

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 MARCH 1, 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.

\$19,995,000*
TOWNSHIP OF MAPLE SHADE
IN THE COUNTY OF BURLINGTON,
NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2022
Consisting of:
\$9,358,000* General Improvement Bonds
and
\$10,637,000* Water and Sewer Utility Bonds
(Book-Entry-Only) (Callable)

The Township of Maple Shade, County of Burlington, New Jersey ("Township") is issuing \$19,995,000* aggregate principal amount of its General Obligation Bonds, Series 2022 ("Bonds"). The Bonds consist of: (i) \$9,358,000* General Improvement Bonds; and (ii) \$10,637,000* Water and Sewer Utility 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 March 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 March 15 and September 15 ("Interest Payment Dates"), commencing March 15, 2023 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 14-15, 15-14, 16-08, 16-18, 17-12, 18-06, 18-07, 19-12, 19-13, 20-06, 20-07, 21-09, and 21-10 ("Bond Ordinances"), duly and finally adopted by the Township and published in accordance with the requirements of the Local Bond Law; (iii) Resolution R-53-2022 adopted by the Township on February 10, 2022; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on March 8, 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 Eileen Fahey, 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 March 30, 2022.

* Preliminary, subject to change.

\$19,995,000*
GENERAL OBLIGATION BONDS, SERIES 2022
Consisting of:
\$9,358,000* General Improvement Bonds and
\$10,637,000* Water and Sewer Utility Bonds

MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIP NUMBERS

<u>Year</u> <u>(March 15)</u>	<u>General</u> <u>Improvement</u> <u>Principal</u> <u>Amount*</u>	<u>Water and</u> <u>Sewer Utility</u> <u>Principal</u> <u>Amount*</u>	<u>Total</u> <u>Aggregate</u> <u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2023	\$738,000	\$352,000	\$1,090,000	%	%	565335__
2024	865,000	625,000	1,490,000			565335__
2025	885,000	640,000	1,525,000			565335__
2026	910,000	655,000	1,565,000			565335__
2027	935,000	675,000	1,610,000			565335__
2028	955,000	690,000	1,645,000			565335__
2029	980,000	700,000	1,680,000			565335__
2030	1,005,000	700,000	1,705,000			565335__
2031	1,030,000	700,000	1,730,000			565335__
2032	1,055,000	700,000	1,755,000			565335__
2033		700,000	700,000			565335__
2034		700,000	700,000			565335__
2035		700,000	700,000			565335__
2036		700,000	700,000			565335__
2037		700,000	700,000			565335__
2038		700,000	700,000			565335__

* 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 MAPLE SHADE
COUNTY OF BURLINGTON, NEW JERSEY**

MAYOR AND TOWNSHIP COUNCIL

**Sandra Nunes, Mayor
Charles Kauffman, Deputy Mayor
Steve Schmidt
Claire B. Volpe
J. Nelson Wiest**

TOWNSHIP MANAGER

Susan Danson

TOWNSHIP CHIEF FINANCIAL OFFICER

Adriane McKendry

TAX COLLECTOR

Christine Taylor

TOWNSHIP CLERK/REGISTRAR

Andrea T. McVeigh

SOLICITOR

**Eileen Fahey, Esquire
Moorestown, New Jersey**

AUDITOR

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

BOND COUNSEL

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

MUNICIPAL ADVISOR

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

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the 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

\$19,995,000*
TOWNSHIP OF MAPLE SHADE
IN THE COUNTY OF BURLINGTON,
NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2022
Consisting of:
\$9,358,000* General Improvement Bonds
and
\$10,637,000* Water and Sewer Utility Bonds
(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 Maple Shade, County of Burlington, New Jersey ("Township") of its \$19,995,000* aggregate principal amount of General Obligation Bonds, Series 2022 ("Bonds"). The Bonds consist of: (i) \$9,358,000* General Improvement Bonds; and \$10,637,000* Water and Sewer Utility 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 14-15, 15-14, 16-08, 16-18, 17-12, 18-06, 18-07, 19-12, 19-13, 20-06, 20-07, 21-09, and 21-10 (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 R-53-2022 adopted by the Township on February 10, 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 \$12,000,000 Bond Anticipation Notes, dated and issued on August 31, 2021 and maturing on March 31, 2022 (the "Prior Notes"), (ii) provide \$7,995,000 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:

General Improvement Bonds

Bond Ordinance	Purpose/ Improvement	Original Amount Authorized	Prior Notes Outstanding	Amounts Funded by Bonds Proceeds
18-06	Various Capital Improvements	\$2,384,229	\$2,300,000	\$2,380,000
19-12	Various Capital Improvements and Other Related Expenses	3,107,171	3,100,000	3,107,000
20-06	Various Capital Improvements and Other Related Expenses	1,891,100	1,800,000	1,891,000
21-09	Various Capital Improvements and Other Related Expenses	1,980,400	0	1,980,000
TOTAL		\$9,362,900	\$7,200,000	\$9,358,000

Water and Sewer Utility Bonds

Bond Ordinance	Purpose/ Improvement	Original Amount Authorized	Prior Notes Outstanding	Amounts Funded by Bonds Proceeds
14-15	Various Water and Sewer Utility Improvements	\$1,995,000	\$256,300	\$256,300
15-14	Various Water and Sewer Utility Improvements	2,523,809	250,850	2,523,750
16-08	Various Water and Sewer Utility Improvements	2,020,000	0	20,000
16-18	Replacement of Water Meters	2,175,000	0	49,400
17-12	Various Water and Sewer Utility Improvements	2,265,750	787,850	787,850
18-07	Various Water and Sewer Utility Improvements	1,700,000	1,700,000	1,700,000
19-13	Various Water and Sewer Utility Improvements and Other Related Expenses	1,805,000	1,805,000	1,805,000
20-07	Various Water and Sewer Utility Improvements and Other Related Expenses	1,504,700	0	1,504,700

Bond Ordinance	Purpose/ Improvement	Original Amount Authorized	Prior Notes Outstanding	Amounts Funded by Bonds Proceeds
21-10	Various Water and Sewer Utility Improvements and Other Related Expenses	1,990,000	0	1,990,000
TOTAL		\$17,979,259	\$4,800,000	\$10,637,000

DESCRIPTION OF THE BONDS

General

The Bonds will be issued in the aggregate principal amount of \$19,995,000*.

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 March 15 and September 15 (each an "Interest Payment Date" and collectively, "Interest Payment Dates"), commencing March 15, 2023, 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 each series 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 March 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").

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.

* Preliminary, subject to change.

Redemption Provisions

The Bonds maturing prior to March 15, 2030 are not subject to redemption prior to maturity. The Bonds maturing on or after March 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 March 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 ¹

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, and other payments on the Bonds to DTC Participants or Beneficial Owners (as each such terms is hereinafter defined), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations as to the completeness or accuracy of such information.

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 each series

¹ Source: The Depository Trust Company

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.

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 (a) compiled financial statements of the Township for the year ended December 31, 2021, and (b) audited financial statements of the Township for the years ended December 31, 2020, 2019, 2018, 2017 and 2016. 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 (3.5%) of its equalized valuation basis. The equalized valuation basis of the Township is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements as annually determined by the New

Jersey State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

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

Exceptions to Debt Limits – Extensions of Credit - The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or 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%; (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% 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 School District, 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, Eileen Fahey, Esquire, Moorestown, 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 \$1,933,856.21 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.

An Excerpt of the Compiled Financial Statements of the Township for the year ended December 31, 2021 and an excerpt of the Report of Audit of financial statements of the Township for the years ended December 31, 2020, 2019, 2018, 2017 and 2016 is included in Appendix B to this Official Statement. The financial statements of the Township for the years 2016 through and including 2020 have been audited by Bowman & Company LLP, Voorhees, New Jersey, independent certified public accountants, as stated in their report appearing in Appendix B to this Official Statement.

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 March 8, 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, operating data for the fiscal year ended December 31, 2016. Additionally, the Township previously failed to file late filing notices in connection with its untimely filings of operating data, as described above. Such notices of late filings have since been filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access Dataport ("EMMA"). The Township appointed Phoenix Advisors, LLC in January of 2019 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 Eileen Fahey, 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 Adriane McKendry, Chief Financial Officer, Township of Maple Shade, 200 Stiles Avenue, Maple Shade, New Jersey, (856) 779-9610 or to Phoenix Advisors, LLC, 625 Farnsworth Avenue, Bordentown, New Jersey 08505, (609) 291-0130.

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

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

**TOWNSHIP OF MAPLE SHADE, IN THE
COUNTY OF BURLINGTON, NEW JERSEY**

By: _____
ADRIANE MCKENDRY, Chief Financial Officer

Dated: March __, 2022

APPENDIX A

**CERTAIN ECONOMIC, FINANCIAL AND
DEMOGRAPHIC INFORMATION REGARDING
THE TOWNSHIP OF MAPLE SHADE**

GENERAL INFORMATION ON THE TOWNSHIP

General Information

For much of its history, the Township of Maple Shade ("Township") was part of Chester Township which was founded in 1688 and authorized by royal charter in 1712. Over the year, portions of what was once Chester Township have "spun off" to form the Townships of Evesham, Cinnaminson and Moorestown; in 1945 the remaining Township of Chester changed its name to the Township of Maple Shade.

The Township is located in the County of Burlington, New Jersey ("County"), approximately ten miles from center-city Philadelphia. Route I-295 and the New Jersey Turnpike have interchanges immediately east of the Township, while Routes 73 and 38 are within the Township and offer direct access to Camden and Philadelphia.

The Township is primarily a residential community with a small number of industries and the usual businesses. The area of the Township is 3.72 square miles.

Form of Government

The Township is governed by a Council of five (5) elected members who designate a Mayor and a Deputy Mayor from their number. Administrative responsibilities are assigned to a Township Manager. Policy is determined by Council and the Manager is responsible for carrying out such policy.

Planning and Development

The Township utilizes a professional planner who prepares and updates the Township master plan. On an annual basis, the Township adopts a six year (6) capital budget which includes capital equipment and necessary infrastructure improvements for the Township.

Police and Fire Protection

The Township maintains a police force consisting of a Chief, a Captain, Lieutenants, Sergeants and police officers, headquartered at the Municipal Complex. Fire protection is provided by a volunteer fire company with modern equipment, including several pumpers, a tower ladder truck and a walk-in rescue truck.

Public Works

The Township is served by municipally owned water and sewer systems. Operations and maintenance of the water and sewer utility is contracted to Woodard & Curran Inc..

The Main Street water treatment plant is newer and has had capital improvements as needed to stay current with safe drinking water standards. This water plant is serviced by three active wells which are maintained and serviced on a rotating basis to maintain production. The second water plant at Kings Highway is current backup supply but is planned for a future replacement. This water is serviced by two wells which are maintained. The Township has an interconnection made between the two (2) plants, so the entire Township can be served by one (1) plant in operation. The Township also has interconnections with four other water providers for emergency use when necessary. With this capability and a storage capacity of 1,250,000 gallons, the area is believed to be well served. However, it is estimated that in the foreseeable future, additional facilities may be needed to address emergent contaminants proposed to be regulated in the future.

The present sewer treatment facility was placed into operation on July 17, 1990. This single state-of-the-art treatment plant was built to handle 3.4 million gallons per day. Since that time the Township has invested capital into the plant to ensure continued performance, far exceeding effluent discharge limits promulgated in the NJPDES permit. The WWTP has added a disc filtration element and sends reuse water to the Pennsauken Country Club for irrigation. The Township also is investing in the sewer collection system and is undertaking measures to eliminate extraneous flows within the sewer.

The Township Public Works also maintains the Township stormwater system and remains in compliance with NJDEP MS4 regulation.

Rubbish and garbage disposal is by contract with an independent operator and taken to a County operated landfill.

Library

The library, which is operated by the County, is a spacious facility and is located in the lower level of the Township’s Municipal Complex.

Transportation

The Township is served by the high speed rail line of the Delaware River Port Authority and by Public Service bus transportation facilities. There is also ready access to the New Jersey Turnpike.

Recreation

The Township operates five (5) park areas. The parks are equipped with playground equipment, and there are baseball fields and basketball courts. Also, the Township sponsors leagues for softball, football, basketball, soccer and baseball. The Township has a new soccer field, two new baseball fields and a new street hockey court. It has also added a skate park. It has installed lighting for several of its basketball courts and increased lighting and the football field. The Township has also recently installed electronic gate locks. Much of this work is done through community volunteers. Indoor facilities at the Municipal Complex provide for recreational activities for all ages year round. The Township has a Senior Citizens Center, a Youth Center and an all-purpose recreation room.

Medical Services

The Township is fortunate in the availability of doctors and medical services. Public health service is provided under a contract with the Moorestown Visiting Nurse Association. There are two (2) convalescent and nursing homes located in the Township. A volunteer first aid squad, with modern equipment, serves the community. Cherry Hill Hospital is approximately one (1) mile from the Township.

Township Employees

	<u>2021</u>	<u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>2018</u>	<u>2017</u>
Permanent	66	70	65	66	66
Part-time	<u>40</u>	<u>34</u>	<u>44</u>	<u>42</u>	<u>43</u>
Total	<u>106</u>	<u>104</u>	<u>109</u>	<u>108</u>	<u>109</u>

Employee Collective Bargaining Units

<u>Collective Bargaining Units</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
PBA Local 267	38	Dec. 31, 2022
Teamsters Local Union 676	12	Dec. 31, 2023

Compensated Absences

Full-time employees are entitled to paid unused sick leave, vacation days and compensatory time in various amounts as outlined in the Township code and contracts between the Township and PBA Local 267 and Teamsters Local Union 676. Unused sick leave, vacation days and compensatory time may be accumulated and carried forward to the subsequent year, subject to conditions outlined in the Township code and contracts. Upon retirement, employees may be compensated for accumulated unused sick leave, vacation days and compensatory time in accordance with formulas and limits established in the Township code and contracts. For additional information regarding compensated absences, see Appendix B: December 31, 2020 Audited Financial Statements, Note 10.

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: December 31, 2020 Audited Financial Statements, Note 8.

Township Population (1)

2020 Federal Census	19,980
2010 Federal Census	19,131
2000 Federal Census	19,079
1990 Federal Census	19,211
1980 Federal Census	20,525

Selected Census 2019 Data for the Township(1)

Median household income	\$61,335
Per capita income	\$34,774

Township Labor Force (2)

The following table discloses current labor force data for the Township, County and State.

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township					
Labor Force	10,702	10,626	10,522	10,858	10,794
Employment	9,692	10,293	10,124	10,397	10,318
Unemployment	1,010	333	398	461	476
Unemployment Rate	9.4%	3.1%	3.8%	4.2%	4.4%

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

(2) Source: New Jersey Department of Labor

Township Labor Force (Cont'd) (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County					
Labor Force	230,784	232,247	227,445	234,179	233,255
Employment	211,788	224,918	218,877	224,582	222,869
Unemployment	18,996	7,329	8,568	9,597	10,386
Unemployment Rate	8.2%	3.2%	3.8%	4.1%	4.5%
State					
Labor Force	4,495,200	4,522,200	4,455,500	4,476,100	4,492,800
Employment	4,055,300	4,367,300	4,278,300	4,274,100	4,271,200
Unemployment	439,900	154,900	177,200	202,000	221,600
Unemployment Rate	9.8%	3.4%	4.0%	4.5%	4.9%

LARGEST COUNTY PRIVATE EMPLOYERS(2)

Virtua Memorial Hospital	6,527
TD Bank	5,000
Lockheed Martin	4,250
Burlington Stores (Coat Factory)	3,013
Amazon (Florence: 2,000 & Burlington: 1,000)	3,000
Freedom Mortgage	1,377
CVS Corporation	1,364
Automotive Resources International (ARI)	1,334
Deborah Heart and Lung Center	1,219
Wawa	1,200
Viking Yacht Co. Corp.	1,180
Holman Automotive Group	982

Building, Zoning and Development Codes

Much of the Township has been developed for residential use, although substantial sites have been developed or are available for nonresidential use.

The Township has established development regulations governing the size of lots for various types of construction. The land requirements are based on the type and nature of the building.

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

The Township's Municipal Land Use Law gave the Township Zoning Board of Adjustment and Planning Board authority to regulate most land use other than family residential use. In this way, the Township is able to guide the approximate use or development of land to promote the public health, safety, morals and general welfare.

(1) Source: New Jersey Department of Labor

(2) Source: Burlington County Bridge Commission Department of Economic Development and Regional Planning – 2020.

Building Permits Issued (1)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2022 (2)	54	\$626,265
2021	691	17,663,133
2020	624	37,218,644
2019	676	26,038,057
2018	542	7,045,766
2017	646	11,300,624

GENERAL INFORMATION ON THE SCHOOL DISTRICT(2)

Primary and Secondary Education

The School District is a Type II school district that is coterminous with the borders of the Township. The School District provides a full range of educational services appropriate to Pre-K through grade twelve (12).

The Board is composed of nine (9) members elected by the legally qualified voters in the School District to terms of three (3) years on a staggered basis. The President and Vice President are chosen for one (1) year terms from among the members of the Board.

The Board is the policy making body of the School District and has the general responsibility for providing an education program, the power to establish policies and supervise the public schools in the School District, the responsibility to develop the annual School District budget and present it to the legally registered voters in the School District. The Board's fiscal year ends each June 30.

The Board appoints a Superintendent and Board Secretary/Business Administrator who are responsible for budgeting, planning and the operational functions of the School District. The administrative structure of the Board gives final responsibility for both the educational process and the business operation to the Superintendent.

(1) Source: Township Construction Official

(2) As of February 1, 2022

**TOWNSHIP OF MAPLE SHADE SCHOOL DISTRICT
SCHOOL ENROLLMENTS(1)**

<u>Grade</u>	<u>2021</u>	<u>2020</u>	<u>October 15, 2019</u>	<u>2018</u>	<u>2017</u>
Pre-School 3 Yr. (Full day)	0	3	2	1	3
Pre-School 4 Yr. (Full day)	155	121	144	6	4
K (Full day)	180	182	185	172	158
1	168	171	169	153	155
2	145	157	144	148	146
3	144	143	151	143	133
4	135	141	140	129	154
5	128	135	130	159	138
6	129	131	156	141	133
7	135	151	139	130	136
8	150	134	122	130	128
9	119	119	110	119	121
10	113	105	104	108	103
11	98	96	110	100	105
12	105	105	101	107	97
Special Education	<u>430</u>	<u>435</u>	<u>442</u>	<u>445</u>	<u>442</u>
Totals	<u>2,334</u>	<u>2,329</u>	<u>2,349</u>	<u>2,191</u>	<u>2,156</u>

PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY(1)

<u>Name of School</u>	<u>Date Constructed</u>	<u>Grades</u>	<u>Enrollment Oct. 15, 2021</u>	<u>Functional Capacity</u>
Howard R. Yocum School	1959	K to 2	565	1,274
Maude M. Wilkins School	1926	Pre-3 to 4	537	576
Ralph J. Steinhauer School	1953	5 to 6	342	592
Maple Shade High School	1972	7 to 12	<u>890</u>	<u>1,590</u>
Totals			<u>2,334</u>	<u>4,032</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.

(1) Source: School District officials

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.

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 Institute of Technology ("B.C.I.T.") was created by the County Board of Chosen Freeholders in 1962 after a favorable referendum. B.C.I.T. is a vocational high school serving grades 9 through 12 which also provides all required academic training. In addition to the high school program, the B.C.I.T. operates an extensive adult post-secondary program. The thrust at B.C.I.T. is to make students academically and vocationally ready for employment and continuing education into the 21st century.

The current enrollment for the two campuses in Westampton and Medford is 2,016 students.

Burlington County Special Services School District

The Burlington County Special Services School District ("B.C.S.S.S.D.") was created by the Burlington County Board of Chosen Freeholders in June, 1972. The B.C.S.S.S.D. is comprised of state of the art facilities located in the Townships of Westampton, Lumberton and Medford and programs are provided for (1) the orthopedically handicapped, the multiple handicapped, and the autistic; (2) elementary school students with severe emotional and social problems; (3) students ages fourteen through sixteen 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 to twenty-one.

The current enrollment for the B.C.S.S.S.D. is 590 students.

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS (1)

The ten largest commercial taxpayers in the Township and their 2022 assessed valuation are listed below:

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2022 Assessed Valuation</u>
Deerfield Assoc.	Fox Meadow Apartments	\$88,361,200
Maplewood III, LLC	Park Crossing Apartments	51,900,000
Robert Mills Apt.	Robert Mills Apartments	29,141,700
Stoney RA, LLC	Stoney Run Apartments	24,500,000
Holman Enterprises & Holman Automotive Group	Auto Dealership	24,323,520
220 Lenola LLC	Woods Edge Apartments	17,988,800
GBR MS LLC/Blue Saber Prop.	Shopping Ctr., Lowes, etc.	15,750,000
Davis Enterprises	Apartments & Commercial	14,944,200
Pickwick Apartments, LLC & Pickwick Village III, LP	Pickwick Apartments	14,830,400
AFABJ LLC	B J's Warehouse	9,713,400

CURRENT TAX COLLECTIONS (2)

<u>Year</u>	<u>Tax Levy</u>	<u>Current Collection</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2021 (3)	\$47,176,793	\$46,722,605	99.04%	\$386,455	0.82%
2020	47,019,840	46,411,053	98.71%	508,535	1.08%
2019	44,742,897	43,934,646	98.19%	709,264	1.59%
2018	44,203,242	43,420,822	98.23%	634,626	1.44%
2017	43,589,927	42,878,031	98.37%	644,299	1.48%

(1) Source: Township Tax Assessor

(2) Source: Township Reports of Audit, unless otherwise noted

(3) Information from Annual Compiled Financial Statement

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding</u>	<u>Added</u>	<u>Collected</u>		<u>Transfer to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
	<u>Jan. 1</u>		<u>Amount</u>	<u>Percentage</u>			
2021 (2)	\$510,613	\$5,901	\$515,262	99.76%	\$18	\$552	\$682
2020	709,264	5,375	663,148	92.79%	-	49,413	2,078
2019	634,734	6,037	584,704	91.25%	-	56,067	-
2018	648,897	5,250	506,483	77.43%	2,959	144,598	108
2017	655,021	4,122	650,834	98.74%	-	3,711	4,598

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by</u>			<u>Other Credits</u>	<u>Balance Dec. 31</u>
		<u>Sale & Transfers</u>	<u>Collections & Transfers</u>	<u></u>		
2021 (2)	\$ 226,781	\$29,040	-	-	-	\$255,822
2020	187,194	39,588	-	-	-	226,781
2019	170,964	21,465	\$5,236	-	-	187,194
2018	150,337	25,851	5,223	-	-	170,964
2017	144,782	18,054	-	\$12,499	-	150,337

FORECLOSED PROPERTY (1)(3)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Property Dedicated to Township Use</u>		<u>Adjustment to Assessed Balance</u>	
		<u>Use</u>	<u>Canceled</u>	<u>Valuation</u>	<u>Dec. 31</u>
2021 (2)	\$36,649	-	-	-	\$36,649
2020	36,649	-	-	-	36,649
2019	36,649	-	-	-	36,649
2018	36,649	-	-	-	36,649
2017	36,649	-	-	-	36,649

(1) Source: Township Reports of Audit, unless otherwise noted

(2) Information from Annual Compiled Financial Statement

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

CURRENT WATER/SEWER COLLECTIONS (1)

<u>Year</u>	<u>Beginning Balance</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>
2021 (2)	\$810,596	\$8,150,324	\$8,200,994	91.52%	\$745,895	8.32%
2020	776,970	8,028,853	7,995,227	90.79%	810,596	9.21%
2019	740,267	7,963,871	7,926,859	91.07%	776,970	8.93%
2018	758,924	7,868,288	7,886,145	91.41%	740,267	8.58%
2017	741,084	7,533,961	7,516,122	90.83%	758,924	9.17%

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (3)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (4)</u>			
		<u>Total</u>	<u>County</u>	<u>Local School</u>	<u>Municipal</u>
2022	\$1,313,184,645	N/A	N/A	N/A	N/A
2021	1,308,264,551	\$ 3.594	\$ 0.431	\$ 2.257	\$ 0.906
2020	1,286,220,753	3.604	0.424	2.274	0.906
2019	1,286,541,255	3.472	0.422	2.149	0.901
2018	1,291,463,846	3.412	0.439	2.092	0.881

RATIO OF ASSESSED VALUATION TO TRUE VALUE AND TRUE VALUE PER CAPITA (5)

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value Per Capita (6)</u>
2022	\$1,313,184,560	84.66%	\$1,551,127,522	\$77,634
2021	1,308,264,460	84.66%	1,545,315,923	77,343
2020	1,286,220,660	93.29%	1,378,733,691	69,006
2019	1,286,541,160	94.79%	1,357,254,099	67,931
2018	1,287,575,875	91.49%	1,407,340,556	70,437

(1) Source: Township Reports of Audit, unless otherwise noted

(2) Information from Annual Compiled Financial Statement

(3) Source: Township Tax Collector

(4) Per \$100 of assessed valuation

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

(6) Based on Federal Census 2020 of 19,980

REAL PROPERTY CLASSIFICATION (1)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Farm</u>
2022	\$1,313,184,560	\$6,437,450	\$752,335,290	\$282,190,920	\$17,144,000	\$255,076,900	-
2021	1,308,264,460	5,455,250	750,285,890	279,799,120	17,647,300	255,076,900	-
2020	1,286,220,660	7,286,950	749,140,690	274,890,720	17,814,200	237,088,100	-
2019	1,286,804,960	6,338,150	748,589,690	276,974,820	17,814,200	237,088,100	-
2018	1,287,574,875	7,454,150	747,848,330	276,439,095	18,745,200	237,088,100	-

(1) Source: Township Tax Assessor

**TOWNSHIP OF MAPLE SHADE
STATEMENT OF INDEBTEDNESS
AS OF DECEMBER 31, 2021**

The following table summarizes the direct debt of the Township of Maple Shade as of December 31, 2021 in accordance with the requirements of the Local Bond Law of the State of New Jersey (N.J.S.A. 40A:2-2- et. seq.). The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Water/Sewer Utility and debt of the Local School District. Deductions from gross debt to arrive at net debt include local school debt, debt considered to be self-liquidating and cash held for the payment of debt. The resulting net debt of \$22,852,054 represents 1.58% 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.

	Debt Issued			Debt Auth. But Not Issued	Gross Debt	Deductions			Net Debt
	Bonds	Notes	Loans			School Debt	Self Liquidating	Reserve for Pmt. of Debt	
General	\$13,204,000	\$7,200,000	\$298,653	\$2,162,901	\$22,865,554			\$13,500	\$22,852,054
Local School District	57,615,000				57,615,000	\$57,615,000			
Water and Sewer Utility	10,230,000	4,800,000	9,415,214	5,845,193	30,290,407		\$30,290,407		
	<u>\$81,049,000</u>	<u>\$12,000,000</u>	<u>\$9,713,867</u>	<u>\$8,008,094</u>	<u>\$110,770,961</u>	<u>\$57,615,000</u>	<u>\$30,290,407</u>	<u>\$13,500</u>	<u>\$22,852,054</u>

Source: Annual Debt Statement

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements and Second Class Railroad for 2019, 2020 and 2021	\$ 1,445,889,053
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2019, 2020 and 2021	1.58%
2021 Net Valuation Taxable	\$ 1,308,264,551
2021 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$ 1,545,316,014
Gross Debt (1):	
As a percentage of 2021 Net Valuation Taxable	8.47%
As a percentage of 2021 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	7.17%
Net Debt (1):	
As a percentage of 2021 Net Valuation Taxable	1.75%
As a percentage of 2021 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	1.48%
Gross Debt Per Capita (2)	\$ 5,544
Net Debt Per Capita (2)	\$ 1,144

(1) Excluding overlapping debt

(2) Based on 2020 Federal Census of 19,980

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Averaged (2019-2021) Equalized Valuation of Real Property including Improvements (\$1,445,889,053)	\$ 50,606,117
Net Debt	<u>22,852,054</u>
Remaining Borrowing Capacity	<u><u>\$ 27,754,063</u></u>

LOCAL BOARD OF EDUCATION BORROWING CAPACITY(1)

4% of Averaged (2019-2021) Equalized Valuation of Real Property including Improvements (\$1,445,889,053)	\$ 57,835,562
School Debt	<u>57,615,000</u>
Remaining Borrowing Capacity	<u><u>\$ 220,562</u></u>

(1) As of December 31, 2021

**TOWNSHIP OF MAPLE SHADE
OVERLAPPING DEBT
AS OF DECEMBER 31, 2021**

	DEBT ISSUED				Debt Auth. but not Issued
	<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	\$ 176,500,000	\$ 17,903,104 (1)	\$ 158,596,896	\$ 4,583,450 (2)	
Notes					\$ 18,039,210
Loans	6,288,055		6,288,055	181,725 (2)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	390,398,600	390,398,600 (3)			
Solid Waste Utility	31,875,000	31,875,000			10,304,193
	<u>\$ 605,061,655</u>	<u>\$ 440,176,704</u>	<u>\$ 164,884,951</u>	<u>\$ 4,765,175</u>	<u>\$ 28,343,403</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 2021 Net Valuations on which County taxes are apportioned, which is 2.89% .
- (3) Deductible in accordance with N.J.S. 40:37A-80.

**SCHEDULE OF TOWNSHIP DEBT SERVICE
PERMANENT DEBT ONLY
AS OF DECEMBER 31, 2021**

Year	General			Water/Sewer			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2022	\$2,442,916	\$539,559	\$2,982,475	\$2,411,143	\$497,348	\$2,908,491	\$5,890,966
2023	1,304,497	417,673	1,722,170	2,209,285	426,307	2,635,592	4,357,762
2024	1,385,090	351,330	1,736,420	2,184,805	364,933	2,549,739	4,286,158
2025	1,390,695	282,850	1,673,545	2,088,345	301,439	2,389,784	4,063,329
2026	1,391,312	214,233	1,605,545	2,114,177	236,101	2,350,278	3,955,823
2027	1,384,107	152,404	1,536,511	1,783,482	182,688	1,966,170	3,502,681
2028	1,376,679	97,598	1,474,277	1,148,162	137,024	1,285,186	2,759,464
2029	1,377,015	56,463	1,433,477	1,165,183	113,776	1,278,958	2,712,435
2030	1,377,357	22,121	1,399,477	1,150,777	91,180	1,241,957	2,641,434
2031	17,706	1,372	19,077	716,421	66,475	782,896	801,974
2032	18,061	1,016	19,077	686,421	51,400	737,821	756,899
2033	18,425	653	19,077	696,422	37,225	733,647	752,724
2034	18,795	282	19,077	592,124	22,656	614,780	633,857
2035				487,124	9,219	496,342	496,342
2036				117,124	2,531	119,655	119,655
2037				94,220	1,350	95,570	95,570
	<u>\$13,502,653</u>	<u>\$2,137,553</u>	<u>\$15,640,206</u>	<u>\$19,645,214</u>	<u>\$2,541,653</u>	<u>\$22,186,866</u>	<u>\$37,827,072</u>

**TOWNSHIP OF MAPLE SHADE
2021 MUNICIPAL BUDGET**

CURRENT FUND

Anticipated Revenues:

Fund Balance	\$ 3,584,500
Miscellaneous Revenues:	
Local Revenues	510,000
State Aid Without Offsetting Appropriations	1,709,652
Uniform Construction Code Fees	150,000
Shared Service Agreements	357,900
Public and Private Revenues	44,245
Other Special Items	46,500
Receipts from Delinquent Taxes	500,000
Amount to be Raised by Taxation for Municipal Purpose	<u>11,858,181</u>
 Total Anticipated Revenues	 <u><u>\$ 18,760,978</u></u>

Appropriations:

Within "CAPS":	
Operations	\$ 13,887,735
Excluded from "CAPS":	
Other Operations	20,000
Shared Service Agreements	357,900
Public and Private Programs Off-Set by Revenues	50,326
Capital Improvements	80,000
Debt Service	3,112,886
Reserve for Uncollected Taxes	<u>1,252,130</u>
 Total Appropriations	 <u><u>\$ 18,760,978</u></u>

WATER/SEWER UTILITY FUND

Anticipated Revenues:

Operating Surplus Anticipated	\$ 900,000
Rents	7,716,905
Miscellaneous	<u>100,000</u>
 Total Anticipated Revenues	 <u><u>\$ 8,716,905</u></u>

Appropriations:

Operating	\$ 5,574,000
Capital Improvements	100,000
Debt Service	3,015,905
Deferred Charges and Statutory Expenditures	<u>27,000</u>
 Total Appropriations	 <u><u>\$ 8,716,905</u></u>

**TOWNSHIP OF MAPLE SHADE
CAPITAL PROGRAM 2021-2026**

<u>Project Title</u>	<u>Estimated Total Cost</u>	<u>Capital Improvement Fund</u>	<u>Grants-in- Aid and Other Funds</u>	<u>Bonds and Notes</u>	
				<u>General</u>	<u>Self- Liquidating</u>
General Improvements:					
FACILITIES:					
Municipal Complex Improvements and Other					
Facility Renovations	\$ 400,000	\$ 20,000		\$ 380,000	
Municipal Computers & Related Equipment	60,000	3,000		57,000	
PUBLIC WORKS DEPT:					
Acquisition of Truck & Various Equipment & Tools	350,000	17,500		332,500	
Various Improvements - Storm Drainage System & Inlet Repairs	850,000	42,500		807,500	
Various Road Improvements	4,525,000	226,250	\$ 230,000	4,068,750	
Improvements to Recreational Facilities & Acquisition of Equipment	350,000	17,500		332,500	
PUBLIC SAFETY:					
Fire - Acquisition of Vehicle & Equipment	1,275,000	63,750		1,211,250	
Fire - Acquisition of Various Equipment & Gear	175,000	8,750		166,250	
First Aid - Acquisition of Vehicle & Various Equipment	1,025,000	51,250		973,750	
First Aid - Acquisition of Equipment & Gear	75,000	3,750		71,250	
Police - Acquisition of Vehicles	1,050,000	52,500		997,500	
Police - Various Facility Improvements & Acquisition of Equipment	400,000	20,000		380,000	
Total General Improvements	10,535,000	526,750	230,000	9,778,250	-
Water/Sewer Utility Improvements:					
SANITARY SEWER:					
Replacement of Pumps for Sludge Return	100,000	4,800		\$ 95,200	
Sewer Rehabilitation for I&I-Euclid Ave. Pump Station	600,000	28,600		571,400	
As-Built Mapping	1,030,000	51,500		978,500	
Sewer System Improvements	1,000,000	50,000		950,000	
Various Pump Station Improvements	325,000		325,000		
Various Sewer System Improvements, including but not limited to Collins Lane Sewer Main Replacement	11,928		11,928		
WATER:					
Fire Hydrant Replacement Program	905,000	45,250		859,750	
Various Water Main Replacement/Rehabilitation Program	1,500,000	75,000		1,425,000	
Filter Media Replacement for Filters 1 & 3	200,000	10,000		190,000	
AIWA Compliance Emergency Response Plan - Cyber Security	40,000	2,000		38,000	
Acquisition of Real Property for Water Plant Expansion	375,000	17,900		357,100	
Water System Improvements	1,090,000	54,450		1,035,550	
Water Main Replacement	380,000		380,000		
Lime System Replacement	250,000		250,000		
Total Water/Sewer Utility Improvements	7,806,928	339,500	966,928	-	6,500,500
Total All Projects	\$ 18,341,928	\$ 866,250	\$ 1,196,928	\$ 9,778,250	\$ 6,500,500

APPENDIX B

**COMPILED AND AUDITED FINANCIAL STATEMENTS
AND SELECTED FINANCIAL INFORMATION OF THE
TOWNSHIP OF MAPLE SHADE**

FOR THE YEAR ENDED 2021
COMPILED FINANCIAL STATEMENTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the Township Council
Township of Maple Shade
Maple Shade, New Jersey 08052

Management is responsible for the accompanying financial statements of the Township of Maple Shade, in the County of Burlington, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2021 and the related statements of operations and changes in fund balances-- regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Respectfully submitted,

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

/s/ Todd R. Saler
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
February 1, 2022

TOWNSHIP OF MAPLE SHADE
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2021

ASSETS

Regular Fund:	
Cash	\$ 14,504,076
Change Funds	500
	14,504,576
Receivables and Other Assets with	
Full Reserves:	
Delinquent Property Taxes Receivable	387,137
Tax Title Liens Receivable	255,822
Property Acquired for Taxes--Assessed Valuation	36,650
Other Accounts Receivable	29,980
Due from Dog License Fund	2,605
Due from Water/Sewer Utility Operating Fund	787
	712,980
Federal and State Grant Fund:	
Cash	50,760
Federal and State Grants Receivable	778,817
Federal and State Grants Receivable	829,577
Total Assets	\$ 16,047,133

(Continued)

TOWNSHIP OF MAPLE SHADE
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2021

LIABILITIES, RESERVES
AND FUND BALANCE

Regular Fund:

Liabilities:

Appropriation Reserves	\$ 1,972,976
Reserve for Encumbrances	421,525
Due to State of New Jersey--Veterans and Senior Citizens Deductions	43,119
Prepaid Taxes	597,808
Tax Overpayments	27,259
Due County For Added and Omitted Taxes	18,027
Accounts Payable	85,172
Local District School Tax Payable	945,128
Reserve for Tax Appeals	177,761
Due to State of New Jersey - Fees	3,905
Due to Trust Other Funds	584
Reserve for Revaluation	166,178
	4,459,441

Reserve for Receivables and Other Assets	712,980
Fund Balance	10,045,134

15,217,556

Federal and State Grant Fund:

Reserve for Federal and State Grants:

Unappropriated	1,844
Appropriated	821,300
Reserve for Encumbrances	6,433

829,577

\$ 16,047,133

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF MAPLE SHADE
CURRENT FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Year Ended December 31, 2021

Revenue and Other
Income Realized

Fund Balance Utilized	\$ 3,584,500
Miscellaneous Revenue Anticipated	3,421,629
Receipts from Delinquent Taxes	515,262
Receipts from Current Taxes	46,722,605
Non-Budget Revenues	546,466
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	1,657,387
Statutory Excess in Dog License Fund	2,605
Cancellation of:	
Tax Overpayments	100
Reserves Liquidated:	
Due Federal and State Grant Fund	99,301
Due Dog License Fund	13,430
	56,563,284
 Total Income	 56,563,284

Expenditures

Budget and Emergency Appropriations:	
Operations Within "CAPS":	
Salaries and Wages	6,390,015
Other Expenses	5,931,350
Deferred Charges and Statutory	
Expenditures Within "CAPS"	1,562,370
Operations--Excluded from "CAPS":	
Salaries and Wages	291,617
Other Expenses	239,258
Capital Improvements--Excluded from "CAPS"	363,025
Municipal Debt Service--Excluded from "CAPS"	3,112,879
County Taxes	5,628,443
County Share of Added and Omitted Taxes	18,027
Local District School Tax	29,519,351
Veterans and Senior Citizens Deductions Disallowed	
By Tax Collector (Net)--Prior Year Taxes	5,542
Refund of Prior Year Revenue	152

(Continued)

TOWNSHIP OF MAPLE SHADE
CURRENT FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Year Ended December 31, 2021

Expenditures (Cont'd)

Reserves Created:	
Due Water/Sewer Utility Operating Fund	\$ 787
Other Accounts Receivable	10,302
	10,302
Total Expenditures	53,073,118
Excess In Revenue	3,490,166
<u>Fund Balance</u>	
Balance Jan. 1	10,139,468
	13,629,634
Decreased by:	
Utilized as Revenue	3,584,500
	3,584,500
Balance Dec. 31	\$ 10,045,134

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF MAPLE SHADE
TRUST FUND
Statement of Assets, Liabilities and Reserves -- Regulatory Basis
As of December 31, 2021

ASSETS

Cash	\$ 2,609,770
Interfunds Receivable	584
Other Accounts Receivable	<u>3,533</u>
 Total Assets	 <u><u>\$ 2,613,887</u></u>

LIABILITIES AND RESERVES

Accounts Payable	\$ 1,711,980
Interfunds Payable	2,605
Reserve for Special Funds	<u>899,302</u>
 Total Liabilities and Reserves	 <u><u>\$ 2,613,887</u></u>

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF MAPLE SHADE
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balances -- Regulatory Basis
 As of December 31, 2021

ASSETS

Cash--Treasurer	\$ 3,866,073
Grant Funds Receivable	961,500
Deferred Charges to Future Taxation:	
Funded	13,502,653
Unfunded	9,362,901
	\$ 27,693,127

LIABILITIES, RESERVES
AND FUND BALANCE

Serial Bonds Payable	\$ 13,204,000
Loans Payable	298,653
Bond Anticipation Notes	7,200,000
Reserve for Payment of Bonds and Notes	13,500
Reserve for Encumbrances	1,255,563
Capital Improvement Fund	169,878
Improvement Authorizations:	
Funded	306,300
Unfunded	4,815,128
Fund Balance	430,106
	\$ 27,693,127

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF MAPLE SHADE
WATER/SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balances -- Regulatory Basis
As of December 31, 2021

ASSETS

Operating Fund:	
Cash	\$ 2,295,216
Receivables with Full Reserves:	
Consumer Accounts Receivable	745,895
Other Accounts Receivable	4,907
	3,046,017
Total Operating Fund	3,046,017
Capital Fund:	
Cash	2,357,350
Fixed Capital	69,173,842
Fixed Capital Authorized and Uncompleted	19,794,469
	91,325,661
Total Capital Fund	91,325,661
Total Assets	\$ 94,371,678

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund:	
Liabilities:	
Appropriation Reserves	\$ 481,179
Reserve for Encumbrances	13,075
Accounts Payable	10,418
Water/Sewer Rental Overpayments	17,207
Interfunds Payable	787
Accrued Interest on Loans, Bonds and Notes	202,915
	725,581
Total Liabilities	725,581
Reserve for Receivables	750,802
Fund Balance	1,569,635
	1,569,635
Total Operating Fund	3,046,017

(Continued)

TOWNSHIP OF MAPLE SHADE
WATER/SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balances -- Regulatory Basis
As of December 31, 2021

**LIABILITIES, RESERVES AND
FUND BALANCE**

Capital Fund:	
New Jersey Environmental Infrastructure Bank	
Loans Payable	\$ 9,415,214
Serial Bonds	10,230,000
Bond Anticipation Notes	4,800,000
Capital Improvement Fund	1,343
Improvement Authorizations:	
Funded	800,218
Unfunded	5,622,253
Reserve for:	
Encumbrances	1,668,892
Amortization	57,049,902
Deferred Amortization	1,628,002
Fund Balance	<u>109,838</u>
Total Capital Fund	<u>91,325,661</u>
Total Liabilities, Reserves and Fund Balance	<u><u>\$ 94,371,678</u></u>

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF MAPLE SHADE
WATER/SEWER UTILITY OPERATING FUND
 Statements of Operations and Changes in Operating Fund Balance -- Regulatory Basis
 For the Year Ended December 31, 2021

Revenue and Other
Income Realized

Operating Surplus Anticipated	\$ 900,000
Rents	8,200,994
Miscellaneous	90,827
Other Credits to Income	815,766
	815,766
Total Income	10,007,587

Expenditures

Budget Appropriations:	
Operating	5,574,000
Capital Improvements	100,000
Debt Service	2,906,562
Deferred Charges and Statutory Expenditures	27,000
	27,000
Total Expenditures	8,607,562

Excess in Revenue	1,400,025
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Fund Balance

Balance Jan. 1	1,069,610
	1,069,610
	2,469,635
Decreased by:	
Utilized As Revenue:	
Water/Sewer Utility Operating Fund	900,000
	900,000
Balance Dec. 31	\$ 1,569,635

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF MAPLE SHADE
Selected Information – Substantially All Disclosures Required
By the Regulatory Basis of Accounting Have Been Omitted
For the Year Ended December 31, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Maple Shade (hereafter referred to as the "Township") was part of Chester Township which was founded in 1688 and authorized by royal charter in 1712. Over the years, portions of Chester Township were "spun-off" to form the Townships of Evesham, Cinnaminson and Moorestown; in 1945 the remaining Township of Chester changed its name to the Township of Maple Shade.

The Township is located in the County of Burlington, New Jersey, being approximately 10 miles from Philadelphia center-city. According to the 2020 census, the population is 19,980.

The Township is governed by a Council of five elected members who designate a Mayor and Deputy Mayor from their number. Administrative responsibilities are assigned to the Township Manager. Policy is determined by Council; the Manager is responsible for carrying out such policy.

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

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

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

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

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

Water/Sewer Utility Operating and Capital Funds - The water/sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water/sewer operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

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

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

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

Fund Balance - Fund balances included in the current fund and water/sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

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

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

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Maple Shade School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2020, and decreased by the amount deferred at December 31, 2021.

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

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

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

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

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

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

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

FOR THE YEARS ENDED 2020, 2019, 2018, 2017 AND 2016
AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Maple Shade
Maple Shade, New Jersey 08052

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Maple Shade, in the County of Burlington, State of New Jersey, as of December 31, 2020, 2019, 2018, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Maple Shade, in the County of Burlington, State of New Jersey, as of December 31, 2020, 2019, 2018, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Maple Shade, in the County of Burlington, State of New Jersey, as of December 31, 2020, 2019, 2018, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 5, 2021

TOWNSHIP OF MAPLE SHADE
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--
Regulatory Basis

	As of December 31				
	2020	2019	2018	2017	2016
ASSETS					
Cash	\$14,727,670	\$14,991,658	\$10,991,526	\$10,527,383	\$8,426,826
Federal and State Grants Receivable	438,878	480,631	757,115	253,349	396,340
Receivables and other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	510,613	709,264	634,734	648,897	655,021
Tax Title Liens Receivable	226,781	187,194	170,964	150,337	144,782
Property Acquired for Taxes-- Assessed Valuation	36,650	36,650	36,650	36,650	36,650
Revenue Accounts Receivable	133,998	147,254	147,763	166,167	168,623
Other Accounts Receivable	19,679	584	407	1,269	18,862
Interfunds Receivable	115,335	428,085	154,255	33,515	60,983
Deferred Charges				94,000	188,000
Total Assets	\$16,209,603	\$16,981,318	\$12,893,412	\$11,911,567	\$10,096,086
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$1,888,590	\$1,879,386	\$2,303,604	\$1,892,888	\$1,572,103
Contracts Payable			26,278	7,200	79,483
Accounts Payable	102,015	101,158	217,809	77,066	
Reserve for Encumbrances	536,732	353,459	50,368	194,861	58,007
Reserve for Federal and State Grants	540,517	434,289	434,440	343,696	473,223
Prepaid Taxes	535,633	668,987	461,508	755,786	338,003
Tax Overpayments	33,240	98,069	13,001	13,977	56,491
Reserve for Expense of Participation in Free County Library--State Aid	375	375	375	375	375
Due to County for Added or Omitted Taxes	77,656	7,057	17,788	50,938	16,724
Interfunds Payable	114,232	103,505	103,323	19	404,400
Local District School Tax Payable	810,843	2,317,743	13,130	13,132	13,133
Reserve for Tax Appeals	177,761	177,761	203,248	203,248	203,748
Due to State of New Jersey:					
License Fes	690	16,513	4,538	5,088	4,580
Veterans and Senior Deductions	42,619	43,494	44,619	42,619	40,996
Prepaid Revenues		5,816	5,290	4,288	
Special Emergency Notes				94,000	188,000
Reserve for Revaluation	166,178	166,178	166,178	166,178	166,178
Reserve for Receivables and Other Assets	1,043,055	1,509,030	1,144,772	1,036,834	1,084,920
Fund Balance	10,139,468	9,098,499	7,683,143	7,009,373	5,395,723
Total Liabilities, Reserves and Fund Balance	\$16,209,603	\$16,981,318	\$12,893,412	\$11,911,567	\$10,096,086

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

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

	For the Year Ended December 31				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenue Realized:					
Current Tax Collections	\$46,411,053	\$43,934,646	\$43,420,822	\$42,878,031	\$41,999,809
Delinquent Tax Collections	663,148	589,939	511,706	650,834	541,179
Total Taxes	47,074,201	44,524,586	43,932,528	43,528,865	42,540,989
Miscellaneous Revenues Anticipated	3,701,894	3,203,531	3,325,743	3,005,720	3,468,355
Other Income	2,885,124	2,687,992	2,455,548	2,473,198	3,169,089
Fund Balance Utilized	3,301,000	2,421,000	2,404,000	2,194,800	1,500,000
Total Income	56,962,219	52,837,108	52,117,818	51,202,583	50,678,432
Expenditures and Encumbrances:					
Operating	12,128,416	11,648,444	11,405,120	11,279,735	10,817,054
Capital Improvements	826,078	180,000	692,000	280,000	60,043
Debt Service	3,371,495	2,685,393	2,905,552	2,799,524	2,805,100
Deferred Charges	12,043	13,366	105,203	101,754	108,062
Pension and Social Security	1,483,576	1,401,270	1,334,950	1,286,865	1,443,747
County Taxes	5,517,929	5,414,961	5,671,378	5,350,300	5,700,699
Local School Tax	29,250,781	27,338,514	26,799,857	26,273,306	25,491,395
Other Expenditures	29,931	21,717	5,250	4,122	272,472
Creation of Reserve for Interfunds		297,087	120,740	18,526	10
Total Expenditures and Encumbrances	52,620,250	49,000,752	49,040,048	47,394,133	46,698,581
Statutory Excess to Fund Balance	4,341,969	3,836,356	3,077,770	3,808,450	3,979,851
Fund Balance, January 1	9,098,499	7,683,143	7,009,373	5,395,723	2,915,873
	13,440,468	11,519,499	10,087,143	9,204,173	6,895,723
Decreased by:					
Utilized as Revenue	3,301,000	2,421,000	2,404,000	2,194,800	1,500,000
Fund Balance December 31	\$10,139,468	\$9,098,499	\$7,683,143	\$7,009,373	\$5,395,723

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

TOWNSHIP OF MAPLE SHADE
TRUST FUND
Statements of Assets, Liabilities and Reserves--
Regulatory Basis

	As of December 31				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
ASSETS					
Cash	\$2,349,447	\$2,413,822	\$1,951,347	\$2,126,159	\$1,974,151
Interfunds Receivable	19,809	4,205			
Prepaid Payroll		222,150			
Other Accounts Receivable			29,550	9,400	30,344
Deferred Charges		12,043	13,366	11,203	7,754
Total Assets	\$2,369,257	\$2,652,219	\$1,994,263	\$2,146,762	\$2,012,249
LIABILITIES AND RESERVES					
Accounts Payable	\$1,528,032	\$1,432,071	\$983,742	\$1,219,786	\$1,009,660
Interfunds Payable	16,034	315,284	18,216	14,989	60,983
Reserve for Special Funds	825,190	904,865	992,305	911,988	941,605
Total Liabilities and Reserves	\$2,369,257	\$2,652,219	\$1,994,263	\$2,146,762	\$2,012,249

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

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

	As of December 31				
	2020	2019	2018	2017	2016
ASSETS					
Cash--Treasurer	\$4,966,726	\$333,686	\$2,262,912	\$1,542,382	\$2,121,943
Interfunds Receivable	13,500			19	404,400
Grants Receivable	806,500	250,000			101,500
Deferred Charges to Future Taxation:					
Funded	15,869,999	18,485,786	6,489,026	8,280,729	10,135,906
Unfunded	7,382,501	5,491,401	17,733,891	15,868,103	12,933,184
Total Assets	\$29,039,226	\$24,560,874	\$26,485,830	\$25,691,234	\$25,696,933
LIABILITIES, RESERVES AND FUND BALANCE					
Serial Bonds	\$15,543,000	\$18,131,000	\$6,107,000	\$7,872,000	\$9,701,000
Loans Payable	326,999	354,786	382,026	408,729	434,906
Bond Anticipation Notes	7,200,000		15,349,661	11,534,591	10,680,722
Reserve for Payment of Bonds and Notes	27,000	40,500	54,000	67,500	81,000
Improvement Authorizations:					
Funded	616,541	1,039,073	108,330	397,182	568,840
Unfunded	3,986,848	3,837,086	2,222,178	4,899,087	3,368,503
Contracts Payable			1,702,851	329,014	778,971
Capital Improvement Fund	189,478	104,378	87,914	33,400	31,350
Reserve for Encumbrances	754,319	712,685	135,556	4,570	7,406
Interfunds Payable		13,500	13,481		
Fund Balance	395,042	327,866	322,832	145,159	44,235
Total Liabilities, Reserves and Fund Balance	\$29,039,226	\$24,560,874	\$26,485,830	\$25,691,234	\$25,696,933

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

TOWNSHIP OF MAPLE SHADE
WATER/SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--
Regulatory Basis

	As of December 31				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
ASSETS					
Operating Fund:					
Cash--Treasurer	\$2,260,839	\$2,598,643	\$2,301,470	\$2,509,544	\$1,193,946
Receivables with Full Reserves:					
Consumer Accounts Receivable	810,596	776,970	740,267	758,924	741,084
Utility Liens Receivable			522		2,028
Other Accounts Receivable	5,743	6,383	1,974	1,585	813
Total Operating Fund	3,077,177	3,381,996	3,044,233	3,270,054	1,937,872
Capital Fund:					
Cash--Treasurer	2,715,052	91,999	546,821	1,460,561	2,276,561
Deferred Charges				78,479	78,479
Fixed Capital	69,173,842	69,173,842	67,524,162	30,811,182	30,811,182
Fixed Capital Authorized and Uncompleted	16,737,541	15,157,541	14,959,615	49,972,596	47,587,596
NJ Environmental Infrastructure Loans Receivable			9,301	774,645	
Interfund Receivable		7,201	78,479		
Total Capital Fund	88,626,435	84,430,583	83,118,379	83,097,463	80,753,817
Total Assets	\$91,703,612	\$87,812,579	\$86,162,612	\$86,367,517	\$82,691,689

(Continued)

TOWNSHIP OF MAPLE SHADE
WATER/SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--
Regulatory Basis

	As of December 31				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Reserve for Encumbrances	\$124,646	\$290,600	\$6,664	\$392,393	\$6,737
Interfunds Payable		7,201	97,714	18,526	
Appropriation Reserves	812,702	808,750	877,143	869,028	575,424
Accrued Interest on Bonds and Notes	233,861	253,810	235,619	232,831	201,276
Accounts Payable					4,006
Prepaid Water/Sewer Rents			93		
Water/Sewer Rental Overpayments	20,019	30,063	20,696	18,305	10,251
Reserve for Receivables	816,338	783,353	742,763	760,509	743,926
Fund Balance	1,069,610	1,208,220	1,063,541	978,460	396,253
Total Operating Fund	3,077,177	3,381,996	3,044,233	3,270,054	1,937,872
Capital Fund:					
New Jersey Environmental Infrastructure Loans Payable	10,573,942	11,713,844	12,828,238	11,749,899	12,715,207
Water/Sewer Serial Bonds	11,412,000	12,183,000	7,429,000	8,216,000	9,183,000
Bond Anticipation Notes	4,800,000		4,522,100	6,743,094	2,968,094
Improvement Authorizations:					
Funded	298,374	276,658	169,146	190,406	236,892
Unfunded	4,709,758	3,079,479	3,220,181	5,738,284	6,797,408
Capital Improvement Fund	1,343	1,643	46,643	46,643	45,893
Contracts Payable	18,378		1,973,150	1,448,978	1,073,484
Reserve for:					
Encumbrances	1,455,930	3,869,142	2,082,745		
Amortization	54,709,175	52,798,272	50,453,601	46,742,122	44,662,442
Deferred Amortization	561,074	485,774	390,774	2,222,037	2,102,787
Payment of Debt					968,611
Fund Balance	86,462	22,771	2,801		
Total Capital Fund	88,626,435	84,430,583	83,118,379	83,097,463	80,753,817
Total Liabilities, Reserves and Fund Balance	\$91,703,612	\$87,812,579	\$86,162,612	\$86,367,517	\$82,691,689

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

TOWNSHIP OF MAPLE SHADE
WATER/SEWER UTILITY FUND
Statements of Operations and Changes in Operating Fund Balance--
Regulatory Basis

	For the Year Ended December 31				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenue Realized:					
Operating Surplus Anticipated	\$995,000	\$960,000	\$927,341	\$137,000	\$694,558
Rents	7,995,227	7,927,690	7,886,523	7,518,150	7,262,573
Miscellaneous	111,371	233,231	85,997	75,857	122,796
Water/Sewer Utility Capital Surplus					21,680
Reserve for Payment of Bonds				968,611	33,634
Other Credits to Income	663,759	577,812	577,261	466,195	194,637
Total Income	9,765,357	9,698,734	9,477,121	9,165,813	8,329,879
Expenditures and Encumbrances:					
Operating	5,986,400	5,868,618	5,797,268	5,727,246	5,563,975
Capital Improvements	75,000	50,000		120,000	
Debt Service	2,813,981	2,643,028	2,560,563	2,425,215	2,449,762
Pension and Social Security	29,000	28,000	106,479	173,372	25,000
Other Expenditures	4,587	4,409	389	772	
Total Expenditures and Encumbrances	8,908,968	8,594,054	8,464,699	8,446,605	8,038,737
Statutory Excess to Fund Balance	856,389	1,104,679	1,012,422	719,208	291,142
Fund Balance January 1	1,208,220	1,063,541	978,460	396,253	799,668
	2,064,610	2,168,220	1,990,882	1,115,460	1,090,811
Decreased by:					
Utilized as Revenue	995,000	960,000	927,341	137,000	694,558
Fund Balance December 31	\$1,069,610	\$1,208,220	\$1,063,541	\$978,460	\$396,253

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Maple Shade (hereafter referred to as the "Township") was part of Chester Township which was founded in 1688 and authorized by royal charter in 1712. Over the years, portions of Chester Township were "spun-off" to form the Townships of Evesham, Cinnaminson and Moorestown; in 1945 the remaining Township of Chester changed its name to the Township of Maple Shade.

The Township is located in the County of Burlington, New Jersey, being approximately 10 miles from Philadelphia center-city. According to the 2010 census, the population is 19,131.

The Township is governed by a Council of five elected members who designate a Mayor and Deputy Mayor from their number. Administrative responsibilities are assigned to the Township Manager. Policy is determined by Council; the Manager is responsible for carrying out such policy.

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

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

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

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

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

Water/Sewer Utility Operating and Capital Funds - The water/sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water/sewer operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

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

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

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

Fund Balance - Fund balances included in the current fund and water/sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

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

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

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Maple Shade School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2019 and decreased by the amount deferred at December 31, 2020.

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

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

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

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

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.

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2020, the Township's bank balances of \$28,353,492.99 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 26,175,945.14
Uninsured and Uncollateralized	<u>2,177,547.85</u>
Total	<u>\$ 28,353,492.99</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$ 3.604</u>	<u>\$ 3.472</u>	<u>\$ 3.412</u>	<u>\$ 3.372</u>	<u>\$ 3.322</u>
Apportionment of Tax Rate:					
Municipal	0.906	0.901	0.881	0.881	0.861
County	0.424	0.422	0.439	0.415	0.443
Local School District	2.274	2.149	2.092	2.076	2.018

Note 3: PROPERTY TAXES (CONT'D)

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

Assessed Valuation

<u>Year</u>	
2020	\$ 1,286,220,753.00
2019	1,286,541,255.00
2018	1,291,463,846.00
2017	1,280,210,634.00
2016	1,286,500,032.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2020	\$ 47,019,840.08	\$ 46,411,053.22	98.71%
2019	44,742,896.75	43,934,646.40	98.19%
2018	44,203,242.47	43,420,822.02	98.23%
2017	43,589,926.84	42,878,030.78	98.37%
2016	42,878,427.07	41,999,809.32	97.95%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2020	\$ 226,781.27	\$ 510,613.03	\$ 737,394.30	1.57%
2019	187,193.62	709,264.21	896,457.83	2.00%
2018	170,963.76	634,734.18	805,697.94	1.82%
2017	150,336.68	648,897.36	799,234.04	1.83%
2016	144,782.48	655,020.60	799,803.08	1.87%

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

<u>Year</u>	<u>Number</u>
2020	14
2019	13
2018	14
2017	13
2016	14

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2020	\$ 36,649.50
2019	36,649.50
2018	36,649.50
2017	36,649.50
2016	36,649.50

Note 5: WATER/SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2020	\$776,969.74	-	\$ 8,028,852.75	\$ 8,805,822.49	\$ 7,995,226.68
2019	740,266.91	\$ 521.70	7,963,871.10	8,704,659.71	7,927,689.97
2018	758,924.00	-	7,868,288.34	8,627,212.34	7,886,523.03
2017	741,084.35	2,028.17	7,553,961.26	8,297,073.78	7,518,149.78
2016	633,266.42	2,229.21	7,370,190.52	8,005,686.15	7,262,573.36

Note 6: FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budgets of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2020	\$ 10,139,468.40	\$ 3,584,500.00	35.35%
2019	9,098,499.45	3,301,000.00	36.28%
2018	7,683,143.07	2,421,000.00	31.51%
2017	7,009,372.80	2,404,000.00	34.30%
2016	5,395,723.18	2,194,800.00	40.68%
<u>Water/Sewer Utility Operating Fund</u>			
2020	\$ 1,069,609.91	\$ 900,000.00	84.14%
2019	1,208,220.44	995,000.00	82.35%
2018	1,063,541.34	960,000.00	90.26%
2017	978,460.32	927,341.00	94.78%
2016	396,252.54	137,000.00	34.57%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 115,334.95	\$ 14,931.40
Grant Fund		99,300.72
Trust Dog License Fund		16,034.23
Trust Other Funds	19,809.29	
General Capital Fund	13,500.00	
Water/Sewer Utility Capital Fund		18,377.89
	<u>\$ 148,644.24</u>	<u>\$ 148,644.24</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.

Note 8: PENSION PLANS

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

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

General Information about the Pension Plans

Plan Descriptions

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

Contributions

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

The Township's contractually required contribution rate for the year ended December 31, 2020 was 14.33% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$260,282.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$257,869.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$144,988.96.

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

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

The Township's contractually required contribution rate for the year ended December 31, 2020 was 31.39% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$1,021,287.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$935,516.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$329,466.30.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2020 was 4.34% of the Township's covered payroll.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2020 was \$141,065.00, and is payable by April 1, 2021. For the prior year measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2019 was \$120,587.00, which was paid on April 1, 2020.

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

For the year ended December 31, 2020, employee contributions totaled \$10,983.15 and the Township's contributions were \$6,086.84. There were no forfeitures during the year.

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

Pension Liability - As of December 31, 2020, the Township's proportionate share of the PERS net pension liability was \$3,879,995.00. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Township's proportion was 0.0237928702%, which was a decrease of 0.0027176221% from its proportion measured as of June 30, 2019.

Pension Expense - For the year ended December 31, 2020, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$6,275.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Township's contribution to PERS was \$257,869.00, and was paid on April 1, 2020.

Note 8: PENSION PLANS (CONT'D)

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

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2020, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 11,812,316.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>1,833,218.00</u>
	<u>\$ 13,645,534.00</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2020 measurement date, the Township's proportion was 0.0914172614%, which was a decrease of 0.0011979437% from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the Township, was 0.0914172614%, which was a decrease of 0.0011979437% from its proportion, on-behalf of the Township, measured as of June 30, 2019.

Pension Expense - For the year ended December 31, 2020, the Township's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$549,269.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Township's contribution to PFRS was \$935,516.00, and was paid on April 1, 2020.

For the year ended December 31, 2020, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2020 measurement date, was \$207,759.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)

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

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2020, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 70,648.00	\$ 119,088.00	\$ 189,736.00	\$ 13,721.00	\$ 42,393.00	\$ 56,114.00
Changes of Assumptions	125,871.00	29,726.00	155,597.00	1,624,591.00	3,166,811.00	4,791,402.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	132,621.00	692,611.00	825,232.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	115,572.00	584,679.00	700,251.00	810,767.00	587,445.00	1,398,212.00
Township Contributions Subsequent to the Measurement Date	130,141.00	510,644.00	640,785.00	-	-	-
	<u>\$ 574,853.00</u>	<u>\$ 1,936,748.00</u>	<u>\$ 2,511,601.00</u>	<u>\$ 2,449,079.00</u>	<u>\$ 3,796,649.00</u>	<u>\$ 6,245,728.00</u>

Deferred outflows of resources in the amounts of \$130,141.00 and \$510,644.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2021. These amounts were based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the Township's year end of December 31, 2020.

Note 8: **PENSION PLANS (CONT'D)**

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

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

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90

Note 8: **PENSION PLANS (CONT'D)**

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

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

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2021	\$ (598,989.00)	\$ (1,202,738.00)	\$ (1,801,727.00)
2022	(633,533.00)	(728,129.00)	(1,361,662.00)
2023	(446,467.00)	(284,508.00)	(730,975.00)
2024	(276,529.00)	(27,256.00)	(303,785.00)
2025	(48,849.00)	(127,914.00)	(176,763.00)
	<u>\$ (2,004,367.00)</u>	<u>\$ (2,370,545.00)</u>	<u>\$ (4,374,912.00)</u>

Actuarial Assumptions

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

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

⁽¹⁾ based on years of service

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

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

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Police and Firemen's Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability as of the June 30, 2020 measurement date, calculated using a discount rate of 7.00%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 4,884,266.00</u>	<u>\$ 3,879,995.00</u>	<u>\$ 3,027,843.00</u>

Note 8: PENSION PLANS (CONT'D)**Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of the June 30, 2020 measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 15,707,949.00	\$ 11,812,316.00	\$ 8,576,695.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>2,437,802.00</u>	<u>1,833,218.00</u>	<u>1,331,064.00</u>
	<u>\$ 18,145,751.00</u>	<u>\$ 13,645,534.00</u>	<u>\$ 9,907,759.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information

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

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0237928702%	0.0265104923%	0.0273100737%	0.0269687860%
Township's Proportionate Share of the Net Pension Liability	\$ 3,879,995.00	\$ 4,776,789.00	\$ 5,377,217.00	\$ 6,277,902.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,724,180.00	\$ 1,889,156.00	\$ 1,920,296.00	\$ 1,870,956.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	225.03%	252.85%	280.02%	335.55%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0270690980%	0.0231523365%	0.0255025083%	0.0276805114%
Township's Proportionate Share of the Net Pension Liability	\$ 8,017,090.00	\$ 5,197,236.00	\$ 4,774,767.00	\$ 5,290,296.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,860,408.00	\$ 1,620,416.00	\$ 1,800,928.00	\$ 1,927,556.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	430.93%	320.73%	265.13%	274.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

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

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 260,282.00	\$ 257,869.00	\$ 271,647.00	\$ 249,837.00
Township's Contribution in Relation to the Contractually Required Contribution	\$ (260,282.00)	\$ (257,869.00)	(271,647.00)	(249,837.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 1,815,767.00	\$ 1,714,147.00	\$ 1,865,498.00	\$ 1,881,347.00
Township's Contributions as a Percentage of Covered Payroll	14.33%	15.04%	14.56%	13.28%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 240,478.00	\$ 199,048.00	\$ 210,239.00	\$ 208,567.00
Township's Contribution in Relation to the Contractually Required Contribution	(240,478.00)	(199,048.00)	(210,239.00)	(208,567.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 1,842,893.00	\$ 1,814,071.00	\$ 1,682,576.00	\$ 1,802,094.00
Township's Contributions as a Percentage of Covered Payroll	13.05%	10.97%	12.50%	11.57%

Note 8: **PENSION PLANS (CONT'D)**

Supplementary Pension Information (Cont'd)

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0914172614%	0.0926152051%	0.0877480019%	0.0916711954%
Township's Proportionate Share of the Net Pension Liability	\$ 11,812,316.00	\$ 11,334,081.00	\$ 11,873,751.00	\$ 14,152,260.00
State's Proportionate Share of the Net Pension Liability associated with the Township	1,833,218.00	1,789,673.00	1,612,853.00	1,585,172.00
Total	\$ 13,645,534.00	\$ 13,123,754.00	\$ 13,486,604.00	\$ 15,737,432.00
Township's Covered Payroll (Plan Measurement Period)	\$ 3,154,340.00	\$ 3,075,468.00	\$ 2,985,424.00	\$ 2,967,372.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	374.48%	368.53%	397.72%	476.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0899533283%	0.0991908917%	0.0906861153%	0.0956624573%
Township's Proportionate Share of the Net Pension Liability	\$ 17,183,387.00	\$ 16,521,745.00	\$ 11,407,472.00	\$ 12,717,460.00
State's Proportionate Share of the Net Pension Liability associated with the Township	1,442,978.00	1,448,902.00	1,228,393.00	1,185,422.00
Total	\$ 18,626,365.00	\$ 17,970,647.00	\$ 12,635,865.00	\$ 13,902,882.00
Township's Covered Payroll (Plan Measurement Period)	\$ 2,875,128.00	\$ 3,141,188.00	\$ 2,864,304.00	\$ 3,002,204.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	597.66%	525.97%	398.26%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

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

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 1,021,287.00	\$ 935,516.00	\$ 857,866.00	\$ 811,307.00
Township's Contribution in Relation to the Contractually Required Contribution	(1,021,287.00)	(935,516.00)	(857,866.00)	(811,307.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 3,253,982.00	\$ 3,178,104.00	\$ 3,096,640.00	\$ 2,963,288.00
Township's Contributions as a Percentage of Covered Payroll	31.39%	29.44%	27.70%	27.38%

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 733,426.00	\$ 806,274.00	\$ 696,532.00	\$ 697,932.00
Township's Contribution in Relation to the Contractually Required Contribution	(733,426.00)	(806,274.00)	(696,532.00)	(697,932.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 2,967,584.00	\$ 2,917,114.00	\$ 3,019,542.00	\$ 2,867,227.00
Township's Contributions as a Percentage of Covered Payroll	24.71%	27.64%	23.07%	24.34%

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

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

Changes in Assumptions

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

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

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS) (Cont'd)*****Changes in Assumptions (Cont'd)**

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

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

The mortality assumption was updated upon direction from the DPB.

Police and Firemen's Retirement System (PFRS)**Changes in Benefit Terms**

None

Changes in Assumptions

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

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

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

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

The mortality assumption was updated upon direction from the DPB.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

TOWNSHIP OF MAPLE SHADE POSTEMPLOYMENT HEALTH BENEFIT PLAN

Plan Description - The Township's defined benefit postemployment healthcare plan, the Maple Shade Township Postemployment Benefits Plan (the "Township Plan"), provides OPEB for all eligible permanent full-time employees of the Township. Effective January 1, 2013, the Township Plan is a single-employer defined benefit OPEB plan administered by the Township. The benefit provisions of the Township Plan may be established or amended by the Township Council. The plan does not issue a separate financial report. Prior to 2013, the Township Plan was an agent multiple-employer postemployment healthcare plan administered by the Municipal Reinsurance Health Insurance Fund (the "MRHIF"). No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided - The Township Plan provides, for eligible employees, a cash payment reimbursement annually, subject to certain maximum amounts, to any employee upon retirement from the Township to help defray the cost of obtaining their health insurance. Members of the Policemen's Benevolent Association, Local 267 and the Teamsters Local Union No. 676 become eligible for the benefit upon termination of the employee's active service with the Township with a retirement allowance granted and paid under the provisions of the Police and Firemen's Retirement System (PFRS) of New Jersey or the Public Employees Retirement System (PERS) of New Jersey, which is dependent upon age, years of service and date of hire. Non-union full-time employees become eligible for the benefit upon retirement at age 60 or with 25 years of service, or upon retirement with a disability retirement under the Public Employees Retirement System (PERS) of New Jersey.

For the year ended December 31, 2020, the maximum annual benefit under the Township Plan was as follows:

<u>Plan Participant</u>	<u>Amount</u>
Police Benevolent Association, Local 267	
Superior Officers	\$ 17,500.00
Captains and Lieutenants	18,000.00
Officers	16,000.00
Teamsters Local Union No. 676	7,500.00
Non-Union Full-Time Employees (Hired prior to April 1, 2017)	
Staff	7,000.00
Management	9,000.00

Employees Covered by Benefit Terms - As of January 1, 2019, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	44
Active Employees	59
	103

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

TOWNSHIP OF MAPLE SHADE POSTEMPLOYMENT HEALTH BENEFIT PLAN (CONT'D)

Total OPEB Liability

The Township's total OPEB liability of \$13,201,852.00 was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2019.

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry Age Normal as a level percentage of payroll
Discount Rate	Single Equivalent Interest Rate (SEIR) based upon the S&P Municipal Bond 20 Year High Grade Rate Index: 3.64% - At valuation date 3.26% - As of measurement period ending December 31, 2019 1.93% - As of measurement period ending December 31, 2020
Annual Wage Increases	3.00%
Price Inflation	2.50%
Investment Rate of Return	Not Applicable
Actuarial Value of Assets	Not Applicable
Funding Policy	Pay-as-you-go
Benefit Payable	It is assumed that current and future retirees will purchase insurance sufficient to receive the current maximum allowable reimbursement. Maximum reimbursement amounts for current retirees vary by retiree and were provided in the participant data.
Annual Healthcare Trend	Not applicable; It is assumed that the stipend amounts in force when the Collective Bargaining Agreements expire will not increase thereafter.
Participation	<i>Future Retirees:</i> 100% of future retirees are assumed to elect coverage at retirement. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made. <i>Current Retirees:</i> Based on current coverage election. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made.
Spousal Participation	Not Applicable
Spouse Age	Not Applicable
Mortality - Police	<i>Healthy Active Employees:</i> Pub-2010 Safety Employees Headcount-Weighted Mortality <i>Healthy Retirees:</i> Pub-2010 Safety Retirees Headcount-Weighted Mortality <i>Surviving Beneficiaries:</i> Pub-2010 Safety Contingent Survivors Headcount-Weighted Mortality <i>Disabled Retirees:</i> Pub-2010 Safety Disabled Retirees Headcount-Weighted Mortality

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

TOWNSHIP OF MAPLE SHADE POSTEMPLOYMENT HEALTH BENEFIT PLAN (CONT'D)

Total OPEB Liability (Cont'd)

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified (cont'd):

Mortality - All Others	<i>Healthy Active Employees</i> : Pub-2010 General Employees Headcount-Weighted Mortality
	<i>Healthy Retirees</i> : Pub-2010 General Retirees Headcount-Weighted Mortality
	<i>Surviving Beneficiaries</i> : Pub-2010 General Contingent Survivors Headcount-Weighted Mortality
	<i>Disabled Retirees</i> : Pub-2010 General Disabled Retirees Amount-Weighted Mortality
Mortality	Margin for mortality improvements: Scale MP-2019, fully generational
Disability	Participants are assumed to become disabled in accordance with annual rates varying by age.
Withdrawal	Participants are assumed to terminate employment for reasons other than death, disability or retirement in accordance with annual rates varying by age and service.
Retirement	Participants are assumed to retire in accordance with annual rates varying by age and/or service.
Changes Since Prior Valuation	Discount rate was decreased from 3.70% to 3.64% as of the valuation date, then decreased to 3.26% as of the measurement date December 31, 2019.
	Mortality tables were updated from the RPH-2014 Total Dataset Headcount-Weighted Total Dataset Mortality to the Pub-2010 Headcount-Weighted Mortality with "Safety" tables used for the Police groups and the "General" tables for all others.
	Mortality improvement scale was updated from Scale MP-2016 to MP-2019.
Changes Since Measurement Date	Discount rate was decreased from 3.26% to 1.93%.
	Mortality improvement scale was updated from MP-2019 to MP-2020.

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

TOWNSHIP OF MAPLE SHADE POSTEMPLOYMENT HEALTH BENEFIT PLAN (CONT'D)

Total OPEB Liability (Cont'd)

Discount Rate - The discount rate is the single rate that reflects (1) the long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return, and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale), to the extent that the conditions for use of the long-term expected rate of return are not met. For the total OPEB liability calculation as of December 31, 2020, the discount rate was decreased from 3.26% to 1.93%.

Changes in Total OPEB Liability

Balance at December 31, 2019		\$ 10,811,472.00
Changes for the Year:		
Service Cost	\$ 305,292.00	
Interest Cost	357,421.00	
Net Benefits Paid by Employer	(305,888.00)	
Changes in Assumptions	<u>2,033,555.00</u>	
Net Changes		<u>2,390,380.00</u>
Balance at December 31, 2020		<u>\$ 13,201,852.00</u>

The Total OPEB Liability increased relative to the expectation from the prior valuation. Below is a summary of the primary drivers of the increase:

- The mortality improvement scale was updated to the most recent Scale MP-2020
- Decreased discount rate from 3.26% to 1.93% in accordance with the movement in the 20-year tax-exempt general-obligation municipal bond yield.

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the Township as of December 31, 2020, as well as what the Township's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1.00% Decrease (0.93%)	Current Discount Rate (1.93%)	1.00% Increase (2.93%)
Total OPEB Liability	<u>\$ 15,203,393.00</u>	<u>\$ 13,201,852.00</u>	<u>\$ 11,579,379.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**TOWNSHIP OF MAPLE SHADE POSTEMPLOYMENT HEALTH BENEFIT PLAN (CONT'D)****Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the Township's OPEB Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of Changes in the Township's Total OPEB Liability and Related Ratios

	Plan Measurement Date December 31,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service Cost	\$ 305,292.00	\$ 269,672.00	\$ 331,659.00	\$ 277,654.00
Interest Cost	357,421.00	366,534.00	314,384.00	328,149.00
Benefit Payments	(305,888.00)	(257,257.00)	(242,734.00)	(289,020.00)
Ad Hoc Postemployment Benefit Changes		197,697.00		
Differences Between Expected and Actual Experience		(199,718.00)		
Changes in Assumptions	<u>2,033,555.00</u>	<u>638,101.00</u>	<u>(552,748.00)</u>	<u>615,704.00</u>
Net Change in Total OPEB Liability	2,390,380.00	1,015,029.00	(149,439.00)	932,487.00
Total OPEB Liability - Beginning of Fiscal Year	<u>10,811,472.00</u>	<u>9,796,443.00</u>	<u>9,945,882.00</u>	<u>9,013,395.00</u>
Total OPEB Liability - End of Fiscal Year	<u>\$ 13,201,852.00</u>	<u>\$ 10,811,472.00</u>	<u>\$ 9,796,443.00</u>	<u>\$ 9,945,882.00</u>
Covered-Employee Payroll	\$ 4,832,674.00	\$ 4,691,916.99	\$ 4,843,310.00	\$ 4,843,310.00
Total OPEB Liability as a Percentage of Covered Payroll	273.18%	230.43%	202.27%	205.35%

Other Notes to Supplementary OPEB Information**Changes in Assumptions**

The mortality improvement scale was updated to the most recent Scale MP-2020.

The discount rate was decreased from 3.26% to 1.93%, in accordance with the movement in the 20-year tax-exempt general-obligation municipal bond yield.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN**

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan**

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

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

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

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

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

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

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

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township , is not known, however, under the Special Funding Situation, the State's OPEB (benefit) expense, on-behalf of the Township, is \$88,448.00 for the year ended December 31, 2019 representing 2.78% of the Township's covered payroll.

OPEB Liability and OPEB (Benefit) Expense

OPEB Liability - At December 31, 2019 the State's proportionate Share of the Net OPEB liability associated with the Township is \$6,672,692.00. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

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

STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

OPEB Liability and OPEB (Benefit) Expense (Cont'd)

OPEB Liability (Cont'd) - The State's proportion of the net OPEB liability, on-behalf of the Township, was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the State's proportion on-behalf of the Township was 0.120757% which was a decrease of 0.005932% from its proportion measured as of the June 30, 2018 measurement date.

OPEB (Benefit) Expense - At December 31, 2019, the State's proportionate share of the OPEB (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2019 measurement date, is \$88,448.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Actuarial Assumptions

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

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Not Applicable Under Special Funding Situation	
PFRS:	
Rate for all Years	3.25% to 15.25%

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

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

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

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

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

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

STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Actuarial Assumptions (Cont'd)

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

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

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

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

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	\$ 7,715,329.00	\$ 6,672,692.00	\$ 5,825,412.00

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	\$ 5,630,930.00	\$ 6,672,692.00	\$ 8,001,635.00

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

STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

OPEB Plan Fiduciary Net Position

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

Supplementary OPEB Information

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.000000%	0.000000%	0.000000%
State's Proportion of the Net OPEB Liability Associated with the Township	100.000000%	100.000000%	100.000000%
	<u>100.000000%</u>	<u>100.000000%</u>	<u>100.000000%</u>
Township's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Township	6,672,692.00	7,872,257.00	10,308,934.00
Total	<u>\$ 6,672,692.00</u>	<u>\$ 7,872,257.00</u>	<u>\$ 10,308,934.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 3,156,122.00	\$ 2,983,732.00	\$ 3,004,622.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	211.421%	263.839%	343.103%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

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

STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Supplementary OPEB Information (Cont'd)

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

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

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms

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

Changes in Assumptions

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

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

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

Note 10: COMPENSATED ABSENCES

Full-time employees are entitled to paid unused sick leave, vacation days and compensatory time in various amounts as outlined in the Township code and contracts between the Township and PBA Local 267 and Teamsters Local Union 676. Unused sick leave, vacation days and compensatory time may be accumulated and carried forward to the subsequent year, subject to conditions outlined in the Township code and contracts. Upon retirement, employees may be compensated for accumulated unused sick leave, vacation days and compensatory time in accordance with formulas and limits established in the Township code and contracts.

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, including the Township's share of social security taxes, are valued at \$998,741.00.

The Township has established a Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2020, the balance of the fund was \$40.69.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

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

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT (CONT'D)

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

Note 12: CAPITAL DEBT**General Improvement Bonds****County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2002 –**

On October 15, 2002, the Burlington County Bridge Commission issued \$73,510,000.00 of County-Guaranteed Pooled Loan Revenue Bonds to make loans to certain borrowers in the County of Burlington under a Governmental Loan Program. Under this program, pursuant to a Borrower Purchase Agreement, the Township issued general obligation bonds in the amount of \$7,261,000.00, consisting of \$3,549,000.00 to fund various general improvements and \$3,712,000.00 to fund various water/sewer utility improvements. The bonds were issued with interest rates ranging from 2.0% to 5.0%. In March 2011, \$4,220,000.00 of \$5,441,000.00 outstanding principal was refunded through the issuance of County-Guaranteed Pooled Loan Revenue Refunding Bonds. As of December 31, 2020, the sole remaining maturity of the Series 2002 bonds is due October 15, 2022.

County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2010B -

On December 21, 2010, the Burlington County Bridge Commission issued \$17,675,000.00 of County-Guaranteed Pooled Loan Revenue Bonds to make loans to certain borrowers in the County of Burlington under a Governmental Loan Program. Under this program, pursuant to a Borrower Purchase Agreement, the Township issued general obligation bonds in the amount of \$15,165,000.00, consisting of \$9,515,000.00 to fund various general improvements and \$5,650,000.00 to fund various water/sewer utility improvements. The bonds were issued with interest rates ranging from 2.25% to 5.0%. The final maturity of the bonds is October 15, 2030.

County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2011A -

On March 31, 2011, the Burlington County Bridge Commission issued \$37,785,000.00 of County-Guaranteed Pooled Loan Revenue Refunding Bonds to make loans to certain borrowers in the County of Burlington under the Governmental Loan Program to refinance a portion of the loans made by the Commission to borrowers that were financed with a portion of the proceeds of the Commission's County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2002. The Township issued general obligation bonds in the amount of \$4,150,000.00, consisting of \$2,048,000.00 for general improvements and \$2,102,000.00 for water/sewer utility improvements, to advance refund \$5,441,000.00 of the County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2002. The bonds were issued with interest rates ranging from 3.0% to 5.0%. The final maturity of the bonds is October 15, 2021.

County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017A -

On March 28, 2017, the Burlington County Bridge Commission issued \$18,925,000.00 of County-Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2017A to make loans to certain borrowers in the County of Burlington, including the Township, under the Governmental Loan Program to refinance a portion of the loans made by the Commission to borrowers that were financed with a portion of the proceeds of the Commission's County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2006. The Township issued general obligation bonds in the amount of \$6,067,000.00, consisting of \$2,982,000.00 for general improvements and \$3,085,000.00 for water/sewer utility improvements, to currently refund \$6,207,000.00 of the County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2006. The bonds were issued with interest rates ranging from 3.0% to 4.0%. The final maturity of the bonds is January 15, 2026.

Note 12 CAPITAL DEBT (CONT'D)

General Improvement Bonds (Cont'd)

General Obligation Bonds, Series 2019 - On May 23, 2019, the Township issued \$19,415,000.00 in General Obligation Bonds, consisting of \$13,850,000.00 General Improvement Bonds and \$5,565,000.00 Water/Sewer Utility Bonds, with interest rates ranging from 2.0% to 5.0%. The proceeds of the General Improvement Bonds, together with \$4,661.00 budgeted funds of the Township, were used to refund, on a current basis, \$15,349,661.00 in aggregate principal amount of outstanding bond anticipation notes of the Township and to pay certain costs and expenses incidental to the issuance and delivery of the General Improvement Bonds. The proceeds of the Water and Sewer Utility Bonds were used to refund, on a current basis, \$4,522,100.00 in aggregate principal amount of outstanding bond anticipation notes of the Township, to finance various Water/Sewer Utility improvements in the amount of \$1,477,900.00 and to pay certain costs and expenses incidental to the issuance and delivery of the Water/Sewer Utility Bonds. The final maturity of the bonds is February 15, 2035.

Water and Sewer Utility Refunding Bonds, Series 2020 - On September 22, 2020, the Township issued \$3,350,000.00 in general obligation bonds with interest rates ranging from .729% to 2.129% to refund \$3,100,000.00 of outstanding Water and Sewer Utility Bonds, Series 2010, dated December 21, 2010, and delivered to the Burlington County Bridge Commission, with interest rates ranging from 4.250% to 5.000%. The final maturity of the bonds is October 15, 2030. See note 13, Capital Debt Refunding.

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

<u>Year</u>	<u>General</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,339,000.00	\$ 649,140.00	\$ 2,988,140.00
2022	2,414,000.00	533,730.00	2,947,730.00
2023	1,275,000.00	412,425.00	1,687,425.00
2024	1,355,000.00	346,675.00	1,701,675.00
2025	1,360,000.00	278,800.00	1,638,800.00
2026-2030	6,800,000.00	530,400.00	7,330,400.00
	<u>\$ 15,543,000.00</u>	<u>\$ 2,751,170.00</u>	<u>\$ 18,294,170.00</u>

<u>Year</u>	<u>Water/Sewer Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,182,000.00	\$ 362,149.26	\$ 1,544,149.26
2022	1,236,000.00	308,125.10	1,544,125.10
2023	1,033,000.00	263,734.66	1,296,734.66
2024	1,037,000.00	229,760.66	1,266,760.66
2025	1,040,000.00	195,035.40	1,235,035.40
2026-2030	4,034,000.00	538,809.06	4,572,809.06
2031-2035	1,850,000.00	138,750.00	1,988,750.00
	<u>\$ 11,412,000.00</u>	<u>\$ 2,036,364.14</u>	<u>\$ 13,448,364.14</u>

Note 12 CAPITAL DEBT (CONT'D)

General Debt - New Jersey Green Acres Loan

On December 23, 2010, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$213,625.00, at an interest rate of 2.0%. The proceeds were used to fund open space acquisition. Semiannual debt payments are due March and September, with the final maturity payment due March 23, 2027.

<u>Year</u>	<u>General</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 13,835.40	\$ 1,832.24	\$ 15,667.64
2022	14,113.49	1,554.14	15,667.63
2023	14,397.17	1,270.47	15,667.64
2024	14,686.55	981.08	15,667.63
2025	14,981.76	685.88	15,667.64
2026-2027	23,039.15	462.31	23,501.46
	<u>\$ 95,053.52</u>	<u>\$ 6,786.12</u>	<u>\$ 101,839.64</u>

General Debt – New Jersey DEP Restoration Loan

On November 5, 2014, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$306,790.95.00, at an interest rate of 2.0%. The proceeds were used to fund expenses related to the restoration of Steinhauer lake. Semiannual debt payments are due February and August, with the final maturity payment due August 5, 2034.

The following schedule represents the remaining debt service, through maturity, for the New Jersey DEP Restoration Loan:

<u>Year</u>	<u>General</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 14,510.53	\$ 4,566.71	\$ 19,077.24
2022	14,802.18	4,275.06	19,077.24
2023	15,099.71	3,977.53	19,077.24
2024	15,403.21	3,674.03	19,077.24
2025	15,712.82	3,364.42	19,077.24
2026-2030	83,430.42	11,955.78	95,386.20
2031-2034	72,986.44	3,322.52	76,308.96
	<u>\$ 231,945.31</u>	<u>\$ 35,136.05</u>	<u>\$ 267,081.36</u>

Note 12 CAPITAL DEBT (CONT'D)**General Debt - New Jersey Environmental Infrastructure Loans**

On November 4, 2004, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,692,996.00, at no interest, from the fund loan, and \$1,645,000.00 at interest rates ranging from 3.4% to 5.0% from the trust loan. The proceeds were used to fund the replacement of transmission and distribution mains within the Township's water utility system. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2024.

On November 8, 2007, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$5,550,000.00, at no interest, from the fund loan, and \$5,860,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the design and construction of a water treatment system. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2027.

On December 2, 2010, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$474,939.00, at no interest, from the fund loan, and \$445,000.00 at an interest rate of 5.0% from the trust loan. \$237,470.00 of the principal due on the fund loan was forgiven. The proceeds were used to fund the replacement of water mains. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2030. On May 10, 2016, the New Jersey Environmental Infrastructure Trust issued Environmental Infrastructure Refunding Bonds, Series 2016A-R2 to refund a portion of the outstanding New Jersey Environmental Infrastructure Bonds, Series 2010B.

On March 19, 2012, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$789,453.00, at no interest, from the fund loan, and \$480,000.00 at interest rates ranging from 2.0% to 5.0% from the trust loan. \$263,151.00 of the principal due on the fund loan was forgiven. The proceeds were used to fund improvements to the Township's wastewater treatment plant. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2031.

On May 22, 2014, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,362,857.00, at no interest, from the fund loan, and \$445,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the Township's wastewater treatment plant. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2033.

On May 28, 2015, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,475,000.00, at no interest, from the fund loan, and \$455,000.00 at interest rates ranging from 4.0% to 5.0% from the trust loan. The proceeds were used to fund construction expenditures related to the Township's water treatment plant, well house and pumping facilities. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2034.

On May 22, 2018, the Township entered into a loan agreement with the New Jersey Infrastructure Bank (formerly known as the Environmental Infrastructure Trust) to provide \$1,615,099.00, at no interest, from the fund loan, and \$538,366.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the installation of 4,222 replacement water meters with automatic transmitters and automatic transmitters on 550 water meters that were previously replaced, but were not equipped with an automatic meter reading system. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2037.

Note 12: CAPITAL DEBT (CONT'D)

General Debt - New Jersey Environmental Infrastructure Loans (Cont'd)

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

<u>Year</u>	<u>Water/Sewer Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,158,727.79	\$ 214,972.52	\$ 1,373,700.31
2022	1,175,143.14	189,222.52	1,364,365.66
2023	1,176,284.51	162,572.52	1,338,857.03
2024	1,147,805.41	135,172.52	1,282,977.93
2025	1,048,344.70	106,403.76	1,154,748.46
2026-2030	3,327,780.53	221,960.04	3,549,740.57
2031-2035	1,328,511.80	48,225.02	1,376,736.82
2036-2037	211,343.67	3,881.26	215,224.93
	<u>\$ 10,573,941.55</u>	<u>\$ 1,082,410.16</u>	<u>\$ 11,656,351.71</u>

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

Summary of Debt

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
<u>Issued</u>			
General:			
Bonds, Loans, and Notes	\$ 23,069,998.83	\$ 18,485,786.22	\$ 21,838,687.10
Water/Sewer Utility:			
Bonds, Loans, and Notes	<u>26,785,941.55</u>	<u>23,896,843.87</u>	<u>24,779,338.32</u>
Total Issued	<u>49,855,940.38</u>	<u>42,382,630.09</u>	<u>46,618,025.42</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	182,501.24	5,491,401.24	2,384,230.24
Water/Sewer Utility:			
Bonds, Loans, and Notes	<u>3,855,193.09</u>	<u>7,150,493.09</u>	<u>6,860,064.67</u>
Total Authorized but not Issued	<u>4,037,694.33</u>	<u>12,641,894.33</u>	<u>9,244,294.91</u>
Total Issued and Authorized but not Issued	<u>53,893,634.71</u>	<u>55,024,524.42</u>	<u>55,862,320.33</u>
<u>Deductions</u>			
Funds Temporarily Held to Pay Bonds and Notes	27,000.00	40,500.00	54,000.00
Self-Liquidating Debt	<u>30,641,134.64</u>	<u>31,047,336.96</u>	<u>31,639,402.99</u>
Total Deductions	<u>30,668,134.64</u>	<u>31,087,836.96</u>	<u>31,693,402.99</u>
Net Debt	<u>\$ 23,225,500.07</u>	<u>\$ 23,936,687.46</u>	<u>\$ 24,168,917.34</u>

Note 12: CAPITAL DEBT (CONT'D)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 1.986%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 59,590,000.00	\$ 55,342,625.60	\$ 4,247,374.40
Water/Sewer Utility	30,641,134.64	30,641,134.64	
General	<u>23,252,500.07</u>	<u>27,000.00</u>	<u>23,225,500.07</u>
	<u>\$ 113,483,634.71</u>	<u>\$ 86,010,760.24</u>	<u>\$ 27,472,874.47</u>

Net Debt \$27,472,874.47 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,383,565,640.00 equals 1.986%.

Borrowing Power Under NJSA 40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 48,424,797.40
Net Debt	<u>27,472,874.47</u>
Remaining Borrowing Power	<u>\$ 20,951,922.93</u>

**Calculation of "Self-Liquidating Purpose,"
Water/Sewer Utility Per NJSA 40A:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year	\$ 9,101,597.97
Deductions:	
Operating and Maintenance Cost	\$ 6,015,400.00
Debt Service per Water/Sewer Fund	<u>2,813,980.83</u>
	<u>8,829,380.83</u>
Excess in Revenue	<u>\$ 272,217.14</u>

Note 13: CAPITAL DEBT REFUNDING

On September 22, 2020, the Township issued \$3,350,000.00 in general obligation bonds (Water and Sewer Utility Refunding Bonds, Series 2020) with variable interest rates ranging from .729% to 2.129% to refund \$3,100,000.00 of outstanding Water and Sewer Utility Bonds, Series 2010, dated December 21, 2010, and delivered to the Burlington County Bridge Commission, with interest rates ranging from 4.250% to 5.000%. The net proceeds of \$3,247,188.00 (after payment of issuance costs) were used to purchase U.S. Treasury Bills. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2010 series bonds. As a result of the refunding, the Township will reduce its total debt service payments over the next ten years by \$292,982.20, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$272,205.71, or 8.75% of the principal amount being refunded. The refunding meets the requirements of an in-substance defeasance and the liability for the refunded bonds was removed from the Township's financial statements.

Note 14: DEFEASED DEBT

In 2020, 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 \$3,110,000.00.

Note 15: SCHOOL TAXES

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

	<u>Balance Dec. 31,</u>	
	<u>2020</u>	<u>2019</u>
Balance of Tax	\$14,638,521.00	\$16,145,421.00
Deferred	<u>13,827,678.00</u>	<u>13,827,678.00</u>
Tax Payable	<u>\$ 810,843.00</u>	<u>\$ 2,317,743.00</u>

Note 16: 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.

Note 16: RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance (Cont'd) - The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 10,734.25	\$ 8,441.90	\$ 1,174.01	\$48,718.00
2019	-	8,355.49	10,859.85	30,715.86
2018	-	7,664.92	5,058.28	33,220.22

Joint Insurance Pool - The Township is a member of the Professional Municipal Management Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund. The Funds offer the following lines of coverage to its members:

- Comprehensive General Liability
- Property Damage
- Environmental Liability
- Workers' Compensation
- Employer's Liability
- USL & H
- Auto Physical Damage
- Flood
- Boiler and Machinery
- Environmental Legal Liability
- Employee Dishonesty
- Business Auto Liability
- Employment Practices Liability

The Township is a member of the Professional Municipal Management Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund. The Funds offer the following lines of coverage to its members:

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 Employers Liability
- Excess USL & H
- Excess Harbor Marine/Jones Act
- 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.

Note 16: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd) - The Township's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, 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 for the year ended December 31, 2020, which can be obtained at www.pmmjif.org and njmel.org.

Note 17: CONTINGENCIES

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

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

Note 18: CONCENTRATIONS

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

Note 19: COVID-19

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Township's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Township is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity, if any, for calendar year 2021.

Note 20: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount</u>
General Capital Fund:		
Various Capital Improvements and Other Related Expenses	7/22/2021	\$ 1,980,400.00
Water/Sewer Utility Capital Fund:		
Various Water and Sewer Utility Improvements and Other Related Expenses	7/22/2021	<u>1,990,000.00</u>
		<u>\$ 3,970,400.00</u>

Additionally, on June 30, 2021, the Township of Maple Shade School District authorized the issuance of School Refunding Bonds, thereby utilizing an additional \$330,000.00 of the Township's allowable debt capacity.

APPENDIX C
FORM OF BOND COUNSEL OPINION

March __, 2022

Mayor and Township Council
Township of Maple Shade in the
County of Burlington, New Jersey

Re: Township of Maple Shade, in the County of Burlington, New Jersey
\$19,995,000 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 \$19,995,000 General Obligation Bonds, Series 2022, consisting of its \$9,358,000 General Improvement Bonds and its \$10,637,000 Water and Sewer Utility Bonds (the "Bonds") by the Township of Maple Shade (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 2022-53 adopted by the Township Council on February 10, 2022 ("Authorizing Resolution") and (iii) the bond ordinances set forth in the Authorizing Resolution (the "Bond Ordinances").

The Bonds are dated March __, 2022 and mature on March 15th in each of the years and in the respective principal amounts as set forth on the inside cover of an Official Statement dated March __, 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 March 15th and September 15th of each year, commencing March 15, 2023.

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 \$12,000,000 Bond Anticipation Note, maturing on March 31, 2022 (the "2021A Bond Anticipation Notes"), (ii) provide \$7,995,000 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 Maple Shade, in the County of Burlington, New Jersey (the "Issuer") in connection with the issuance by the Issuer of its \$19,995,000 General Obligation Bonds, Series 2022 (the "2022 Bonds"). The 2022 Bonds are being issued pursuant to a Resolution 2022-53 duly adopted by the Township on February 10, 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 2022 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) 2022 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 March __, 2022

THE TOWNSHIP OF MAPLE SHADE, IN THE
COUNTY OF BURLINGTON, NEW JERSEY

By: _____
Adriane McKendry,
Chief Financial Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

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

Name of Bond Issue: \$19,995,000 GENERAL OBLIGATION BONDS, SERIES 2022,

Date of Issuance: March __, 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 March __, 2022. The Issuer anticipates that the Annual Report will be filed by _____.

Dated:

TOWNSHIP OF MAPLE SHADE, IN THE
COUNTY OF BURLINGTON, NEW JERSEY

By: _____
Authorized Officer