC-6	304,420.50	77,990.88
Improvement Authorizations:			
Funded	SC-7	7,679,126.92	8,473,813.57
Unfunded	SC-7	6,167,916.92	949,829.82
Contracts Payable	SC-8	847,125.82	5,239,083.78
Reserve for Encumbrances	SC-8	361,376.31	98,515.36
Serial Bonds	SC-9	37,300,000.00	39,820,000.00
Fund Balance	C-1	<u>96,461.98</u>	<u>96,461.98</u>
		<u>\$ 54,088,361.34</u>	<u>\$ 56,437,628.28</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2020 and 2019, in the amount of \$10,872,309 and \$5,172,309, respectively.

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT C-1**

GENERAL CAPITAL FUND  
STATEMENT OF CHANGES IN FUND BALANCE  
Year Ended December 31, 2020

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Balance Dec. 31, 2019	<u>\$ 96,461.98</u>
Balance Dec. 31, 2020	<u>\$ 96,461.98</u>

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**EXHIBIT D**

GENERAL FIXED ASSET ACCOUNT GROUP  
STATEMENT OF GENERAL FIXED ASSETS  
December 31, 2020

	Balance Dec. 31, 2019	Additions	Deletions	Balance Dec. 31, 2020
General Fixed Assets:				
Land	\$ 72,399,343.80	\$ 199,357.98	\$ -	\$ 72,598,701.78
Building	22,301,643.21	60,898.00	-	22,362,541.21
Equipment	2,160,411.11	34,854.97	-	2,195,266.08
Vehicles	7,927,884.93	1,068,856.40	72,431.00	8,924,310.33
	<u>\$ 104,789,283.05</u>	<u>\$ 1,363,967.35</u>	<u>\$ 72,431.00</u>	<u>\$ 106,080,819.40</u>
Investment in General Fixed Assets	<u>\$ 104,789,283.05</u>	<u>\$ 1,363,967.35</u>	<u>\$ 72,431.00</u>	<u>\$ 106,080,819.40</u>

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity**

The Township of Mount Laurel (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on March 7, 1872, from portions of Evesham Township. The Township, located in Burlington County, New Jersey, has a total area of approximately twenty-two square miles, and is located approximately fifteen miles from the City of Philadelphia. The Township borders Moorestown Township, Maple Shade Township, Cherry Hill Township, Medford Township, Hainesport Township, Lumberton Township, Westampton Township, Willingboro Township and Evesham Township. According to the 2020 census, the population was 41,864.

The Township is governed under the Faulkner Act System using Council-Manager form of government, with a five-member Council. The Council is elected directly by the voters in partisan elections to serve four-year terms of office on a staggered basis, with two or three seats coming up for election in odd-numbered years. At an annual reorganization meeting, the Council selects one of its members to serve as Mayor and another as Deputy Mayor. The Township Manager oversees the daily functions of the Township.

**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:

Mount Laurel Municipal Utilities Authority, 1201 S. Church Street  
Mount Laurel, New Jersey 08054

Mount Laurel Public Library, 100 Walt Whitman Avenue  
Mount Laurel, New Jersey 08054

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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

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

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

**Cash, Cash Equivalents and Investments**

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

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash, Cash Equivalents and Investments (Continued)**

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

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

**Interfunds**

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

**Inventories of Supplies**

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

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**General Fixed Assets**

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

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

**Foreclosed Property**

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



**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Charges**

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

**Liens Sold for Other Governmental Units**

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

**Fund Balance**

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

**Revenues**

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

**Property Tax Revenues**

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington, the Township of Mount Laurel School District, the Lenape Regional High School District, the Township of Mount Laurel Open Space Fund, the Mount Laurel Library, and the Township of Mount Laurel Fire District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes**

The Township is responsible for levying, collecting and remitting school taxes for the Township of Mount Laurel School District and the Lenape Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district and the regional high school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2019, and decreased by the amount deferred at December 31, 2020.

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**County Taxes**

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

**Fire District Taxes**

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

**Open Space Taxes**

Currently, the Township assesses, by referendum, all taxable property at 8 cents per \$100.00 of assessed value for the acquisition and improvements of land for open space preservation, historic preservation, parks and recreation and maintenance of open space property within the Township.

**Library Taxes**

The municipality is responsible for levying, collecting and remitting library taxes for the Mount Laurel Public Library. The amount of the library tax is a separate local levy tax, the amount of which is in accordance with New Jersey statutes based on 1/3 of a mil of the Township's equalized valuation of the prior year. The tax is remitted to the Library through the municipal budget.

**Reserve for Uncollected Taxes**

The inclusion of the "reserve for uncollected taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediately 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.

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Expenditures (Continued)**

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

**Appropriation Reserves**

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

**Long-Term Debt**

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

**Compensated Absences, Pension and Other Post-employment Benefits**

Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, pension and post-employment expenses are recorded on a cash basis as billed by the State. Thus, net pension liability and related deferred inflows and outflows are not recorded on the statement of assets, liabilities, reserves and fund balance.

**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 Governmental 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.

**B. CASH AND CASH EQUIVALENTS**

As of December 31, 2020, the Township's bank balances of \$77,427,882.88 were exposed to custodial credit risk as follows:

Insured	\$ 1,250,000.00
Uninsured and Collateralized	74,402,969.76
Uninsured and Uncollateralized	1,774,913.12
Total	<u>\$ 77,427,882.88</u>

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

**C. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

Year	Amount
2020	\$ 1,590,996.00
2019	1,591,496.00
2018	1,267,196.00
2017	1,834,100.00
2016	1,834,100.00

**D. FUND BALANCES APPROPRIATED**

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

<u>Current Fund</u>		Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
Year	Balance June 30	Year	Balance Used
2020	\$ 19,901,844.04	\$ 7,340,000.00	36.88%
2019	19,029,793.43	6,665,000.00	35.02%
2018	16,776,691.02	6,350,000.00	37.85%
2017	14,677,568.94	6,300,000.00	42.92%
2016	10,568,839.13	6,300,000.00	59.61%

**E. 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:

Fund	Interfunds Receivable	Interfunds Payable
Current	\$ 811,997.37	\$ -
Federal and State Grant	-	266,277.77
Trust - Assessment	-	147,182.77
Trust - Animal Control	-	27,679.76
Trust - Other	-	66,436.57
General Capital	-	304,420.50
Totals	<u>\$ 811,997.37</u>	<u>\$ 811,997.37</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2021, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**F. PENSION AND RETIREMENT PLANS**

A substantial number of the Township's employees participate in the following defined benefit pension plans: Public Employees' Retirement System ("PERS") and Police and Firemen's Retirement System ("PFRS"), which are administered and/or regulated by the New Jersey Division of Pensions and Benefits (the "Division of Pensions and Benefits"). Both plans have a board of trustees that is primarily responsible for its administration. The Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

For additional information about PERS or PFRS, please refer to Division of Pensions and Benefits' Comprehensive Annual Financial Report ("CAFR") which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**Plan Descriptions**

PERS is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. PFRS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits.

The Defined Contribution Retirement Program ("DCRP") 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 PERS 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.

**Benefits Provided**

For PERS, 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 ten 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 22, 2010
- 4 Members who were eligible to enroll after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**F. PENSION AND RETIREMENT PLANS (CONTINUED)**

**Benefits Provided (Continued)**

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

For PFRS, 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 ten 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 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.

For DCRP, 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.

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**F. PENSION AND RETIREMENT PLANS (CONTINUED)**

**Contributions**

The contribution policy for PERS is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in state fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets.

The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in state fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets.

A special funding situation exists for the local employers of the Police and Fire Retirement System of New Jersey. The State, as a non-employer, is required to pay the additional costs incurred by local employers under 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. For the June 30, 2020, measurement date, the state special funding situation net pension liability in the amount of \$2,005,329,818.00 is the accumulated difference between the annual actuarially determined state obligation under the special funding situation and the actual state contribution through the valuation date. The state special funding situation pension expense of \$227,263,993.00 for the fiscal year ended June 30, 2020, is the actuarially determined contribution amount that the state owes for the fiscal year ended June 30, 2020. The pension expense is deemed to be a State administrative expense due to the special funding situation. The portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township is \$3,868,205 and the total proportionate share of the employer pension expense is \$438,384.

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 that 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 non-employer contributing entity.

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

**F. PENSION AND RETIREMENT PLANS (CONTINUED)**

**Contributions (Continued)**

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 report in the financial statements of the local participating employers related to this legislation.

The Township is billed annually for its normal contribution plus any accrued liability. Contributions to PERS from the Township were \$707,730.94 for the year ended December 31, 2020. Contributions to PFRS from the Township were \$1,926,450.00 for the year ended December 31, 2020.

The contribution policy for DCRP 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, the Township's contributions were \$5,782.85. There were no forfeitures during the year.

**Pension Liabilities and Pension Expense**

At June 30, 2020, the Township had a liability of \$12,409,940.00 for its proportionate share of the net pension liability in PERS and \$24,924,732.00 for its proportionate share of the net pension liability in PFRS. 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 that date. 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 members of the plan, actuarial determined. At June 30, 2020, the Township's proportion was 0.0761001264%, which was an increase of 0.01241 from its proportion measured as of June 30, 2019, for PERS and 0.1928961888%, which was an increase of 0.00218 from its proportion measured as of June 30, 2019, for PFRS. The Township's PERS and PFRS pension expenses were \$518,432.00 and \$1,620,574, respectively.

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer-specific amounts) for the year ended December 31, 2020:

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 225,965.00	\$ 43,887.00	\$ 251,284.00	\$ 89,452.00
Changes in assumptions	402,593.00	5,196,160.00	62,723.00	6,682,171.00
Net difference between projected and actual investment earnings on pension plan investments	424,182.00	-	1,461,454.00	-
Changes in proportion	1,170,880.00	109,604.00	1,259,956.00	609,149.00
	<u>\$ 2,223,620.00</u>	<u>\$ 5,349,651.00</u>	<u>\$ 3,035,417.00</u>	<u>\$ 7,380,772.00</u>



**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

**F. PENSION AND RETIREMENT PLANS (CONTINUED)**

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending	PERS	PFRS
2021	\$ (517,345.00)	\$ (962,343.00)
2022	(1,791,861.00)	(2,322,351.00)
2023	(1,082,347.00)	(1,139,339.00)
2024	220,337.00	99,759.00
2025	45,185.00	(21,080.76)
	\$ (3,126,031.00)	\$ (4,345,354.76)

**Actuarial Assumptions**

The total pension liability as of the June 30, 2020, measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026 (baed on years of service)	2.00 - 6.00%	
Thereafter (based on years of service)	3.00 - 7.00%	
Through all future years (based on years of service)		3.25 - 15.25%
Investment rate of return	7.00%	7.00%

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree Mortality Table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree Mortality Table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

For PFRS, pre-retirement mortality rates were based on the Pub-2010 Safety Employee Mortality Table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

**F. PENSION AND RETIREMENT PLANS (CONTINUED)**

**Actuarial Assumptions (Continued)**

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.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

**Long-term Rate of Return**

In accordance with state statute, the long-term expected rate of return of 7.00% on plan investments 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. The 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 real rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of the June 30, 2020, measurement date are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	7.71%
Non-U.S. Developed Market 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%
	100.00%	

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

**F. PENSION AND RETIREMENT PLANS (CONTINUED)**

**PERS Discount Rate**

The discount rate used to measure the pension liabilities of PERS was 7.00% as of the June 30, 2020, measurement date. 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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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.

**PFRS Discount Rate**

The discount rate used to measure the pension liabilities of PFRS was 7.00% as of the June 30, 2020, measurement date. 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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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 the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of the June 30, 2020, measurement date calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	At 1%	At Current Discount	At 1%
	Decrease (6.00%)	Rate (7.00%)	Increase (8.00%)
PERS	<u>\$ 15,622,044.78</u>	<u>\$ 12,409,940.47</u>	<u>\$ 9,684,382.18</u>
	At 1%	At Current Discount	At 1%
	Decrease (6.00%)	Rate (7.00%)	Increase (8.00%)
PFRS	<u>\$ 33,144,762.88</u>	<u>\$ 24,924,731.71</u>	<u>\$ 18,097,367.83</u>

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**G. LENGTH OF SERVICE AWARDS PROGRAM**

**Plan Description**

The Township's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Resolution adopted on June 20, 2005 pursuant to Section 457(e)(11)(8) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the Township approved the adoption of the Plan at the general election held on November 5, 2005, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2006. The Plan provides tax deferred income benefits to active emergency medical personnel, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

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

**Plan Amendments**

The Township may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the Township, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the Township's governing body, provided, however, that any amendment required by the IRS may be adopted by the Township's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the Township shall adopt the amendment by resolution of the governing body, and a certified copy of the

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**G. LENGTH OF SERVICE AWARDS PROGRAM (CONTINUED)**

**Plan Amendments (Continued)**

resolution shall be forwarded to the Director. The Township may amend the Plan agreement to accommodate changes in the Internal Revenue Code, federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the Township shall notify all participants in writing prior to making any amendment to the Plan.

**Contributions**

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

The Township elected to contribute between \$142.60 and \$1,150.00 for the year ended December 31, 2020, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2020, the Township's total contribution to the Plan was \$28,778.04.

**Participant Accounts**

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

**Vesting**

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

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**G. LENGTH OF SERVICE AWARDS PROGRAM (CONTINUED)**

**Payment of Benefits**

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

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

**Forfeited Accounts**

For the year ended December 31, 2020, no accounts were forfeited.

**Investments**

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

**Plan Information**

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

**H. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) OTHER THAN PENSIONS**

**General Information About the OPEB Plan**

The Township participates in the State Health Benefit Local Government Retired Employees Plan (the “Plan”) which is a cost-sharing multiple-employer defined benefit other post-employment 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, Comprehensive Annual Financial Report (CAFR), which can be found at [www.state.nj.us/treasury/pensions/financial-reports.shtml](http://www.state.nj.us/treasury/pensions/financial-reports.shtml).

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement medical coverage to their employees must file a resolution with the Division of Pensions and Benefits. 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

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**H. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) OTHER THAN PENSIONS  
(CONTINUED)**

**General Information About the OPEB Plan (Continued)**

and service eligibility for employer-paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of post-retirement 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 of service 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 post-retirement medical coverage. Local employers were required to file a resolution with the Division of Pensions and Benefits in order for their employees to qualify for state-paid retiree health benefits coverage under Chapter 330.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post-retirement 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.

The Township's contribution to the Plan for the year ended December 31, 2020, was \$2,873,256.85.

The GASB Statement No. 75 report of the State Health Benefits Local Government Retired Employees Plan (the “Plan”) for the period ended June 30, 2020, was not available as of the date of this report. Per Local Finance Notice 2021-10, issued by the Division of Local Government Services, calendar year municipalities are able to include in their annual audits the most recent audited GASB 75 information published by the Division of Pensions and Benefits. Thus, the Township included in the note below their December 31, 2019 disclosures based on the period ended June 30, 2019 audited Plan information.

**Allocation Methodology**

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation’s and nonspecial funding situation’s net OPEB liability, deferred outflows of resources, deferred inflows of resources, and collective OPEB expense are based on separately calculated net OPEB liabilities. The nonspecial funding situation’s net OPEB liability, deferred outflows of resources, deferred inflows of resources, and collective OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan’s nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019.

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

**H. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) OTHER THAN PENSIONS  
(CONTINUED)**

**Special Funding Situation**

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 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the state managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. For the special funding situation, the net OPEB liabilities of the Township for the year ended December 31, 2019, was 0.338790% or \$18,720,583.

**Components of Net OPEB Liability**

The components of the Township’s net OPEB liability as of the June 30, 2019, measurement date is as follows:

	June 30, 2019
Total OPEB liability	\$ 16,558,633.44
Plan Fiduciary Net Position	327,324.43
Net OPEB Liability	<u>\$ 16,231,309.00</u>
 Plan Fiduciary Net Position as a % of Total OPEB Liability	 1.98%

**Actuarial Assumptions**

The net OPEB liability as of the June 30, 2019, measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.50%
Salary increases*	
PERS	
Through 2026	2.00 - 6.00%
Thereafter	3.00 - 7.00%
PFRS	
All future years	3.25 - 15.25%

\* Salary increases are based on years of service within the respective plan.



**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

**H. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) OTHER THAN PENSIONS  
(CONTINUED)**

**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 General Classification Headcount-Weighted Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2019.

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

One-hundred percent of active members are considered to participate in the Plan upon retirement.

**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.

**Discount Rate**

The discount rate for the June 30, 2019, measurement date was 3.5%. 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.

**Sensitivity of Net OPEB Liability to Changes in the Discount Rate**

The following presents the collective net OPEB liability of the participating employers as of the June 30, 2019, measurement date calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At June 30, 2019		
At 1% Decrease (2.50%)	At Current Discount Rate (3.50%)	At 1% Increase (4.50%)
\$ 18,767,521.98	\$ 16,231,309.00	\$ 14,170,300.33

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

**H. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) OTHER THAN PENSIONS  
(CONTINUED)**

**Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate**

The following presents the net OPEB liability as of the June 30, 2020, measurement date calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At June 30, 2019		
At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
\$ 13,697,224.32	\$ 16,231,309.00	\$ 19,463,960.09

**Deferred Outflows of Resources and Deferred Inflows of Resources**

Changes in Proportion - the following amounts do not include employer-specific deferred outflows of resources and deferred inflows of resources related to the changes in proportion. These amounts will be recognized (amortized) by the Township over the average remaining service lives of all plan members, which is 8.05, 8.14, and 8.04 years for the 2019, 2018, and 2017 amounts, respectively.

	Year of Deferral	Amortization Period	Beginning of the Year Balance	Additions	Deductions	End of the Year Balance
<b>Deferred Outflows of Resources:</b>						
Differences between projected and actual investment earnings on OPEB plan investments	2017	5 years	\$ 3,144	\$ -	\$ 1,048	\$ 2,096
	2018	5 years	6,776	-	1,694	5,082
	2019	5 years	-	7,740	1,548	6,192
Deferred Outflows of Resources			<u>\$ 9,920</u>	<u>\$ 7,740</u>	<u>\$ 4,290</u>	<u>\$ 13,370</u>
<b>Deferred Inflows of Resources:</b>						
Differences between expected and actual experience	2018	8.14 years	\$ 3,811,429	\$ -	\$ 533,814	\$ 3,277,615
	2019	8.05 years	-	1,677,428	208,376	1,469,052
Changes of assumptions	2017	8.04 years	2,329,487	-	385,677	1,943,811
	2018	8.14 years	2,432,330	-	340,662	2,091,668
	2019	8.05 years	-	1,960,017	243,480	1,716,537
Deferred Inflows of Resources			<u>\$ 8,573,246</u>	<u>\$ 3,637,445</u>	<u>\$ 1,712,009</u>	<u>\$ 10,498,682</u>

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

Years ending	
2020	\$ (2,063,663.00)
2021	(1,678,164.00)
2022	(1,679,215.00)
2023	(1,680,924.00)
2024	(1,682,196.00)
Thereafter	(1,701,150.00)
	<u>\$ (10,485,312.00)</u>

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**I. COMPENSATED ABSENCES**

Under the existing policy of the Township, full-time employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year.

The Township compensates employees for unused sick leave and vacation days upon termination if they have ten years of service or retirement. The current contract provides for compensated pay of 20%, 30%, 33% or 50% of sick days accumulated with a maximum pay-out of thirty or forty days' pay or \$15,000.00 depending on which contract. All unused vacation days are paid out upon termination or retirement. Compensation is paid at the rate of pay upon termination or retirement.

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 \$1,380,795.29.

**J. 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.

**K. CAPITAL DEBT**

**General Improvement Bonds**

Open Space Bonds, Series A 2011 - On April 7, 2011, the Township issued \$18,600,000.00 of open space bonds, with interest rates ranging from 4.0% to 4.5%. The purpose of the bonds is to fund various capital ordinances. The callable portion of these bonds were advanced refunded in 2017. The final maturity of the noncallable portion of the bonds is April 15, 2021.

General Obligation Refunding Bonds, Series 2014 - On December 10, 2014, the Township issued \$9,190,000.00 in general improvement refunding bonds, with interest rates ranging from 1.0% to 4.0%, to advance refund \$9,550,000.00 outstanding 2004, 2005 and 2006 general improvement bonds with interest rates of 3.750 to 4.300%. The final maturity of the bonds is September 1, 2022.

Open Space Refunding Bonds, Series 2017 - On October 26, 2017, the Township issued \$10,660,000.00 in callable general improvement refunding bonds, with interest rates ranging from 3.0% to 5.0%, to advance refund \$11,105,000.00 outstanding 2011 Open Space Bonds, Series A with interest rates ranging from 4% to 4.50%. The bonds maturing on or after April 15, 2028, 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 April 15, 2027. The final maturity of the bonds is April 15, 2031.

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

**K. CAPITAL DEBT (CONTINUED)**

**General Improvement Bonds (Continued)**

General Obligation Bonds, Series 2019 - On March 4, 2019, the Township issued \$25,545,000.00 in callable general improvement bonds, with interest rates ranging from 3.0% to 5.0%, to fund various capital ordinances. The bonds maturing on or after March 1, 2028, 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 March 1, 2027. The final maturity of the bonds is March 1, 2035.

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

Year	Principal	Interest	Total
2021	\$ 1,670,000.00	\$ 1,040,450.00	\$ 2,710,450.00
2022	1,540,000.00	957,150.00	2,497,150.00
2023	1,555,000.00	874,675.00	2,429,675.00
2024	1,600,000.00	795,800.00	2,395,800.00
2025	1,650,000.00	714,550.00	2,364,550.00
2026-2030	8,830,000.00	2,353,250.00	11,183,250.00
2031-2035	8,910,000.00	671,850.00	9,581,850.00
Totals	<u>\$25,755,000.00</u>	<u>\$ 7,407,725.00</u>	<u>\$33,162,725.00</u>

The following schedule represents the remaining debt service, through maturity, for the Open Space Bonds:

Year	Principal	Interest	Total
2021	\$ 885,000.00	\$ 458,200.00	\$ 1,343,200.00
2022	890,000.00	427,150.00	1,317,150.00
2023	925,000.00	395,300.00	1,320,300.00
2024	960,000.00	357,600.00	1,317,600.00
2025	1,000,000.00	318,400.00	1,318,400.00
2026-2030	5,640,000.00	901,350.00	6,541,350.00
2031	1,245,000.00	24,900.00	1,269,900.00
Totals	<u>\$11,545,000.00</u>	<u>\$ 2,882,900.00</u>	<u>\$14,427,900.00</u>

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

**K. CAPITAL DEBT (CONTINUED)**

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	<u>\$ 37,300,000.00</u>	<u>\$ 39,820,000.00</u>	<u>\$ 42,208,218.00</u>
Total Issued	<u>\$ 37,300,000.00</u>	<u>\$ 39,820,000.00</u>	<u>\$ 42,208,218.00</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	<u>10,872,309.00</u>	<u>5,172,309.00</u>	<u>-</u>
Total Authorized but not Issued	<u>10,872,309.00</u>	<u>5,172,309.00</u>	<u>-</u>
 Total Issued and Authorized but not Issued	 <u>48,172,309.00</u>	 <u>44,992,309.00</u>	 <u>42,208,218.00</u>
 <u>Deductions</u>			
General:			
Reserve for Payment of Bonds	<u>5,663,473.28</u>	<u>6,013,473.98</u>	<u>6,363,473.98</u>
Total Deductions	<u>5,663,473.28</u>	<u>6,013,473.98</u>	<u>6,363,473.98</u>
 Net Debt	 <u><u>\$ 42,508,835.72</u></u>	 <u><u>\$ 38,978,835.02</u></u>	 <u><u>\$ 35,844,744.02</u></u>

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .663%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Purposes	\$ 33,440,000.00	\$ 33,440,000.00	\$ -
Regional School Purposes	14,563,804.30	14,563,804.30	-
General	<u>48,172,309.00</u>	<u>5,663,473.28</u>	<u>42,508,835.72</u>
	<u><u>\$ 96,176,113.30</u></u>	<u><u>\$ 53,667,277.58</u></u>	<u><u>\$ 42,508,835.72</u></u>

Net debt \$42,508,835.72 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$6,413,271,345.00, equals .663%. This information agrees to the 2020 Annual Debt Statement as filed by the Township with the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

<u>Borrowing Power Under N.J.S.A. 40A:2-6 as Amended</u>	
3 -1/2% of Equalized Valuation Basis	
(Municipal)	\$ 224,464,497.08
Less: Net Debt	<u>42,508,835.72</u>
Remaining Borrowing Power	<u><u>\$ 181,955,661.36</u></u>

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

**L. DEFEASED DEBT**

In prior years, the Township defeased certain general obligation bonds by placing the proceeds of new bonds in a separate irrevocable trust fund. The investments and fixed interest earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the Township's financial statements. As of December 31, 2020, the total amount of defeased debt outstanding, but removed from the Township's financial statements, is \$11,105,000.00.

**M. SCHOOL TAXES**

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

	Balance December 31,	
	2020	2019
Balance of Tax	\$ 32,855,705.00	\$ 32,348,735.00
Deferred	27,305,565.35	27,305,565.35
Taxes Payable	<u>\$ 5,550,139.65</u>	<u>\$ 5,043,169.65</u>

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

	Balance December 31,	
	2020	2019
Balance of Tax	\$ 21,022,736.18	\$ 20,661,262.70
Deferred	18,165,286.57	18,165,286.57
Taxes Payable	<u>\$ 2,857,449.61</u>	<u>\$ 2,495,976.13</u>

**N. 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.

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

**N. RISK MANAGEMENT (CONTINUED)**

**New Jersey Unemployment Compensation Insurance (Continued)**

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

Year	Township Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2020	\$ -	\$ 19,997.43	\$ 293.53	\$ 1,152.46	\$ 322,542.37
2019	-	19,718.16	407.91	4,709.16	303,403.87
2018	-	17,585.02	28.94	14,315.02	287,986.96

It is estimated that unreimbursed payments on behalf of the Township at December 31, 2020, are \$483.84.

**Joint Insurance Pool**

The Township of Mount Laurel is a member of the Burlington County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation including Employer's Liability
- General Liability including Police Professional and Employee Benefit Liability
- Automobile Liability
- Blanket Crime including Public Employee Dishonesty
- Property including Boiler and Machinery
- Public Officials and Employment Practices Liability
- Volunteer Directors and Officers Liability
- Cyber Liability

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

- Excess Workers' Compensation
- Excess General Liability
- Non-Owned Aircraft Liability
- Excess Auto Liability
- Fidelity and Performance (Blanket)
- Excess Property including Boiler and Machinery
- Crime including Excess Public Employee and Public Official Coverage

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

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

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**N. RISK MANAGEMENT (CONTINUED)**

**Joint Insurance Pool (Continued)**

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

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

Burlington County Municipal Joint Insurance Fund  
P.O. Box 489  
Marlton, New Jersey 08053

**O. DEBT SERVICE AGREEMENT (FINANCIAL GUARANTEE)**

On June 11, 2018, the Township entered into a debt service agreement to guarantee the thirty-year, \$3,400,000.00 general obligation bond issuance of the Township of Mount Laurel Municipal Utilities Authority, a component unit of the Township. The bonds mature annually through February 1, 2049, with semi-annual interest payments. In the event that the Authority is unable to make a payment, the Township is required to make that payment. The Authority is obligated, by the agreement, to repay to the Township all advances paid on their behalf, contingent upon the financial ability to do so. At December 31, 2020, the Authority had \$3,330,000.00 in bonds outstanding covered by this agreement.

**P. OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST**

On November 3, 1998, November 6, 2001, and November 5, 2002, 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 Mount Laurel Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 1999, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the three referendums, the Township currently levies a tax not to exceed eight 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. In 2007, the voters of the Township extended the yearly provisions of the 1998 and 2001 referendums. In 2017, the voters of the Township approved an amendment to the purpose of the open space tax to include the improvements of recreation sites within the Township. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Township of Mount Laurel Open Space, Recreation and Farmland Preservation Trust Funds.



**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**Q. 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.

**R. 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.

**S. IMPACTS OF CORONAVIRUS PANDEMIC**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus including restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Township operates. Financial impacts of the aforementioned closures and restrictions included decreased hotel and motel occupancy taxes collected, reduced court revenues from tickets, and an increase in tax appeals from the commercial properties. It is unknown how long these conditions will last and what the complete financial affect will be to the Township.

**T. 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. However, the Township has 2020 appropriation reserves remaining of \$300,000.00 and budgeted \$420,000.00 for tax appeals in the 2021 budget. Subsequent to December 31, 2020, there are various unresolved appeals, several of which are for the 2021 tax year. In the event there are insufficient funds to settle any of these appeals, the Township has the ability to raise the funds in the budget subsequent to 2021 and may, depending upon approval from the New Jersey State Local Finance Board, borrow to fund the payment of appeals.

**TOWNSHIP OF MOUNT LAUREL  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

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**T. SUBSEQUENT EVENTS (CONTINUED)**

**American Rescue Plan**

The American Rescue Plan Act of 2021 was signed on March 11, 2021 and authorized federal funding to provide direct financial relief funds to the public in response to COVID-19. Included in the plan was \$130 billion in emergency funding for local government entities. Of the funding provided for local governments in the State of New Jersey, \$4,317,577.88 was allocated to the Township of Mount Laurel. The first half, in the amount of \$2,158,788.94, was received on June 25, 2021 and the second half is expected to be received in 2022.

**APPENDIX C**  
**FORM OF BOND COUNSEL OPINION**

February \_\_, 2022

Mayor and Township Council  
Township of Mount Laurel in the  
County of Burlington, New Jersey

Re: Township of Mount Laurel, in the County of Burlington, New Jersey  
\$14,565,000 General Obligation Bonds, Series 2022

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery of the \$14,565,000 General Obligation Bonds, Series 2022 (the "Bonds") by the Township of Mount Laurel (the "Township") in the County of Burlington, New Jersey (the "County").

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) Resolution 22-R-55 adopted by the Township Council on January 24, 2022 ("Authorizing Resolution") and (iii) the bond ordinances set forth in the Authorizing Resolution (the "Bond Ordinances").

The Bonds are dated February 17, 2022 and mature on February 15<sup>th</sup> in each of the years and in the respective principal amounts as set forth on the inside cover of an Official Statement dated February 2, 2022 related to the Bonds, and bear interest at the respective interest rates per annum set forth in the Official Statement, payable semi-annually thereafter on February 15<sup>th</sup> and August 15<sup>th</sup> of each year, commencing August 15, 2022.

The Bonds are issued without coupons. The principal amounts of the Bonds are subject to optional redemption and prepayment prior to their respective maturity and principal payment dates as set forth therein.

Proceeds of the Bonds will be used by the Township to: (i) currently refund the Township's \$9,675,000 Bond Anticipation Note, dated and issued on April 1, 2021 and maturing on February 18, 2022 (the "2021A Bond Anticipation Notes"), (ii) provide \$4,890,000 in new money to finance various capital improvements; and (iii) provide funds for the costs incurred in connection with the authorization, sale and issuance of the Bonds.

As the basis for the opinion set forth below, we have examined such matters of law as we have deemed necessary including, *inter alia*, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended ("Code"), and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the proceedings of the Township Council in connection with the adoption of the Ordinances and the Authorizing Resolution, and the other certifications, instruments, documents and opinions prepared in connection with the Bonds.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and

completeness of all documents, instruments and certifications examined.

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

1. The Ordinances and the Authorizing Resolution have been duly adopted by the Township Council and are in full force and effect.

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

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

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

We express no other opinion regarding other federal or State tax consequences arising with respect to the Bonds.

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

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

Other than as set forth in Paragraph 4 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Bonds.

We express no opinion herein as to the adequacy, accuracy or completeness of any official statement, private placement memorandum or other offering material pertaining to the offering of the Bonds.

Very truly yours,

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Mount Laurel, in the County of Burlington, New Jersey (the "Issuer") in connection with the issuance by the Issuer of its \$14,565,000 General Obligation Bonds, Series 2022 (the "2022 Bonds"). The 2022 Bonds are being issued pursuant to a Resolution 22-R-55 duly adopted by the Township on January 24, 2022 (the "Resolution") and Bond Ordinances set forth in the Resolution (the "Ordinances"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the 2022 Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

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

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2022 Bonds (including persons holding 2022 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2022 Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any 2021 Bond, including Beneficial Owners of in the 2022 Bonds.

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

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Securities and Exchange Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt and taxable bonds, including the 2022 Bonds, and other filers on behalf of such issuers shall upload continuing disclosure information to assist underwriters in complying with the Rule and to provide the general public with access to such continuing disclosure information.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii).



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

"MSRB" shall mean the Municipal Securities Rulemaking Board via the internet facilities of the Electronic Municipal Market Access System (EMMA).

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

"Participating Underwriter" shall mean the original underwriter of the 2022 Bonds required to comply with the Rule in connection with the offering of the 2022 Bonds.

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

"State" shall mean the State of New Jersey.

### SECTION 3. Provision of Annual Reports.

(a) The Township shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Township's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent, the Annual Report prepared for the preceding fiscal year of the Township (commencing for the fiscal year ending December 31, 2021). Each Annual Report provided to the Dissemination Agent by the Township shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Securities and Exchange Commission.

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

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

SECTION 4. Contents of Annual Report. Annual Report shall mean: annual financial information with respect to the Township consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Township and certain financial information and operating data consisting of (i) the Township and overlapping indebtedness including a schedule of outstanding debt issued by the Township, (ii) the Township's most current adopted budget, (iii) property valuation information, and (iv) tax rate, levy and collection data. The audited financial information will be prepared in accordance with modified cash accounting as mandated by State of New Jersey statutory principles in effect from time to time or with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law and shall be filed electronically and accompanied by identifying information with the MSRB.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following listed events ("Listed Events"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Tax Exempt Bonds or other material events affecting the tax status of the 2022 Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) 2021 Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the 2022 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Township;
- (13) the consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a

definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a “financial obligation” of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Township, if any such event reflects financial difficulties.

(b) The Township shall, promptly upon obtaining actual knowledge of the occurrence of any of the Listed Events which are material, 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 subsection (a) of this Section 5, the Township 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 Township'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 Township to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within five (5) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the Township.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2022 Bonds. If such termination occurs prior to the final maturity of the 2022 Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

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

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

- (a) If the amendment or waiver relates to the provisions of 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 2022 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 2022 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 2022 Bonds.

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

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

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the 2022 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default on the 2022 Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Submission of Information to MSRB. Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

SECTION 12. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 13. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Township or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 14. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 15. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

SECTION 16. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Bondholders and Beneficial Owners from time to time of the 2022 Bonds and shall create no rights in any other person or entity.

Date February \_\_, 2022

THE TOWNSHIP OF MOUNT LAUREL, IN THE  
COUNTY OF BURLINGTON, NEW JERSEY

By: \_\_\_\_\_  
Tara Krueger,  
Chief Financial Officer

**EXHIBIT A**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

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

Name of Bond Issue: \$14,565,000 GENERAL OBLIGATION BONDS, SERIES 2022,

Date of Issuance: February 17, 2022

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated February 17, 2022. The Issuer anticipates that the Annual Report will be filed by

\_\_\_\_\_.

Dated:

TOWNSHIP OF MOUNT LAUREL, IN THE  
COUNTY OF BURLINGTON, NEW JERSEY

By: \_\_\_\_\_  
Authorized Officer