

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 offer, solicitation or sale prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

NEW ISSUE – Book-Entry-Only

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

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 28, 2022

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, assuming continuing compliance by the Township (as hereinafter defined) with certain tax covenants described herein, under existing law, interest on the Bonds (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals. In addition, interest on the Bonds may be subject to the branch profits tax imposed on certain foreign corporations and to the tax on "excess net passive income" imposed on S corporations. Interest on the Bonds and any gain from the sale thereof is not included in the gross income of owners thereof under the New Jersey Gross Income Tax Act, as presently executed and construed.

\$12,675,000*
TOWNSHIP OF VOORHEES
County of Camden, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2022
Consisting of:
\$11,048,000* General Improvement Bonds
\$1,627,000* Sewer Utility Bonds
(Callable)

Dated: Date of Delivery

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

The Township of Voorhees, County of Camden, New Jersey ("Township") is issuing \$12,675,000* aggregate principal amount of its General Obligation Bonds, Series 2022 ("Bonds"). The Bonds consist of: (i) \$11,048,000* aggregate principal amount of General Improvement Bonds; and (ii) \$1,627,000* aggregate principal amount of 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 maturity dates thereof upon presentation and surrender of the Bonds in the offices of the Township, or its hereafter designated paying agent, if any. Interest on the Bonds is payable semi-annually on March 1 and September 1, commencing March 1, 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 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 286-16, 340-19, 345-19, 347-19, 348-19, 349-19, 360-20, 361-20, 367-20, 368-20, 369-20, 370-20, 378-21, 382-21, 383-21, 384-21, and 385-21, each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township Committee on April 11, 2022; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May __, 2022.

The Bonds are being issued by the Township to provide funds which will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment, at maturity, of certain bond anticipation notes heretofore issued by the Township; and (ii) pay certain costs and expenses incidental to the issuance and delivery of 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.

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 Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Solicitor, Howard C. Long, Jr., Esquire, of the law firm Wade, Long, Wood & Long, LLC, Laurel Springs, New Jersey. 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 May 19, 2022.

ELECTRONIC SUBMISSIONS FOR THE BONDS WILL BE RECEIVED VIA PARITY UNTIL 11:00 A.M. ON MAY 5, 2022. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY VIEW THE NOTICE OF SALE POSTED AT WWW.GOVDEBT.NET.

* Preliminary, subject to change.

MATURITY SCHEDULE

\$12,675,000*
TOWNSHIP OF VOORHEES
County of Camden, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2022
Consisting of:
\$11,048,000* General Improvement Bonds
\$1,627,000* Sewer Utility Bonds
(Callable)

<u>Year</u>	<u>General Improvement Bonds*</u>	<u>Sewer Utility Bonds*</u>	<u>Total Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2023	\$618,000	\$82,000	\$700,000	%	%	
2024	615,000	60,000	675,000			
2025	1,215,000	100,000	1,315,000			
2026	1,220,000	100,000	1,320,000			
2027	1,230,000	100,000	1,330,000			
2028	1,230,000	110,000	1,340,000			
2029	1,230,000	115,000	1,345,000			
2030	1,230,000	120,000	1,350,000			
2031	1,230,000	120,000	1,350,000			
2032	1,230,000	120,000	1,350,000			
2033	0	120,000	120,000			
2034	0	120,000	120,000			
2035	0	120,000	120,000			
2036	0	120,000	120,000			
2037	0	120,000	120,000			

* Preliminary, subject to change.

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

**TOWNSHIP OF VOORHEES
COUNTY OF CAMDEN, NEW JERSEY**

Mayor and Township Committee

<u>Name</u>	<u>Title</u>
Michael R. Mignogna	Mayor
Jason A. Ravitz	Deputy Mayor
Michelle M. Nocito	Deputy Mayor
Harry A. Platt	Committeeperson
Jacklyn Fetbroyt	Committeeperson

Administrator

Vacant

Chief Financial Officer/Treasurer

Dean Ciminera

Township Clerk

Dianna Ober

Tax and Sewer Utility Collector

Jennifer J. Dukelow

Solicitor

Wade, Long, Wood & Long, LLC
Laurel Springs, New Jersey

Auditor

Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel

Parker McCay P.A.
Mount Laurel, New Jersey

Municipal Advisor

Phoenix Advisors, LLC
Bordentown, New Jersey

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

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor 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 UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

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

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OFFICIAL STATEMENT

\$12,675,000*
TOWNSHIP OF VOORHEES
County of Camden, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2022
Consisting of:
\$11,048,000* General Improvement Bonds
\$1,627,000* Sewer Utility Bonds
(Callable)

INTRODUCTION

This Official Statement, including the cover page and Appendices attached hereto, is to provide certain information relating to the issuance by the Township of Voorhees, County of Camden, New Jersey ("Township") of its: \$12,675,000* aggregate principal amount of its General Obligation Bonds, Series 2022 ("Bonds"). The Bonds consist of: (i) \$11,048,000* aggregate principal amount of General Improvement Bonds; and (ii) \$1,627,000* aggregate principal amount of 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 ("State"), as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 286-16, 340-19, 345-19, 347-19, 348-19, 349-19, 360-20, 361-20, 367-20, 368-20, 369-20, 370-20, 378-21, 382-21, 383-21, 384-21, and 385-21 (collectively, the "Bond Ordinances"), each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township Committee on April 11, 2022; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May __, 2022.

PURPOSE OF THE ISSUE

The Bonds are being issued by the Township to provide funds which, along with other available funds of the Township, will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment, at maturity, of certain bond anticipation notes heretofore issued by the Township, all as more particularly described in the table below; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

* Preliminary, subject to change.

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

General Improvement Bonds

Bond Ordinance	Purpose/ Improvement	Amount Authorized	Notes Outstanding	Amount Funded by the Bonds
286-16	Acquisition of Various Pieces of Equipment and Vehicles	\$1,212,200	\$100	\$0
340-19	Acquisition of Vehicles and Equipment	498,750	498,750	498,250
345-19	Road Improvements	1,425,000	1,425,000	1,425,000
347-19	Acquisition and Installation of Traffic Signalization	180,500	180,500	180,500
348-19	Acquisition of Vehicles and Equipment	1,881,000	1,881,000	1,881,000
349-19	Renovations to Various Township Buildings and Improvements to Various Parks Facilities and Public Works Building	1,222,650	1,222,650	1,222,650
360-20	Acquisition of Vehicles and Equipment	516,800	516,800	516,800
370-20	Acquisition of Vehicles and Equipment	405,650	405,650	405,650
368-20	Road Improvements	346,750	346,750	346,750
367-20	Buildings and Grounds	99,750	99,750	99,750
378-21	Acquisition of Vehicles and Equipment	651,700	651,700	651,700
385-21	Acquisition of Vehicles and Equipment	1,411,700	1,411,700	1,411,700
383-21	Road Improvements	1,624,500	1,624,500	1,624,500
382-21	Buildings and Grounds	783,750	783,750	783,750
TOTAL		\$12,260,700	\$11,048,600	\$11,048,000

Sewer Utility Bonds

Bond Ordinance	Purpose/ Improvement	Amount Authorized	Prior Notes Outstanding	Amount Funded by the Bonds
361-20	Sewer Utility Improvements	\$380,000	\$380,000	\$380,000
369-20	Sewer Utility Improvements	734,100	734,100	734,000
384-21	Sewer Utility Improvements	513,000	512,300	513,000
TOTAL		\$1,627,100	\$1,626,400	\$1,627,000

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DESCRIPTION OF THE BONDS

General

The Bonds will be issued in the aggregate principal amount as shown on the inside front cover hereof. The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds is payable semi-annually on March 1 and September 1 (each an "Interest Payment Date" and collectively, "Interest Payment Dates"), commencing March 1, 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 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 1 in the years and in the principal amounts, all as shown on the inside front cover page of this Official Statement.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the offices of the Township, or its hereafter designated paying agent, if any. Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the Township, or its hereafter designated paying agent, if any, as of the close of business on the fifteenth (15th) day of the calendar month next preceding an Interest Payment Date (each a "Record Date").

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

Redemption Provisions

The Bonds maturing on and after March 1, 2030 are subject to redemption prior to their stated maturity dates at the option of the Township, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the Township shall determine and within any such maturity by lot) on any date on or after March 1, 2029, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Notice of redemption shall be given by mailing first class mail in a sealed envelope with postage pre-paid not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the owner of every Bond of which all or a portion is to be redeemed at his or her last address, if any, appearing on the registration books of the Township, or its hereafter designated paying agent, if any. So long as the Bonds are issued in book-entry-only form, all notices of redemption will be sent only to DTC or any successor, and will not be sent to the

beneficial owners of the Bonds. Failure of an owner of the Bonds to receive such notice or of DTC to advise any participant or any failure of a participant to notify any beneficial owner of the Bonds shall not affect the validity of any proceedings for the redemption of Bonds. Such notice shall specify: (i) the series and maturity of the Bonds to be redeemed; (ii) the redemption date and the place or places where amounts that are due and payable upon such redemption will be payable; (iii) if less than all of the Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the Bonds to be redeemed; (iv) in the case of a Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (v) that on the redemption date there shall become due and payable with respect to each Bond or portion thereof to be redeemed the redemption price; and (vi) that from and after the redemption date interest on such Bond or portion thereof to be redeemed shall cease to accrue and be payable.

Book-Entry-Only System 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 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.

¹ Source: The Depository Trust Company

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

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

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Township. 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 Underwriters (as hereinafter defined) take any responsibility for the accuracy thereof.

NEITHER THE TOWNSHIP NOR ITS HEREAFTER DESIGNATED PAYING AGENT, IF ANY, WILL HAVE THE RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, OR THE INDIRECT PARTICIPANTS OR 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 its hereafter designated paying agent, if any; (ii) the transfer of the Bonds may be registered on the books maintained by the Township, or its hereafter designated paying agent, if any, for such purposes only upon the surrender thereof to the Township, or its hereafter designated paying agent, if any,

together with the duly executed assignment in form satisfactory to the Township, or its hereafter designated paying agent, if any; and (iii) for every exchange or registration of transfer of the Bonds, the Township, or its hereafter designated paying agent, if any, 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 information concerning the Township, including economic, financial, demographic and other relevant data, is set forth in Appendix "A" to this Official Statement. Copies of the complete reports of audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

INDEPENDENT AUDITORS

An excerpt of the Unaudited Financial Statements for the year ending December 31, 2021 and an excerpt of the Report of Audit of Financial Statements for the years ending December 31, 2020, 2019, 2018, 2017 and 2016 is included in Appendix "B" to this Official Statement. The audited financial data was provided by Bowman & Company LLP, Voorhees, New Jersey, and is included herein in reliance upon the authority of such firm. Bowman & Company LLP, New Jersey, has consented to the inclusion of their report in this Official Statement. Copies of the complete Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

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

Local Bond Law

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

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

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

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

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

Short-Term Financing – When approved by bond ordinance, the Township may issue bond anticipation notes to temporarily finance capital improvements. Such notes may not be issued in an aggregate amount exceeding that specified by the ordinance. The notes may not be

issued for periods of more than one year, renewable with the final maturity occurring no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original note. After the third year, the amount of the notes that may be renewed annually must be decreased by the minimum amount required for the first year's principal payment for the bond issue in anticipation of which the notes are issued.

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

Local Fiscal Affairs Law

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

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

An independent examination of the Township's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2020 is on file with the Township Clerk and is available for review during business hours, and is available online at the Township's website: www.voorheesnj.com.

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

Local Budget Law

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

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

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2% 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.

In response to the outbreak of the Coronavirus (as defined and described under the heading "CERTAIN RISK FACTORS – Recent Healthcare Developments" below), the State Legislature enacted P.L. 2020, c. 74 (A3971), under which a local unit may adopt an emergency appropriation to fund certain deficits and expenditures resulting from Coronavirus with approval of the Director and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten (10) years. Such emergency appropriation must be approved by 2/3 vote of the governing body of the local unit and be accompanied by a certification of the Chief Financial Officer stating that the resolution covers deficits and expenses incurred during the emergency response to the Coronavirus. Moreover, to the extent that such Coronavirus-related emergency appropriations exceed the cost of providing similar services under non-emergency conditions, the deferred charge to be raised in the following year's budget is an eligible exception to both the levy cap and the appropriations cap. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to Coronavirus.

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:

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

In response to the outbreak of the Coronavirus, on May 4, 2020, the Local Finance Board released Local Finance Notice 2020-11 specifically permitting alternative methodologies for calculating the reserve for uncollected taxes. In particular, instead of using the methodology described above for purpose of calculating the reserve for uncollected taxes, one of the following two alternatives may be used: (i) *N.J.S.A.* 40A:4-41(c) allows for use of the average of the prior three (3) years' tax collection rate to mitigate a short-term decrease in the tax collection rate; or (ii) *N.J.S.A.* 40A:4-41(d) allows for a municipality to reduce the prior year's certified tax levy by the amount of any tax levy adjustment resulting from a tax appeal judgement. Use of either alternative calculation requires submission to the Division of Local Government Services in the Department of Community Affairs of a resolution of the governing body and subsequent approval therefrom.

See "CERTAIN RISK FACTORS – Recent Healthcare Developments" below for additional information on temporary changes made to property tax laws and regulations in response to the Coronavirus.

Deferral of Current Expenses

Emergency appropriations (i.e., those made after the adoption of the budget and determination of the tax rate for an unforeseen event or purpose) may be authorized by the governing body of the local governmental units. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3.00%) of the adopted operating budget, consent of the Director of Local Government Services must be obtained.

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

Budget Transfers

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

Capital Budget

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

Sewer Utility Budget

The Township's public sewer utility is supported, in addition to the general taxing power upon real property, by the revenues generated by the operations of the utility. A separate budget is established for the utility. The anticipated revenues and appropriations for the utility are set forth in a budget, which is required to be balanced and to fully provide for debt service. The regulations regarding anticipation of revenue and deferral of charges apply equally to the budget of the utility. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

Related Constitutional and Statutory Provisions

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

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

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

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

The Municipal Finance Commission

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

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

The Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. The Commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The

Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors and the readjustment of debts under the Federal Municipal Bankruptcy Act. Such Act permits municipalities to have access to bankruptcy court for protection against suits by bondholders and creditors.

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

Limitation of Remedies Under Federal Bankruptcy Code

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

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

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

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

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established

comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. The last complete revaluation of property within the Township was effective for the year 2013.

Upon the filing of certified adopted budgets by the Township, the School Districts, the Voorhees Township Fire District¹ and the County of Camden ("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 State 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 State 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 State 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.

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, was 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 early 2020.

¹ The Township dissolved the previously separate Fire District as of March 1, 2017, and incorporated fire protection services in as a municipal department.

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 affected commerce in a manner that negatively affected global, national and local economies.

On January 11, 2022, the Governor reinstated the Public Health Emergency declaration through Executive Order while also retaining and extending certain limited Executive Orders related to public health and safety. On February 10, 2022, the Governor signed Executive Order 288 extending the Public Health Emergency declared on January 11, 2022; however, the Public Health Emergency was terminated on March 7, 2022 via Executive Order 292, while the existing State of Emergency remains in effect.

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 \$3,053,705.08 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) to be received within 60 days of enactment of the Plan, 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 not 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.

Cyber Security

The Township relies on a large and complex technology environment to conduct its various operations. As a result, the Township faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Township has invested in multiple forms of cybersecurity and operational safeguards. In addition, the Township maintains insurance coverage for cyberattacks and related events.

TAX MATTERS

Federal

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, bond counsel ("Bond Counsel") to the Township, assuming continuing compliance by the Township with the tax covenants described below, under existing law, interest on the Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering its opinion, Bond Counsel has relied on the Township's covenants contained in the Bond Ordinances and in the Certificate as to Non-Arbitrage and Other Tax Matters, that it will comply with the applicable requirements of the Code, including requirements relating to, *inter alia*, the use and investment of proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Township to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue. Bond Counsel has not undertaken to monitor

compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the Bonds that may affect the tax-exempt status of the interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, controlled foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Bonds will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by the household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by Banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has *not* designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(1) of the Code.

Owners of the Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

New Jersey

Bond Counsel is also of the opinion that interest on the Bonds and any gain from the sale thereof is not included in the gross income of the owners thereof under the State Gross Income Tax Act, as presently enacted and construed.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in the State legislature that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value or marketability of the Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, such proposals would apply to obligations issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced

which, if implemented or concluded in a particular manner, could adversely affect the market value or marketability of the Bonds.

PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY FEDERAL AND STATE INCOME TAX LEGISLATION, WHETHER CURRENTLY PENDING OR PROPOSED, REGULATORY INITIATIVES OR LITIGATION. THE OPINIONS EXPRESSED BY BOND COUNSEL ARE BASED UPON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE BONDS AND BOND COUNSEL HAS EXPRESSED NO OPINION AS OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.

LITIGATION

To the knowledge of the Township's Solicitor, Howard C. Long, Jr., Esq., of the law firm Wade, Long, Wood & Long, LLC, Laurel Springs, New Jersey, there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Solicitor, no litigation is presently pending or threatened that, in the opinion of the Solicitor, would have a material adverse impact on the financial condition of the Township if adversely decided.

RATING

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

Explanations of the significance of the rating may be obtained from S&P at 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. Such ratings reflect only the views of S&P. There is no assurance that the ratings mentioned above will remain in effect for any given period of time, or that it might not be lowered or withdrawn entirely by the rating agency, if in its judgment circumstances so warrant. Neither the Underwriters (as defined herein), nor the Township has undertaken any responsibility either to bring to the attention of the holders of the Bonds any proposed change in or withdrawal of a rating of the Bonds or to oppose any such proposed change or withdrawal. Any such downward change in or withdrawal of a rating might have an adverse effect on the market price or marketability 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.

The Township compiled Appendix "A" from information obtained from various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto.

Neither Parker McCay, P.A. nor Phoenix Advisors, LLC have participated in the preparation of this Official Statement, nor have such firms verified the accuracy, completeness or fairness of the information contained herein (except under the heading "TAX MATTERS") and, accordingly, will express no opinion with respect thereto.

Bowman & Company LLP only takes responsibility for the financial statements, appearing in Appendix "B" hereto.

UNDERWRITING

The Bonds have been purchased from the Township at a public sale by _____, as underwriter ("Underwriter"), pursuant to a Certificate of Determination and Award, dated May __, 2022. The Underwriter has purchased the Bonds in accordance with the Notices of Sale prepared in connection with the Bonds. The Bonds are being offered for sale at the yields 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 and notes into investment trusts) at yields higher than the public offering yield set forth on the inside front cover page of this Official Statement, and such public offering yields 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 and notes of the Township, including the Bonds, and such bonds and notes 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 or notes of the Township.

MUNICIPAL ADVISOR

Phoenix Advisors, LLC, Bordentown, New Jersey, has served as Municipal Advisor to the Township with respect to the issuance of the Bonds ("Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the 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 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the Township has undertaken to file notice of certain enumerated events, pursuant to a Continuing Disclosure Agreement for the Bonds in the form attached as Appendix "D" to this Official Statement.

The Township has previously entered into continuing disclosure undertakings under the Rule. While the Township has filed its financial information and operating data in each of the past five (5) years, as required by the Rule, certain information, specifically the "Ten Largest Non-Governmental Employers", required in some, but not all, of the Township's continuing disclosure agreements was not included in the operating data for the years ended December 31, 2016, 2017, and 2018. Such information was included in the Township's Official Statements dated July 19, 2016; and September 12, 2017, but was not properly incorporated by reference. A separate filing has since been filed on EMMA containing the required information. In addition, the Township's budget for fiscal year ending December 31, 2020 was not adopted until after the filing deadline for the Township's General Obligation Bonds, Series 2008. The Township appointed Phoenix Advisors, LLC, Bordentown, New Jersey in August of 2014 to act as Continuing Disclosure Agent to assist in the filing of certain information on EMMA as required under its obligations.

LEGAL MATTERS

The legality of the Bonds will be subject to the approving legal opinion of Bond Counsel. Such opinion will be printed on or accompany the Bonds and provide, *inter alia*, that the Bonds are valid and binding obligations of the Township, and the Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Township without limitation as to rate or amount for the payment of the Bonds and interest thereon. The enforceability of rights or remedies with respect to the Bonds may be limited by Bankruptcy, insolvency, or other law affecting creditors' rights or remedies heretofore or hereinafter enacted. Certain legal matters will be passed upon for the Township by its Solicitor.

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

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the 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

Additional information may be obtained from Dean Ciminera, Chief Financial Officer of the Township of Voorhees, at 856.429.0281, or the Municipal Advisor at 609.291.0130.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth merely as opinions and not as representations of fact, and no representation is made that any such statements will be realized. Neither this Official Statement nor any statement, which may have been made verbally or in writing, is to be construed as a contract with, or a covenant for the benefit of, the holders of the Bonds. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

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

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

TOWNSHIP OF VOORHEES, NEW JERSEY

By: _____
DEAN CIMINERA, Chief Financial Officer

Dated: May __, 2022

APPENDIX A

CERTAIN INFORMATION REGARDING THE TOWNSHIP

GENERAL INFORMATION ON THE TOWNSHIP

History

The Lenni Lenape Indians first settled in the Township of Voorhees ("Township") about three centuries ago. In the 1700s, European settlement of the area was led by several families in what was then called Waterford Township in the County of Gloucester ("County"). They began grist and lumber mills along the creeks and by the 1800s a local economy began to take hold with the establishment of taverns, which served as social centers, and of stagecoach lines which connected the local people to the neighboring region. One stagecoach line passing through the Township began in Philadelphia and went to the Atlantic shore line, a two-day trip.

In 1844, the County was chartered as a county separate from Gloucester County. By the end of the century the local population wanted to establish its own township and sought the assistance of New Jersey Governor Van Voorhees. The Township was chartered on March 1, 1899 in an area encompassing approximately 11.4 square miles located in the central part of the County approximately ten miles southeast of Philadelphia, Pennsylvania.

As World War II ended, the Township began to grow from farmland and countryside to a suburban Township with schools, housing developments and shopping centers. In the late 1960s the Township developed a "town center zone" which contained a full shopping mall, office buildings, apartments and condominiums.

Population in the Township doubled from 6,214 in 1970 to 12,919 in 1980 and nearly doubled again by 1990 to a population of 24,559. According the U.S. Bureau of the Census, the 2010 population was 29,131 and the 2020 population increased again to 31,069.

Local Government

The Township government is based on the township committee form of government, which exercises legislative power in the Township. Committee members are elected on an at-large basis for staggered three-year terms. Two members are elected in each of two consecutive years while a single member is elected in the third year. The Mayor is appointed annually by a majority of the Township Committee.

The day-to-day administrative duties are the responsibility of the Township Administrator, who is appointed by the Township Committee. To that end, the Township Administrator keeps the Township Committee informed as to the conduct of the Township affairs, the condition of the Township finances and the welfare and future needs of the Township.

The financial affairs of the Township are administered by the Chief Financial Officer, who reports to the Township Committee. Along with the Township Administrator, the Chief Financial Officer prepares the annual municipal budget, and then maintains it on a daily basis after adoption by the Township Committee. A five-year forecast, for both the operating and capital budgets, is used to assess the Township's future financial needs.

Business Management

The Mayor and Township Committee have taken an active role in the preparation and administration of the Township's annual operating and capital budgets. Joint purchasing agreements, extensive use of state contract purchases, and the solicitation of competitive price proposals for a majority of purchases are just a few measures employed to reduce costs. User fees for Township services are continually examined and increased when needed, and an aggressive tax collection program contributes to the Township's financial well-being.

The Township utilizes an Economic Development Committee (EDC) in order to promote ratable growth through several yearly initiatives. The EDC sponsors a business summit where local businesses come together to share ideas and concerns on how to make their businesses more successful. The EDC is also tasked with reviewing Township-led business initiatives to get feedback from residents and business leaders, and to help ensure the initiatives reflect the desires of the business community.

Local businesses provide contributions to the Voorhees Citizens Event Foundation (VCEF), a 501c(3) corporation that helps to underwrite the production costs of an economic development brochure and calendar. These items provide economic and demographic information to both the business and residential communities. The VCEF was established for the purpose of paying for community events, and bringing our businesses and residents together.

In an effort to retain and assist local businesses, the Township has adopted the "Shop Voorhees" program, where residents receive credit on their property tax bill by frequenting certain local merchants. "Shop Voorhees" is voluntary, and many local businesses take part in the program. Residents use an affinity card that was provided to each residential property owner, and businesses that participate allocate a certain percentage of each purchase to the program.

Fire Protection and Emergency Services

The Township's Fire Department is comprised of one Fire Chief, two Battalion Chiefs, two Captains, and 33 full-time firefighters. The Department monitors and establishes locations for fire hydrants throughout the Township, and provides 24/7 fire protection services. Emergency Medical Services are also provided on an around-the-clock basis by 12 full-time and 24 part-time emergency medical technicians. In addition, the Department is outfitted with heavy-duty rescue equipment and a water rescue dive team.

Police

The Township's Police Department is comprised of one Chief, two Captains, five Lieutenants, six Sergeants, 41 Patrol Officers and 13 Class II Officers, many of whom are college educated. The Department consists of a Traffic Division, a Patrol Division, an Emergency Services Unit, a Criminal Investigation Unit, a K-9 Unit and a Detective Bureau. Twelve of the 13 Class II Officers patrol the elementary schools, the middle school, two private schools, and the high school on a daily basis. This specialization has allowed the Department to receive over one million dollars in funding for both Federal and State grant programs. Support services include clerical personnel, crossing guards and a computerized criminal justice information system.

Public Works

Township maintenance is designed to maintain neighborhoods in first class condition. The Public Works Department, with a full-time work force of approximately 35, is headed by a Superintendent, and consists of a Road Department, a crew of mechanics, a Sanitation Department, a Parks Department and a Sewer Department.

The Road Department is responsible for the maintenance of over 100 miles of Township roads, including minor road repairs, road signage, street sweeping and snow plowing and removal. The mechanics provide automotive services to the entire fleet of Administrative and Public Works vehicles in a Township-owned garage facility.

The Sanitation Department is responsible for the disposal of trash and the collection of recyclable materials such as paper, vegetative waste and commingled glass and cans. These expanded recycling efforts have reduced trash disposal costs and even generates a revenue stream when market conditions are right. In concert with dedicated neighborhood residents, civic

groups and youth organizations, the Sanitation Department has been able to educate the community in matters of recycling and litter control. Each year sees continued participation in such events as the "Adopt a Road Program" and the "Public Lands Cleanup Day."

Parks and Recreation

A major priority of the Township Committee is the development of aesthetic and safe recreational facilities. The last several years have seen an ongoing Township-wide park redevelopment program, which has led to the installation of new playground equipment, picnic areas, nature trails and athletic facilities. Through the State's Green Acres Program, the Township purchased the North Branch Conservation Area, Lion's Lake, Rabinowitz Park, Stafford Farm, the former Lafferty Asphalt Parcel, Stafford Woods, Kirkwood Forest, Kresson Lake, and Ashland Woods in order to preserve open space. To date, the Township has preserved more than 560 acres for recreation and conservation purposes.

The Township offers to children and adults of the community a wide variety of athletic and cultural opportunities, which are administered through the Community Education & Recreation Office ("CER"). The CER program is also responsible for scheduling the use of gymnasiums and multipurpose rooms, while the Township Parks Department is responsible for the scheduling and maintenance of the recreation fields.

Recreation facilities in the Township include open space areas, athletic fields and courts of all kinds, playground sites and tot lots. Other activities in the Township include community theater, summer camps and youth baseball, softball, soccer, football, basketball and lacrosse for boys and girls.

Sewer and Water Utilities

The Township owns and operates several pumping stations and a sewerage collection system that runs throughout the Township. The sewerage collection system serves virtually the entire Township, while a few properties continue to use septic systems. The current Township rate for each user is \$155.00 per domestic consumer unit per year.

Sewer treatment services are provided by the Camden County Municipal Utilities Authority ("CCMUA"). The CCMUA is an autonomous body that owns and operates the treatment facility, and has established an annual rate of \$352.00 per equivalent dwelling unit for 2022.

The New Jersey-American Water Company ("NJAWC") furnishes virtually the entire Township with water.

Township Employees

A summary of full-time and part-time employees of the Township for the past five (5) years is included below.

	<u>2021</u>	<u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>2018</u>	<u>2017</u>
Permanent	188	186	186	183	170
Part-time	<u>67</u>	<u>70</u>	<u>70</u>	<u>81</u>	<u>73</u>
Total	<u>255</u>	<u>256</u>	<u>256</u>	<u>264</u>	<u>243</u>

Employee Collective Bargaining Units

Employees are recognized as separate collective bargaining units. The police patrol officers have an approved contract through December 31, 2024. The municipal employees and supervisors bargaining unit have an approved contract through December 31, 2024. The Public Works Department has an approved contract through December 31, 2023. The senior police officers and the police sergeants have an approved contract through December 31, 2021, and are currently in negotiations. The Fire Department's Senior Officers, Lieutenants, Firefighters and EMT bargaining units all have approved contracts through December 31, 2021 and are currently in negotiations.

Compensated Absences

Township employees are entitled to fifteen paid sick leave days each year. For all bargaining units, unused sick leave may be accumulated and carried forward to the subsequent year. Upon retirement, employees are reimbursed at their retirement rate of pay for twenty-five percent (25%) of their unused sick days. All police officers, firefighters, EMT's and public works employees may elect to sell back up to five unused vacation days each year at their current rate of pay. Municipal and non-contractual employees may elect to sell back up to ten vacation days each year at their current rate of pay. All police officers, firefighters and EMT's may also sell back up to one week of unused holiday time as well. (For additional information regarding compensated absences, see Appendix B: Audited Financial Statements, Note 11).

Pension Plans

Those Township employees who are eligible for pension coverage are enrolled in one of two pension systems established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State. (For additional information regarding pension plans, see Appendix B: Audited Financial Statements, Note 8).

Township Population(1)

2020 Federal Census	31,069
2010 Federal Census	29,131
2000 Federal Census	28,126
1990 Federal Census	24,559
1980 Federal Census	12,919

Selected Census 2020 Data for the Township (1)

Median household income	\$100,095
Per capita income	\$56,491

Township Labor Force (2)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township					
Labor Force	14,691	14,805	14,603	14,767	14,873
Employed	13,647	14,406	14,150	14,268	14,311
Unemployed	1,044	399	453	499	562
Unemployment Rate	7.1%	2.7%	3.1%	3.4%	3.8%

(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	256,048	253,053	249,945	253,217	255,629
Employment	230,287	242,811	238,357	240,342	241,640
Unemployment	25,761	10,242	11,588	12,875	13,989
Unemployment Rate	10.1%	4.0%	4.6%	5.1%	5.5%
State					
Labor Force	4,495,200	4,493,100	4,422,900	4,453,500	4,524,300
Employment	4,055,300	4,333,300	4,239,600	4,247,500	4,299,900
Unemployment	439,900	159,800	183,400	206,000	224,300
Unemployment Rate	9.8%	3.6%	4.1%	4.6%	5.0%

Business and Industry

The Township's commercial base includes industrial operations, multi-tenant office centers and shopping centers. Comcast, AAA of South Jersey, Giant Fitness, Edge Fitness, YALE School, Kellman-Brown Academy, and the Guide Post Montessori School all have a major presence in the Township. The Philadelphia Flyers utilize a 66,000 square-foot training and practice facility in the Township. This building also houses medical offices, potential restaurant and retail areas and provides for public ice skating.

In addition, smaller office complexes include Glendale Executive Campus, Laurel Oak Corporate Center, Alluvium Corporate Center, Echelon Professional Center, the Voorhees Corporate Center and the Pavilions at Voorhees. The various complexes are home to Hampton Inn, Wingate and Marriot Hotels, and a Spring Hill Suites.

The Town Center at Voorhees continues to be the subject of several proposed redevelopment plans. A Rizzieri Salon, an Iron Hill Brewery and other restaurants are located along "The Boulevard," and there is also continued construction of a residential component. In addition, the Township municipal building was relocated to the Town Center in May, 2011. Other shopping centers include Eagle Plaza, which recently completed a \$3 million facelift, Avian Plaza, Echelon Village Plaza, The Echo Shoppes, a Target store, that includes a Starbuck's Coffee Shop, a Kohl's store, and the Cedar Hill Shopping Center which includes a Lowe's and BJ'S Wholesale Club.

Health care facilities in the Township are numerous. The Virtua Health System recently moved their operations to a new hospital/health care campus valued at several hundred million dollars. This state-of-the-art facility replaced a 35-year-old hospital, and opened in May, 2011. The Virtua/Rohrer Fitness Center, South Jersey Radiology and the Tatem-Brown Family Practice Center remain at the site of the old hospital. Jefferson University Hospital recently moved its NJ headquarters to Voorhees, and also opened the school's new College of Health Professionals Physician Assistants Program. Cooper Hospital also has a significant presence in the Township. The Cooper Pain Management Center, as well as several other Cooper satellite offices, are located throughout the Township. Additionally, the Township is home to a Children's Hospital of Philadelphia satellite facility, a Bayada Nursing office, a Penn Medicine Proton Therapy Unit, senior citizen communities, several nursing centers, assisted-living quarters and a Bancroft pediatric facility.

(1) Source: New Jersey Department of Labor

Community Development

Much of the Township has been developed for residential use, although substantial sites have been developed or are available for nonresidential use. There are more than 8,000 housing units with approximately 6,600 single-family homes and 1,400 condominium or townhouse residences. In addition, there are more than 2,600 apartment rental units.

Current single-family residential zoning allows minimum lot areas of 9,375 square feet in the R-75 zone and up to a minimum of one acre in the rural residence zone. Multi-family and cluster development is also permitted on larger tracts within the Township, subject to Township Planning Board approval.

The most recent Master Plan update provided a greater diversity of commercial uses in what are now industrial or office zones. The Master Plan also calls for increased buffering between residential and commercial uses to moderate the transition between them.

The Township, along with its Planning and Zoning Boards, and its Economic Development Advisory Committee, works diligently with developers and business owners to create a business-friendly climate, while insuring that proposed development will provide maximum benefit and minimal adverse impact on the Township.

Transportation and Infrastructure

Centrally located between New York City, Washington D.C., Philadelphia and the New Jersey Shore, the Township has excellent highway and transit access. Highway access includes Interstate 295, State Route 73 and the New Jersey Turnpike, the primary interstate route in the New York-Washington corridor.

The Port Authority Transit Company's High Speed Line, with their Ashland station located in the Township, provides an important link to center city Philadelphia for both commuters and shoppers. New Jersey Transit provides public bus transportation, and there is a Township-owned bus available for senior citizens six days a week.

The Township's Capital Improvement Program has reinvested an average of \$5.123 million a year for the last ten years to provide a sound infrastructure. The Engineering Department's Road Management Program ("Program") details those roads recently repaired, as well as those scheduled for future reconstruction or modification. This Program acts in concert with the routine maintenance work performed on a daily basis. Continuing sewer work has seen the completion of a Sewer Master Plan, which details the pump stations and collection system as well as the Township's future sewer requirements.

Township officials have played a significant role in the initiation of and planning for major revitalization and improvement of County roads within the Township. Intersection improvements are being completed on a continuing basis, and increased signalization has taken place over the past few years. A study of traffic in the Township, both existing conditions and future needs, has resulted in a computer program which projects expected traffic from proposed developments. Each developer now pays their fair share of needed circulation improvements, thus taking the burden off of the taxpayers.

MAJOR PRIVATE SECTOR COUNTY EMPLOYERS (1)

<u>Name</u>	<u>Approximate Employment</u>
Cooper Health System	7,000
Virtua Health System	2,500
Campbell Soup Company	2,300
Virtua Our Lady of Lourdes Hospital	2,000
American Water	2,000
TD Bank	1,300
Jefferson Health System	1,256
Aluminum Shapes	1,000
Lockheed Martin	800

Building, Zoning and Development Codes

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

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

The Township adopted the Municipal Land Use Law on February 7, 1977. The Municipal Land Use Law gave the Township Zoning Board of Adjustment 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 and general welfare.

Building Permits Issued(2)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2022(3)	323	\$3,272,463
2021	1,621	42,162,204
2020	1,204	53,354,750
2019	1,175	22,571,887
2018	1,344	37,841,215
2017	1,629	25,422,079

(1) Camden County

(2) Source: Township Construction Official

(3) As of March 1, 2022

GENERAL INFORMATION ON THE SCHOOL DISTRICT (1)

Primary and Secondary Education

As a type II district, the Board of Education of the Township of Voorhees ("School District") functions independently through a nine-member Board, elected by the voters for alternate three-year terms. The School District is located in the Township of Voorhees (the "Township"), in the County of Camden (the "County"), in the State of New Jersey (the "State") and serves students residing in the Township.

The School District has a total of five (5) schools: four (4) elementary schools and one (1) middle school. See "Present School Facilities, Enrollment and Capacities" herein. Special education students are mainstreamed into the public school system.

The Township's high school students along with students from the Boroughs of Berlin and Gibbsboro, attend the Eastern Camden County Regional High School District.

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT
SCHOOL ENROLLMENTS(1)**

<u>Grade</u>	<u>2017</u>	<u>2018</u>	<u>June 30, 2019</u>	<u>2020</u>	<u>2021</u>
Pre-K/Pre-School	71	80	71	75	64
K	261	274	274	283	238
1	300	316	322	322	312
2	296	309	326	327	328
3	312	312	306	343	329
4	334	329	315	302	343
5	312	349	328	326	304
6	352	331	345	331	340
7	348	360	340	342	336
8	<u>363</u>	<u>348</u>	<u>357</u>	<u>353</u>	<u>348</u>
Totals	<u>2,949</u>	<u>3,008</u>	<u>2,984</u>	<u>3,004</u>	<u>2,942</u>

PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY(1)

<u>Name of School</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Enrollment June 30, 2021</u>	<u>Functional Capacity</u>
Voorhees Middle School	1973	1983/1988/2003	6-8	1,023	1,259
Kresson School	1983	1985/2003	K-5	380	539
Signal Hill School	1988	2003	K-5	454	615
E.T. Hamilton School	1970	1983/1988/2003	K-5	365	550
Osage School	1957	1961/1967/1982/ 1988/ 2003	K-5	<u>706</u>	<u>620</u>
Totals				<u>2,928</u> (2)	<u>3,583</u>

(1) Source: School District officials
(2) Excludes Out of District Students

**EASTERN CAMDEN COUNTY REGIONAL HIGH SCHOOL DISTRICT
ENROLLMENTS(1)(2)**

<u>Grade</u>	<u>2017</u>	<u>2018</u>	<u>October 15, 2019</u>	<u>2020</u>	<u>2021</u>
9	315	301	312	302	311
10	319	309	301	316	297
11	338	315	300	300	311
12	307	335	318	299	303
Special Education	<u>205</u>	<u>212</u>	<u>208</u>	<u>179</u>	<u>185</u>
Totals	<u>1,484</u>	<u>1,472</u>	<u>1,439</u>	<u>1,396</u>	<u>1,407</u>

HIGHER AND OTHER EDUCATION FACILITIES

Rutgers University-Camden Campus

Rutgers University-Camden ("Rutgers"), a comprehensive, publicly-supported, co-educational four-year institution accredited by the Middle States Association of Colleges and Secondary Schools and funded primarily by the State, was founded in 1950 on a 23.8 acre campus in the City of Camden. In the fall 2019, there were approximately 5,501 undergraduate students and 1,728 graduate students.

Camden County College

Fully accredited by the Middle States Association of Colleges and Secondary Schools, Camden County College ("College") is a comprehensive publicly supported, co-educational two-year institution developed under the State Department of Higher Education. It is funded in part by the Camden County Board of Commissioners who appoint an eleven (11) member Board of Trustees. The College has three distinct campuses in Blackwood, Camden and Cherry Hill – along with its satellite locations in Lakeland, Sicklerville and elsewhere throughout the County.

As of the Spring of 2021, full time enrollment was 7,553 and part-time enrollment was 3,294 for a total of 10,847.

Camden County Technical Schools

From a vocational school that opened with 400 students in 12 trade areas in 1928, Camden County Technical Schools ("CCTS") has grown to be one of the largest and most comprehensive technical schools in the nation. The district today encompasses a full range of day and evening programs at campuses in Pennsauken and Gloucester Township. Beginning in 2012, the adult programs were operated by Camden County College as part of the Camden County shared services agreement.

(1) Source: School Business Administrator/Board Secretary
(2) Voorhees Township students only.

For high school students, there are over 30 career programs from which to choose. For the 2020-2021 school year, 1,464 students are enrolled at the Gloucester Township Campus, and 784 at the Pennsauken Campus, including 260 Special Education Students between the two campuses. Seniors are offered the opportunity to participate in several of our school-to-career programs and are offered lifetime job placement assistance. In addition, students are offered a full-range of athletics and activities to complement their education. Through Camden County College, high school juniors and seniors at CCTS have various opportunities to earn college credit for college level work completed while in high school. Students may bank the credits earned for future enrollment at colleges and universities.

In addition to the facilities mentioned above, Stockton University, University of Pennsylvania, Temple University, LaSalle University, Villanova University, St. Joseph's University, Drexel University and Rowan University are all within a commuting distance from the Township.

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2022 Assessed Valuation</u>	<u>% of Total Assessed Value</u>
Virtua Health-Div. of Property Mgmt.	Hospital	\$73,175,200	2.28%
Village Group Limited Partnership	Apartments	49,313,500	1.54%
Foster Sq DE 1 LLC	Apartments	33,669,400	1.05%
Vista 2016, LLC	Apartments	27,484,400	0.86%
Echelon Glen 2016 LLC	Apartments	26,929,600	0.84%
HCP III Eagle, LLC	Shopping Center	25,030,300	0.78%
QRP Voorhees, LP	Apartments	23,368,000	0.73%
Cooper Holdings, LLC % Deloitte	Department Store	17,517,500	0.55%
Del Coop LLC	Insurance Office	17,242,700	0.54%
SJF CCRC, Inc.	Residential Senior Housing	<u>16,694,500</u>	<u>0.52%</u>
Total		<u>\$310,425,100</u>	<u>9.68%</u>

CURRENT TAX COLLECTIONS (2)

<u>Year</u>	<u>Total Levy</u>	<u>Current in Year of Levy</u>		<u>Balance Dec. 31</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2020	\$131,267,978	\$129,918,084	98.97%	\$1,146,759	0.87%
2019	126,243,207	124,901,258	98.94%	1,075,570	0.85%
2018	125,349,815	124,007,670	98.93%	1,235,885	0.99%
2017	124,036,183	122,752,398	98.96%	1,150,051	0.93%
2016	121,574,917	120,219,227	98.88%	1,315,609	1.08%

(1) Source: Township Tax Assessor

(2) Source: Annual Reports of Audit

DELINQUENT TAXES (1)

<u>Year</u>	<u>Balance</u>	<u>Added</u>	<u>Collected</u>		<u>Transfer</u>	<u>Other</u>	<u>Balance</u>
	<u>Jan. 1</u>		<u>Amount</u>	<u>Percent</u>			
2020	\$1,224,597	\$10,019	\$1,139,452	92.29%	-	\$18,075	\$77,089
2019	1,279,636	17,098	1,130,700	87.20%	\$274	16,733	149,027
2018	1,178,248	2,252	1,088,219	92.18%	6,763	41,767	43,751
2017	1,315,609	2,500	1,106,894	83.98%	3,485	179,533	28,197
2016	1,156,787	4,344	1,138,362	98.04%	3,099	4,748	14,922

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance</u>	<u>Added by</u>		<u>Other</u>	<u>Balance</u>
	<u>Jan. 1</u>	<u>Sale & Transfers</u>	<u>Collections</u>		
2020	\$181,859	\$22,151	\$282	-	\$203,728
2019	303,806	38,082	16,232	\$143,797	181,859
2018	259,947	56,694	12,835	-	303,806
2017	214,634	45,313	-	-	259,947
2016	178,769	40,572	3,672	1,035	214,634

FORECLOSED PROPERTY (1)(2)

<u>Year</u>	<u>Balance</u>	<u>Added by</u>	<u>Adjustment</u>	<u>Gain/Loss on</u>	<u>Balance</u>
	<u>Jan. 1</u>				
			<u>Valuation</u>		
2020	\$443,500	-	-	-	\$443,500
2019	-	\$155,078	\$288,422	-	443,500
2018	-	-	-	-	-
2017	-	-	-	-	-
2016	-	-	-	-	-

CURRENT SEWER COLLECTIONS (1)

<u>Year</u>	<u>Beginning</u>		<u>Collected in Year of Levy</u>		<u>Balance Dec. 31</u>	
	<u>Balance</u>	<u>Total Levy</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2020	\$73,341	\$2,292,861	\$2,291,022	96.82%	\$70,853	2.99%
2019	72,636	2,300,633	2,299,214	96.88%	73,341	3.09%
2018	79,427	2,064,384	2,070,496	96.58%	72,636	3.39%
2017	62,293	2,068,365	2,047,319	96.09%	79,427	3.73%
2016	58,298	2,070,584	2,062,353	96.87%	62,293	2.93%

(1) Source: Annual Reports of Audit

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

**NET ASSESSED VALUATIONS AND
ANNUAL TAX RATES (1)**

Tax Rate (2)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Total</u>	<u>County</u>	<u>Local School</u>	<u>Regional High School</u>	<u>Municipal</u>	<u>Fire District</u>
2021	\$3,186,910,219	\$4.112	\$0.959	\$1.536	\$0.677	\$0.940	---
2020	3,199,338,511	4.090	1.010	1.500	0.669	0.911	---
2019	3,194,896,036	3.946	0.967	1.473	0.654	0.852	---
2018	3,189,459,053	3.920	0.979	1.447	0.661	0.833	---
2017(3)	3,178,378,778	3.887	0.984	1.424	0.646	0.799	\$0.034

**RATIO OF ASSESSED VALUATION TO TRUE VALUE
AND TRUE VALUE PER CAPITA (4)**

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value Per Capita</u>
2021	\$3,179,291,111	88.04%	\$3,611,189,358	\$116,231 (5)
2020	3,192,254,801	84.19%	3,791,726,810	122,042 (5)
2019	3,187,417,604	89.70%	3,553,419,848	121,981 (6)
2018	3,181,910,504	91.41%	3,480,921,676	119,492 (6)
2017	3,170,900,540	90.69%	3,496,416,959	120,024 (6)

REAL PROPERTY CLASSIFICATION (7)

<u>Year</u>	<u>Assessed Value Land Use Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Farm</u>
2021	\$3,179,291,111	\$52,227,100	\$2,254,200,401	\$656,493,501	\$20,327,400	\$195,114,900	\$927,809
2020	3,192,254,801	50,896,800	2,251,857,475	672,529,601	20,922,300	195,114,900	933,725
2019	3,187,417,604	50,242,000	2,248,542,675	671,474,200	20,922,300	195,318,300	918,129
2018	3,181,910,504	50,746,000	2,247,941,975	666,078,800	20,907,300	195,318,300	918,129
2017	3,170,900,540	50,817,900	2,238,275,181	664,070,400	20,827,900	195,318,300	1,590,859

(1) Source: Township's Tax Collector

(2) Per \$100 of assessed valuation

(3) As of 3/1/17, the Fire District was dissolved.

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

(5) Based upon the 2020 Federal Census of 31,069

(6) Based upon the 2010 Federal Census of 29,131

(7) Source: Township's Tax Assessor

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

The following table summarizes the direct debt of the Township in accordance with the requirements of the Local Bond Law. The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Sewer Utility and debt of the Local School District. Deductions from gross debt to arrive at net debt include deductible school debt, reserve for payment of debt, open space debt, as well as debt considered to be self-liquidating. The resulting net debt of \$35,019,352 represents .938% of the average of equalized valuations for the Township for the last three years, which is within the 3.5% limit imposed by *N.J.S.A. 40A:2-6*.

	Debt Issued			Authorized But Not Issued	Gross Debt	Deductions				Net Debt
	Bonds	Loans	Notes			School Debt	Open Space Debt	Reserve for Debt Service	Self-Liquidating Debt	
General	\$ 23,707,000	\$ 1,071,640	\$ 11,048,600	\$ 1,700	\$ 35,828,940		\$ 1,456,640	\$ 66,728		\$ 34,305,572
School - Local	1,900,000				1,900,000	\$ 1,900,000				
Sewer Utility	5,794,000		1,626,400	1,950	7,422,350				\$ 6,708,570	713,780
	<u>\$ 31,401,000</u>	<u>\$ 1,071,640</u>	<u>\$ 12,675,000</u>	<u>\$ 3,650</u>	<u>\$ 45,151,290</u>	<u>\$ 1,900,000</u>	<u>\$ 1,456,640</u>	<u>\$ 66,728</u>	<u>\$ 6,708,570</u>	<u>\$ 35,019,352</u>

(1) As of December 31, 2021

Source: Annual Debt Statement

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements for 2019, 2020 and 2021	\$3,735,266,281
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2019, 2020 and 2021	0.938%
2021 Net Valuation Taxable	\$3,186,910,219
2021 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$3,618,808,466
Gross Debt (2):	
As a percentage of 2021 Net Valuation Taxable	1.42%
As a percentage of 2021 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	1.25%
Net Debt (2):	
As a percentage of 2021 Net Valuation Taxable	1.10%
As a percentage of 2021 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	0.97%
Gross Debt Per Capita (3)	\$1,453
Net Debt Per Capita (3)	\$1,127

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Averaged (2019-21) Equalized Valuation of Real Property including Improvements (\$3,735,266,281)	\$130,734,320
Net Debt	<u>35,019,352</u>
Remaining Borrowing Capacity	<u><u>\$95,714,968</u></u>

SCHOOL DISTRICT BORROWING CAPACITY(1)

3% of Averaged (2019-21) Equalized Valuation of Real Property including Improvements (\$3,735,266,281)	\$112,057,988
Net Debt	<u>1,900,000</u>
Remaining Borrowing Capacity	<u><u>\$110,157,988</u></u>

REGIONAL HIGH SCHOOL DISTRICT BORROWING CAPACITY (1)

3% of Average (2019-21) Equalized Valuation of Real Property including Improvements (\$4,749,582,858)	\$142,487,486
Net Debt	<u>-</u>
Remaining Borrowing Capacity	<u><u>\$142,487,486</u></u>

(1) As of December 31, 2021

(2) Excluding overlapping debt

(3) Based on 2020 Federal Census of 31,069

TOWNSHIP OF VOORHEES
OVERLAPPING DEBT AS OF DECEMBER 31, 2021

DEBT ISSUED					
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	<u>Debt Auth. but not Issued</u>
County of Camden(1):					
General:					
Bonds	\$ 37,050,000	\$ 16,715,177 (2)	\$ 20,334,823	\$ 1,807,766 (4)	\$ 116,445,099
Notes	10,461,125		10,461,125	929,994 (4)	
Loan Agreements	345,677,884		345,677,884	30,730,764 (4)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	239,049,706	239,049,706 (3)			
	<u>\$ 632,238,715</u>	<u>\$ 255,764,883</u>	<u>\$ 376,473,832</u>	<u>\$ 33,468,524</u>	<u>\$ 116,445,099</u>

- (1) Source: County of Camden
- (2) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Refunding Bonds.
- (3) Deductible in accordance with N.J.S. 40:37A-80.
- (4) Such debt is allocated as a proportion of the Issuer's share of the total 2021 Net Valuation on which County taxes are apportioned, which is 8.89%.

Camden County Municipal Utilities Authority

The Camden County Municipal Utilities Authority ("CCMUA") is a public body corporate and politic of the State and was originally created as the Camden County Sewerage Authority ("Sewerage Authority") by a resolution of the County adopted on December 5, 1967. The Sewerage Authority was reorganized in 1972 as a utilities authority and changed its name to the Camden County Municipal Utilities Authority pursuant to a resolution of the County adopted on April 13, 1972. The CCMUA operates under the supervision of nine commissioners who are appointed by the Board for five-year staggered terms. The County has entered into a deficiency agreement with the CCMUA ("Deficiency Agreement") whereby the County is obligated to pay to the CCMUA any annual charges equal to any deficits in CCMUA revenues necessary to pay or provide for: (i) operation and maintenance expenses of the CCMUA's regional sewer system, (ii) principal and interest payments on bonds and notes of the CCMUA in an aggregate principal amount not to exceed \$685,500,000, and (iii) the maintenance of reserves required under the bond resolution securing the CCMUA's bonds and notes. The obligation of the County pursuant to the provisions of the Deficiency Agreement is a direct and general obligation of the County, and any annual charges are ultimately payable by the County from the levy of *ad valorem* taxes on all the taxable real property within the jurisdiction of the County in amounts sufficient to enable the County to meet its obligations under the Deficiency Agreement. ***To date, no payments have been required to be made by the County pursuant to the Deficiency Agreement.*** The County and the CCMUA may agree to amend the Deficiency Agreement at any time to increase the obligations of the County thereunder.

The CCMUA owns and operates a sewage collection and treatment system which serves all County residents connected to local sewer collection systems. The CCMUA's system does not include the local sewage collection system of any CCMUA participant, but it owns and operates interceptor sewer lines connecting the local systems to the CCMUA's sewage treatment facilities.

The CCMUA is required to charge and collect service charges for the use of its facilities such that revenues of the CCMUA will at all times be adequate to pay all operating and maintenance expenses, including reserves, insurance, extensions and replacements, and to pay punctually the principal of and interest on any bonds and notes of the CCMUA and to maintain reserves and sinking funds therefor as may be required by the terms of any agreements with the holders thereof.

The gross debt as of December 31, 2020 for the CCMUA was \$229,111,976. The County guarantees up to \$685,500,000 of debt issued by the CCMUA.

Camden County Improvement Authority

The Camden County Improvement Authority ("CCIA") is a public body corporate and politic of the State and was created by a resolution of the County Board. The CCIA operates under the supervision of a five (5) member Board who are appointed for five (5) year staggered terms by the County Board. The CCIA has from time to time issued its revenue bonds for projects involving the County and for which the County has a repayment obligation or guaranty. The CCIA also issues conduit debt from time to time which is not included in the overlapping debt as there is no obligation by the taxpayers to repay the associated debt service.

The amount of debt which the County has guaranteed or for which it has a repayment obligation as of December 31, 2020 was \$397,269,301.93.

**TOWNSHIP OF VOORHEES
SCHEDULE OF OUTSTANDING DEBT SERVICE(1)
LOANS AND BONDED DEBT ONLY**

<u>Year</u>	<u>General</u>		<u>Sewer Utility</u>		<u>Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2022	\$ 3,944,000	\$ 525,353	\$ 635,000	\$ 135,974	\$ 357,542	\$ 14,441	\$ 5,612,309
2023	3,650,000	437,955	655,000	122,790	355,010	8,918	5,229,672
2024	3,748,000	357,864	690,000	108,493	359,087	4,544	5,267,988
2025	2,900,000	285,073	595,000	92,555			3,872,628
2026	2,911,000	224,700	609,000	78,790			3,823,490
2027	2,019,000	170,503	417,000	66,325			2,672,828
2028	1,210,000	123,256	309,000	55,197			1,697,453
2029	905,000	93,781	150,000	49,139			1,197,920
2030	905,000	70,944	150,000	45,764			1,171,708
2031	370,000	47,388	160,000	42,202			619,589
2032	370,000	36,288	160,000	38,282			604,569
2033	370,000	25,188	165,000	34,282			594,469
2034	405,000	13,163	175,000	30,074			623,237
2035			175,000	25,524			200,524
2036			180,000	20,887			200,887
2037			185,000	15,937			200,937
2038			190,000	10,849			200,849
2039			194,000	5,529			199,529
	<u>\$ 23,707,000</u>	<u>\$ 2,411,453</u>	<u>\$ 5,794,000</u>	<u>\$ 978,591</u>	<u>\$ 1,071,639</u>	<u>\$ 27,903</u>	<u>\$ 33,990,585</u>

(1) As of December 31, 2021.

Source: Township Auditor

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

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 3,844,000.00
Miscellaneous Revenues:	
Local Revenues	1,534,000.00
State Aid without Offsetting Appropriations	2,231,142.00
Dedicated Uniform Construction Code Fees	425,000.00
Shared Service Agreements	661,660.00
Public and Private Programs Offset with Appropriations	1,125,667.67
Other Special Items of Revenue	3,288,100.00
Receipts from Delinquent Taxes	1,115,430.33
Amount to be Raised by Taxation for Municipal Purposes	<u>29,327,000.00</u>
Total Anticipated Revenues	<u><u>\$ 43,552,000.00</u></u>
Appropriations:	
Within CAPS:	
Operations	\$ 28,864,600.00
Deferred Charges and Statutory Expenditures	4,694,535.00
Excluded from CAPS:	
Other Operations	37,000.00
Shared Service Agreements	676,660.00
Public and Private Programs	1,758,216.67
Capital Improvements	235,000.00
Debt Service	4,413,000.00
Transferred to Board of Education	165,988.33
Reserve for Uncollected Taxes	<u>2,707,000.00</u>
Total Appropriations	<u><u>\$ 43,552,000.00</u></u>

SEWER UTILITY FUND

Anticipated Revenues:	
Fund Balance	\$ 34,000.00
Rents	2,286,000.00
Miscellaneous	50,000.00
Reserve for Payment of Bonds	68,866.52
Sewer Capital Fund -- Fund Balance	7,133.48
Rents -- Additional	<u>158,000.00</u>
Total Anticipated Revenues	<u><u>\$ 2,604,000.00</u></u>
Appropriations:	
Operating	\$ 1,515,100.00
Capital Improvement Fund	25,000.00
Debt Service	978,000.00
Deferred Charges and Statutory Expenditures	<u>85,900.00</u>
Total Appropriations	<u><u>\$ 2,604,000.00</u></u>

(1) As adopted

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

OPEN SPACE FUND

Dedicated Revenues from Trust Fund:	
Amount to be Raised by Taxation	\$ 637,300.00
Reserve Funds	<u>47,700.00</u>
	<u><u>\$ 685,000.00</u></u>
 Appropriations:	
Maintenance of Lands for Recreation and Conservation:	
Salaries and Wages	\$ 144,600.00
Other Expenses	51,400.00
Debt Service:	
Payment of Bond Principal	449,000.00
Interest on Bonds	<u>40,000.00</u>
	<u><u>\$ 685,000.00</u></u>

(1) As adopted

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

	<u>Estimated Total Cost</u>	<u>Budget Appropriations Current Year 2021</u>	<u>Capital Improvement Fund</u>	<u>Grants and Other Funds</u>	<u>Bonds and Notes</u>	
					<u>General</u>	<u>Self Liquidating</u>
Purchase of Vehicles and Equipment	\$ 6,136,000.00		\$ 306,800.00		\$ 5,829,200.00	
Road Construction and Overlay	8,210,000.00		410,500.00		7,799,500.00	
Improvements to Buildings and Grounds	5,025,000.00		251,250.00		4,773,750.00	
Traffic Signalization	1,700,000.00		85,000.00		1,615,000.00	
Installation of Sewer Lines, Renovation and Construction of Pumping Stations and Purchase of Miscellaneous Equipment	4,340,000.00		217,000.00			\$ 4,123,000.00
	<u>\$ 25,411,000.00</u>	<u>\$ -</u>	<u>\$ 1,270,550.00</u>	<u>\$ -</u>	<u>\$ 20,017,450.00</u>	<u>\$ 4,123,000.00</u>

(1) As adopted

APPENDIX B

**COMPILED AND AUDITED FINANCIAL STATEMENTS
OF THE TOWNSHIP OF VORHEES**

FOR THE YEAR ENDED 2021
COMPILED FINANCIAL STATEMENTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Voorhees
Voorhees, New Jersey 08043

Management is responsible for the accompanying financial statements of the Township of Voorhees, County of Camden, 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 statement 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/ Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
February 14, 2022

TOWNSHIP OF VOORHEES
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2021

ASSETS

Regular Fund:

Treasurer:

Cash	\$ 15,892,414.08
Change Fund	925.00
Collector -- Change Fund	200.00
	15,893,539.08

Receivables with Full Reserves:

Delinquent Property Taxes Receivable	920,093.07
Tax Title Liens Receivable	225,998.49
Property Maintenance Liens Receivable	15,530.84
Property Acquired for Taxes (At Assessed Valuation)	443,500.00
Revenue Accounts Receivable	40,326.25
Due from Trust Fund -- Animal Control	2.88
Due from Trust Fund -- Other	69,133.77
Due from General Capital Fund	2,606.54
	1,717,191.84
	17,610,730.92

Federal and State Grant Fund:

Cash	1,598,126.45
Federal and State Grants Receivable	1,770,778.02
	3,368,904.47
	\$ 20,979,635.39

(Continued)

TOWNSHIP OF VOORHEES
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2021

LIABILITIES, RESERVES
AND FUND BALANCE

Regular Fund:

Liabilities:

Appropriation Reserves	\$ 1,009,167.94
Reserve for Encumbrances	615,798.14
Due to State of New Jersey:	
Veterans' and Senior Citizens' Deductions	11,437.26
Division of Youth and Family Services	1,000.00
State Training Fees	10,755.00
Health and Senior Services	75.00
Tax Overpayments	24,375.90
Due County PILOT	14,618.25
Due County for Added and Omitted Taxes	75,323.28
Prepaid Taxes	1,300,805.29
Reserve for Sale of Township Assets	1,648,179.35
Regional High School Tax Payable	<u>5,173,197.52</u>

9,884,732.93

Reserve for Receivables and Other Assets

1,717,191.84

Fund Balance

6,008,806.15

17,610,730.92

Federal and State Grant Fund:

Appropriated Reserve	1,194,125.47
Unappropriated Reserve	1,526,852.54
Reserve for Encumbrances	37,000.00
Reserve for Contracts Payable	<u>610,926.46</u>

3,368,904.47

\$ 20,979,635.39

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF VOORHEES
CURRENT FUND
Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2021

Revenue and Other Income Realized

Fund Balance Utilized	\$ 3,844,000.00
Miscellaneous Revenues Anticipated	10,229,018.11
Receipts from Delinquent Taxes and Tax Title Liens	951,275.14
Revenue from Current Taxes	130,556,384.70
Non-Budget Revenue	398,789.60
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	921,503.15
Cancellation of Tax Overpayments	63,914.55
Liquidation of Reserves for:	
Due from Grant Fund	285,273.20
	147,250,158.45
Total Income	147,250,158.45

Expenditures

Budget Appropriations:	
Within "CAPS":	
Operations - Salaries and Wages	16,070,500.00
Operations - Other Expenses	12,434,100.00
Deferred Charges and Statutory Expenditures	4,424,535.00
Excluded from "CAPS":	
Operations - Salaries and Wages	1,166,078.13
Operations - Other Expenses	2,210,698.07
Capital Improvements--Excluded from "CAPS"	235,000.00
Municipal Debt Service--Excluded from "CAPS"	4,407,264.06
Transferred to Board of Education for Use of Local Schools	165,598.83
Local District School Tax	48,952,550.00
Regional High School Tax	21,553,507.00
County Taxes	30,561,161.81
Due County for Added and Omitted Taxes	75,323.28
Open Space Trust Tax	638,862.07
Other Expenditures:	
Refund of Prior Year Revenue	4,169.92
Cancellation of Grants Receivable	14,102.49
Prior Year Senior and Veteran Deductions Disallowed	1,731.64
Creation of Reserve for:	
Due from Animal Control Fund	0.47
Due from General Capital Fund	1,165.43
Due from Trust Other Fund	12,471.43
	142,928,819.63
Total Expenditures	142,928,819.63

Statutory Excess to Fund Balance	4,321,338.82
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Fund Balance

Balance Jan. 1	5,531,467.33
	9,852,806.15
Decreased by:	
Utilized as Revenue	3,844,000.00
Balance Dec. 31	\$ 6,008,806.15

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF VOORHEES
TRUST FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2021

ASSETS

Animal Control Fund:	
Cash	\$ 6,323.11
Other Funds:	
Cash--Treasurer	4,002,488.71
Cash--Collector	1,448,677.12
Due from Camden County	9,618.61
Police Outside Services	8,300.00
Due from Developers	45,269.03
	5,514,353.47
Length of Services Awards Program Fund:	
Investments	418,973.45
Municipal Open Space Fund:	
Cash	249,248.17
	\$ 6,188,898.20

LIABILITIES, RESERVES
AND FUND BALANCE

Animal Control Fund:	
Due Current Fund	\$ 2.88
Reserve for Dog Fund Expenditures	4,597.23
Due to State of New Jersey	4.20
Reserve for Encumbrances	1,718.80
	6,323.11
Other Funds:	
Reserve for Developers Contributions	401,740.67
Reserve for POAA	548.54
Reserve for Youth Services	10,726.75
Reserve for Developers' Escrow Deposits	939,565.20
Reserve for Tax Title Lien Redemptions	29,745.63
Reserve for Premiums Received at Tax Sale	1,902,000.00
Reserve for Payroll Deductions Payable	204,924.07
Reserve for Unemployment Compensation	110,017.02
Reserve for Police Outside Services	61,537.42
Reserve for Encumbrances	69,313.23
Reserve for Public Defender	2,056.75
Reserve for Self Insurance - Dental	143,830.11
Reserve for Affordable Housing	1,499,012.06
Reserve for Uniform Fire Safety	26,300.00
Reserve for Sepcial Law Enforcement	42,285.81
Reserve for Federal Forfeitures	1,616.44
Due to Current Fund	69,133.77
	5,514,353.47
Length of Service Awards Program Fund:	
Reserve for Length of Service Awards Program	418,973.45
Municipal Open Space Fund:	
Reserve for Future Use	249,248.17
	\$ 6,188,898.20

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF VOORHEES
SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2021

ASSETS

Operating Fund:	
Cash--Treasurer	\$ 165,616.31
Due from Sewer Capital Fund	362.89
	165,979.20
Receivables with Full Reserves:	
Consumer Accounts Receivable	63,768.84
	229,748.04
Total Operating Fund	
Capital Fund:	
Cash--Treasurer	1,198,864.80
Fixed Capital	38,203,580.21
Fixed Capital Authorized and Uncompleted	4,985,700.00
	44,388,145.01
Total Capital Fund	
	\$ 44,617,893.05

LIABILITIES, RESERVES
AND FUND BALANCE

Operating Fund:	
Liabilities:	
Appropriation Reserves	\$ 64,536.95
Reserve for Encumbrances	16,668.43
Prepaid Sewer Rents	9,105.04
Accrued Interest on Bonds and Notes	37,172.92
Sewer Rent Overpayments	14,620.97
	142,104.31
Reserve for Receivables	63,768.84
Fund Balance	23,874.89
	87,643.73
Total Operating Fund	
	229,748.04
Capital Fund:	
Due Sewer Operating Fund	362.89
Reserve for Encumbrances	126,123.00
Contracts Payable	288,472.00
Improvement Authorizations:	
Funded	367,963.50
Unfunded	300,479.46
Capital Improvement Fund	3,650.00
Reserve for:	
Payment of Bonds	101,305.72
Amortization	35,517,645.21
Deferred Amortization	249,285.00
Serial Bonds	5,794,000.00
Bond Anticipation Notes	1,626,400.00
Fund Balance	12,458.23
	44,388,145.01
Total Capital Fund	
	\$ 44,617,893.05

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF VOORHEES
SEWER UTILITY FUND
Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2021

Revenue and Other
Income Realized

Operating Surplus Anticipated	\$ 34,000.00
Sewer Rents and Liens	2,460,217.48
Miscellaneous	31,111.43
Reserve for Payment of Bonds	68,866.52
Capital Fund Balance	7,133.48
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	11,743.30
Total Income	2,613,072.21

Expenditures

Operating	1,518,100.00
Capital Improvements	25,000.00
Debt Service	967,151.39
Deferred Charges and Statutory Expenditures	82,900.00
Total Expenditures	2,593,151.39
Statutory Excess to Fund Balance	19,920.82

Fund Balance

Balance Jan. 1	37,954.07
	57,874.89
Utilized as Revenue:	
Sewer Operating Budget	34,000.00
Balance Dec. 31	\$ 23,874.89

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF VOORHEES
GENERAL CAPITAL FUND

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

ASSETS

Cash	\$ 8,647,863.57
Deferred Charges to Future Taxation:	
Funded	24,778,639.68
Unfunded	<u>11,050,300.00</u>
	<u>\$ 44,476,803.25</u>

LIABILITIES, RESERVES
AND FUND BALANCE

Improvement Authorizations:	
Funded	\$ 1,188,023.34
Unfunded	3,857,313.43
Contracts Payable	2,975,908.22
Capital Improvement Fund	18,500.00
Reserve for Encumbrances	438,080.87
Due to Current Fund	2,606.54
Reserve for Payment of Bonds	66,728.32
General Serial Bonds	23,707,000.00
Environmental Infrastructure Loan	1,071,639.68
Bond Anticipation Notes	11,048,600.00
Reserve for Capital Acquisition	1,599.71
Fund Balance	<u>100,803.14</u>
	<u>\$ 44,476,803.25</u>

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF VOORHEES
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 Voorhees was incorporated in March, 1899 and is located in southwest New Jersey approximately ten miles southeast of the City of Philadelphia. The population according to the 2020 census is 31,069.

The Township of Voorhees is governed by a five member committee, who designate a Mayor and a Deputy Mayor from their number. Administrative responsibilities are assigned to the Township Administrator. The Township Committee establishes policy. The Administrator is responsible for the day-to-day operations of the Township and implementing and administering policy.

Component Units - The Township of Voorhees had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended.

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.

Sewer Utility Operating and Capital Funds - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned 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, municipal open space, and 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. Investments recorded in the trust fund for the Township's length of service awards program, however, are stated at fair value.

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

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

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

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

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

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

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

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

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 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 Camden, the Township of Voorhees School District and the Eastern Regional High 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 Voorhees School District and the Eastern Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31. For the regional high 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 Camden. 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.

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

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.

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 AND 2017

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Voorhees
Voorhees, New Jersey 08043

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 Voorhees, in the County of Camden, 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 Voorhees, in the County of Camden, 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 Voorhees, in the County of Camden, 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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 17, 2021

TOWNSHIP OF VOORHEES
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE--
REGULATORY BASIS

	As of December 31,				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
ASSETS					
Cash	\$ 15,427,571	\$ 14,751,970	\$ 15,788,436	\$ 20,352,877	\$ 11,890,655
Federal and State Grants Receivable	1,013,284	1,328,677	1,572,683	978,522	973,974
Receivables and other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	1,223,848	1,224,597	1,279,636	1,178,248	1,315,609
Tax Title Liens Receivable	203,728	181,859	303,806	259,947	214,634
Property Acquired for Taxes (At Assessed Valuation)	443,500	443,500			
Revenue Accounts Receivable	40,326	53,529	74,998	110,415	67,586
Other Accounts Receivable	15,531	15,531	26,813	26,813	22,463
Interfunds Receivable	343,379	337,230	52,285	197,364	182,687
	<u>\$ 18,711,168</u>	<u>\$ 18,336,892</u>	<u>\$ 19,098,657</u>	<u>\$ 23,104,186</u>	<u>\$ 14,667,607</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$ 916,107	\$ 1,143,139	\$ 579,292	\$ 902,515	\$ 925,298
Reserve for Encumbrances	506,415	736,868	774,263	739,755	450,057
Accounts Payable				89,375	37,397
Contracts Payable					297,082
Deposit on Sale of Land				112,500	112,500
Reserve for Federal and State Grants	716,644	793,685	1,083,105	1,147,771	945,151
Regional High School Tax Payable	5,104,788	4,843,443	4,923,752	4,672,604	4,601,668
Reserve for Revaluation and Master Plan					18,944
Prepaid Taxes	1,325,687	1,224,388	1,152,463	7,886,839	936,651
Tax Overpayments	18,288	51,397	31,717	23,216	14,055
Due to State of New Jersey	22,035	19,106	36,915	20,491	19,400
Interfunds Payable	304,244	295,519		262,390	
Due to County for Added or Omitted Taxes	102,494	42,340	80,900	126,436	114,920
Reserve for Workers' Compensation Claims		23,077	1,244		1,742
Reserve for Contracts Payable		248,661	524,000		
Reserve for Proceeds from Sale of Township Property	1,892,685	2,119,385	2,326,050	30,457	48,876
Reserve for Receivables and Other Assets	2,270,312	2,256,245	1,737,538	1,772,787	1,802,979
Fund Balance	5,531,467	4,539,638	5,847,419	5,317,049	4,340,888
	<u>\$ 18,711,168</u>	<u>\$ 18,336,892</u>	<u>\$ 19,098,657</u>	<u>\$ 23,104,186</u>	<u>\$ 14,667,607</u>

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

TOWNSHIP OF VOORHEES
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE--
REGULATORY BASIS

	For the Years Ended December 31,				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenue Realized:					
Current Tax Collections	\$ 129,918,084	\$ 124,901,258	\$ 124,007,670	\$ 122,752,398	\$ 120,219,227
Delinquent Tax Collections	1,139,734	1,146,932	1,101,054	1,106,894	1,142,034
Total Taxes	131,057,818	126,048,190	125,108,724	123,859,292	121,361,262
Miscellaneous Revenues Anticipated	8,644,813	8,905,826	9,664,590	7,606,439	6,049,733
Non-Budget and Other Income	2,049,439	1,192,089	1,394,287	2,211,350	965,629
Liquidation of Reserves	7,086	15	152,553	113,755	
Fund Balance Utilized	3,175,000	4,075,000	3,669,000	3,314,000	2,562,000
Total Income	144,934,156	140,221,120	139,989,153	137,104,836	130,938,624
Expenditures and Encumbrances:					
Operating	29,673,113	29,476,293	29,061,096	26,510,566	19,582,960
Transferred to Board of Education for Use of Local Schools	165,442	163,812	148,489	155,369	157,459
Capital Improvements	75,000	175,000	174,169	562,500	253,000
Debt Service	4,442,543	4,064,975	3,912,878	3,572,021	3,255,089
Deferred Charges and Statutory Expenditures	3,947,239	3,768,589	3,334,091	3,032,862	2,479,898
Local Open Space Tax	641,857	638,875	639,441	637,445	627,254
Special District Tax				1,077,279	6,059,180
Regional High School Tax	21,416,688	20,893,998	21,054,616	20,552,320	20,410,446
County Taxes	32,388,574	30,926,965	31,282,476	31,328,583	30,553,278
Local School Tax	47,999,064	47,058,338	46,145,046	45,254,798	44,435,725
Other Expenditures	4,573	2,095	30,007	2,500	14,130
Creation of Reserve for Interfunds	13,235	284,960	7,474	128,432	148,070
Total Expenditures and Encumbrances	140,767,327	137,453,901	135,789,783	132,814,675	127,976,487
Statutory Excess to Fund Balance	4,166,829	2,767,219	4,199,370	4,290,161	2,962,137
Fund Balance, January 1	4,539,638	5,847,419	5,317,049	4,340,888	3,940,751
	8,706,467	8,614,638	9,516,419	8,631,049	6,902,888
Decreased by:					
Utilized as Revenue	3,175,000	4,075,000	3,669,000	3,314,000	2,562,000
Fund Balance December 31	\$ 5,531,467	\$ 4,539,638	\$ 5,847,419	\$ 5,317,049	\$ 4,340,888

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

TOWNSHIP OF VOORHEES
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE--
REGULATORY BASIS

	As of December 31,				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
ASSETS					
Cash and Investments	\$ 4,831,231	\$ 11,594,720	\$ 5,866,890	\$ 6,059,252	\$ 3,994,972
Due from State of New Jersey			28,358	103,741	75,384
Interfunds Receivable				262,390	
Deferred Charges to Future Taxation:					
Funded	28,969,285	33,199,253	32,094,489	35,867,913	28,516,564
Unfunded	6,578,650	5,209,700	4,970,850	450	1,150
	<u>\$ 40,379,167</u>	<u>\$ 50,003,674</u>	<u>\$ 42,960,586</u>	<u>\$ 42,293,746</u>	<u>\$ 32,588,069</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Serial Bonds	\$ 27,558,600	\$ 31,454,300	\$ 30,005,850	\$ 33,440,850	\$ 25,756,850
Environmental Infrastructure Loan	1,410,685	1,744,953	2,088,639	2,427,063	2,759,714
Bond Anticipation Notes	6,577,900	10,178,750	4,970,750		
Improvement Authorizations:					
Funded	1,189,426	1,764,038	1,253,745	2,270,543	2,887,275
Unfunded	2,659,234	2,205,261	1,630,149	100	1,150
Contracts Payable	213,806	1,980,094	2,351,167	3,479,073	468,444
Capital Improvement Fund	18,850	15,900	115,050	216,650	14,850
Reserve for Encumbrances	384,512	521,407	365,475	252,280	443,707
Interfund Payables	1,441	8,520	7,472		113,755
Reserve for Payment of Bonds and Notes	127,818	50,392	106,312	153,792	128,675
Reserve for Capital Acquisition	180,724				
Fund Balance	56,171	80,058	65,979	53,395	13,650
	<u>\$ 40,379,167</u>	<u>\$ 50,003,674</u>	<u>\$ 42,960,586</u>	<u>\$ 42,293,746</u>	<u>\$ 32,588,069</u>

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

TOWNSHIP OF VOORHEES
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	\$ 125,219	\$ 286,042	\$ 354,272	\$ 444,104	\$ 424,315
Interfund Receivables	19,842	15,636	2,312	902	641
Receivables with Full Reserves:					
Consumer Accounts Receivable	70,853	73,341	72,636	79,427	62,293
Sewer Utility Liens			1,216	760	760
Total Operating Fund	215,914	375,019	430,437	525,194	488,009
Capital Fund:					
Cash	2,576,439	3,456,875	1,673,038	2,074,415	2,109,852
Fixed Capital	38,179,779	37,346,277	36,071,564	35,296,680	33,988,026
Fixed Capital Authorized and Uncompleted	4,545,700	4,296,900	3,242,300	3,280,200	3,532,200
Total Capital Fund	45,301,918	45,100,052	40,986,902	40,651,295	39,630,078
	\$ 45,517,832	\$ 45,475,071	\$ 41,417,338	\$ 41,176,489	\$ 40,118,087
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Reserve for Encumbrances	\$ 9,013	\$ 8,251	\$ 26,875	\$ 30,088	\$ 27,009
Overpayments	5,921	10,378	6,435	5,907	4,562
Appropriation Reserves	18,136	11,935	32,355	47,663	88,169
Accrued Interest on Bonds and Notes	40,223	42,574	43,268	39,352	38,233
Prepayments	33,814	4,264		4,408	2,922
Reserve for Receivables	70,853	73,341	73,852	80,187	63,053
Fund Balance	37,954	224,276	247,651	317,589	264,060
Total Operating Fund	215,914	375,019	430,437	525,194	488,009
Capital Fund:					
Serial Bonds	6,602,400	7,392,400	5,218,150	5,993,150	5,561,150
Bond Anticipation Notes	1,115,100	738,250	738,250		
Improvement Authorizations:					
Unfunded	399,879	1,000	258,995	850	100
Funded	1,308,038	2,479,998	881,459	1,428,367	1,349,281
Capital Improvement Fund	5,650	9,300	8,300	17,150	44,400
Contracts Payable	719,400	126,385	416,435	506,078	591,170
Interfunds Payable	871	2,636	2,312	902	641
Reserve for:					
Payment of Bonds and Notes	93,973	73,275	92,589	112,573	54,226
Amortization	34,785,444	34,039,931	33,208,099	32,437,560	31,819,548
Deferred Amortization	222,285	209,846	148,615	145,320	139,428
Encumbrances	41,743	26,019	7,189	8,418	69,207
Fund Balance	7,133	1,012	6,509	927	927
Total Capital Fund	45,301,918	45,100,052	40,986,902	40,651,295	39,630,078
	\$ 45,517,832	\$ 45,475,071	\$ 41,417,338	\$ 41,176,489	\$ 40,118,087

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

TOWNSHIP OF VOORHEES
SEWER UTILITY FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE--
REGULATORY BASIS

	For the Years Ended December 31,				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenue Realized:					
Fund Balance Utilized	\$ 159,000	\$ 116,741	\$ 219,000	\$ 82,000	\$ 223,000
Rents	2,291,022	2,299,410	2,070,496	2,047,319	2,062,353
Utility Capital Surplus		6,509			
Reserve for the Payment of Debt	70,000	70,000	60,000	30,000	
Miscellaneous and Other Credits to Income	68,115	160,078	143,788	133,834	118,886
Total Income	2,588,137	2,652,738	2,493,285	2,293,153	2,404,239
Expenditures and Encumbrances:					
Operating	1,514,300	1,410,100	1,336,600	1,277,500	1,260,300
Capital Improvements	55,000	120,000	30,000	30,000	50,000
Debt Service	957,959	957,371	909,223	782,624	900,097
Other Debits to Expenditures					
Refund of Prior Year Revenue		1			
Deferred Charges and Statutory Expenditures	88,200	71,900	68,400	67,500	69,700
Total Expenditures and Encumbrances	2,615,459	2,559,372	2,344,223	2,157,624	2,280,097
Excess in Revenue	(27,322)	93,366	149,062	135,529	124,141
Statutory Excess to Fund Balance	(27,322)	93,366	149,062	135,529	124,141
Fund Balance January 1	224,276	247,651	317,589	264,060	362,919
	196,954	341,017	466,651	399,589	487,060
Decreased by:					
Utilized by Revenue:					
Sewer Operating Fund	159,000	116,741	219,000	82,000	223,000
Fund Balance December 31	\$ 37,954	\$ 224,276	\$ 247,651	\$ 317,589	\$ 264,060

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

TOWNSHIP OF VOORHEES
TRUST 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					
Cash	\$ 4,943,364	\$ 4,816,886	\$ 4,574,560	\$ 5,217,317	\$ 4,689,797
Other Accounts Receivable	510,511	534,232	486,050	585,921	115,966
	\$ 5,453,875	\$ 5,351,118	\$ 5,060,609	\$ 5,803,238	\$ 4,805,763
 LIABILITIES, RESERVES AND FUND BALANCE					
Other Accounts Payable	\$ 103	\$ 10	\$ 20	\$ 4	\$ 4
Reserve for Encumbrances	57,885	326,061	60,851	211,906	68,092
Interfund Loans	56,665	46,191	44,813	197,364	68,932
Other Liabilities and Special Funds	5,339,222	4,978,866	4,954,935	5,393,948	4,668,735
	\$ 5,453,875	\$ 5,351,118	\$ 5,060,609	\$ 5,803,238	\$ 4,805,763

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

TOWNSHIP OF VOORHEES
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 Voorhees was incorporated in March, 1899 and is located in southwest New Jersey approximately ten miles southeast of the City of Philadelphia. The population according to the 2010 census is 29,131.

The Township of Voorhees is governed by a five member committee, who designate a Mayor and a Deputy Mayor from their number. Administrative responsibilities are assigned to the Township Administrator. The Township Committee establishes policy. The Administrator is responsible for the day-to-day operations of the Township and implementing and administering policy.

Component Units - The Township of Voorhees had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended.

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.

Sewer Utility Operating and Capital Funds - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned 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, municipal open space, and 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. Investments recorded in the trust fund for the Township's length of service awards program, however, are stated at fair value.

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

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

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

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

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

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

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

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

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 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 Camden, the Township of Voorhees School District and the Eastern Regional High 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 Voorhees School District and the Eastern Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31. For the regional high 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 Camden. 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.

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

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.

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 \$29,094,994.21 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 26,338,158.11
Uninsured and Uncollateralized	<u>2,756,836.10</u>
Total	<u><u>\$ 29,094,994.21</u></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>\$ 4.090</u>	<u>\$ 3.946</u>	<u>\$ 3.920</u>	<u>\$ 3.887</u>	<u>\$ 3.870</u>
Apportionment of Tax Rate:					
Municipal	\$.891	\$.832	\$.813	\$.780	\$.611
Municipal Open Space	.020	.020	.020	.019	.019
County	1.010	.967	.979	.984	.974
Regional School	.669	.654	.661	.646	.652
Local School	1.500	1.473	1.447	1.424	1.420
Fire District	--- (A)	--- (A)	--- (A)	.034 (A)	.194

(A) The Fire District was dissolved as of 3/1/17 and the District's operations were turned over to the Municipality.

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2020	\$ 3,199,338,511.00
2019	3,194,896,036.00
2018	3,189,459,053.00
2017	3,178,378,778.00
2016	3,129,697,683.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2020	\$ 131,267,977.88	\$ 129,918,083.57	98.97%
2019	126,243,206.79	124,901,257.51	98.94%
2018	125,349,815.31	124,007,669.86	98.93%
2017	124,036,183.28	122,752,397.72	98.96%
2016	121,574,917.49	120,219,227.46	98.88%

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):

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	\$ 203,727.93	\$ 1,223,848.38	\$ 1,427,576.31	1.09%
2019	181,858.80	1,224,596.81	1,406,455.61	1.11%
2018	303,805.58	1,279,636.32	1,583,441.90	1.26%
2017	259,946.83	1,178,248.08	1,438,194.91	1.16%
2016	214,633.94	1,315,608.71	1,530,242.65	1.26%

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	24
2019	25
2018	27
2017	26
2016	24

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	\$ 443,500.00
2019	443,500.00
2018	-
2017	-
2016	-

Note 5: SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of 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>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2020	\$ 73,340.63	\$ -	\$ 2,292,860.68	\$ 2,366,201.31	\$ 2,291,022.13
2019	72,635.84	1,216.30	2,300,633.37	2,374,485.51	2,299,409.95
2018	79,427.48	760.00	2,064,384.12	2,144,571.60	2,070,496.13
2017	62,293.07	760.00	2,068,365.00	2,131,418.07	2,047,318.76
2016	58,297.63	760.00	2,070,584.53	2,129,642.16	2,062,352.85

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:

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 5,531,467.33	\$ 3,844,000.00	69.49%
2019	4,539,638.29	3,175,000.00	69.94%
2018	5,847,419.34	4,075,000.00	69.69%
2017	5,317,048.92	3,669,000.00	69.00%
2016	4,340,888.06	3,314,000.00	76.34%

Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 37,954.07	\$ 34,000.00	89.58%
2019	224,275.80	159,000.00	70.89%
2018	247,650.85	116,741.00	47.14%
2017	317,589.24	219,000.00	68.96%
2016	264,060.22	82,000.00	31.05%

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	\$ 343,379.06	\$ 18,971.12
Federal and State Grant		285,273.20
Trust - Animal Control		2.41
Trust - Other		56,662.34
General Capital		1,441.11
Sewer Utility - Operating	19,842.11	
Sewer Utility - Capital		870.99
	<u>\$ 363,221.17</u>	<u>\$ 363,221.17</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 14.18% 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 \$941,972.00, 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 \$746,563.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$506,406.22.

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 82.37% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$2,409,932.00, 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 \$1,402,638.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$817,788.92.

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 11.38% 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 \$332,871.00, 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 \$180,798.00, 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 \$18,363.94 and the Township's contributions were \$11,653.26. 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 \$14,039,189.00. 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 .0860909892%, which was an increase of .0093397989% 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 \$906,726.00. 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 \$746,563.00, 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	\$ 27,873,534.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>4,325,845.00</u>
	<u>\$ 32,199,379.00</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 .2157174072%, which was an increase of .0768574640% 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 .2157174072%, which was an increase of .0768574640% 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 \$3,836,189.00. 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 \$1,402,638.00, 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 \$490,248.00. 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	\$ 255,631.00	\$ 281,013.00	\$ 536,644.00	\$ 49,649.00	\$ 100,035.00	\$ 149,684.00
Changes of Assumptions	455,447.00	70,144.00	525,591.00	5,878,341.00	7,472,728.00	13,351,069.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	479,871.00	1,634,356.00	2,114,227.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	2,664,827.00	11,032,454.00	13,697,281.00	221,415.00	80,255.00	301,670.00
Township Contributions Subsequent to the Measurement Date	470,896.00	1,204,966.00	1,675,862.00	-	-	-
	<u>\$ 4,326,672.00</u>	<u>\$ 14,222,933.00</u>	<u>\$ 18,549,605.00</u>	<u>\$ 6,149,405.00</u>	<u>\$ 7,653,018.00</u>	<u>\$ 13,802,423.00</u>

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) - Deferred outflows of resources in the amounts of \$470,896.00 and \$1,204,966.00 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.

The Township will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

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

Note 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:

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2021	\$ (1,191,318.00)	\$ (301,323.00)	\$ (1,492,641.00)
2022	(943,068.00)	637,248.00	(305,820.00)
2023	(227,976.00)	1,528,957.00	1,300,981.00
2024	83,791.00	1,870,150.00	1,953,941.00
2025	(15,058.00)	1,629,917.00	1,614,859.00
	<u>\$ (2,293,629.00)</u>	<u>\$ 5,364,949.00</u>	<u>\$ 3,071,320.00</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:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 17,672,997.00</u>	<u>\$ 14,039,189.00</u>	<u>\$ 10,955,804.00</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:

	<u>PFRS</u>		
	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 37,066,063.00	\$ 27,873,534.00	\$ 20,238,436.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>5,752,484.00</u>	<u>4,325,845.00</u>	<u>3,140,913.00</u>
	<u>\$ 42,818,547.00</u>	<u>\$ 32,199,379.00</u>	<u>\$ 23,379,349.00</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)

	Measurement Date Ended June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0860909892%	0.0767511903%	0.0818597461%	0.0796105799%
Township's Proportionate Share of the Net Pension Liability	\$ 14,039,189.00	\$ 13,829,400.00	\$ 16,117,776.00	\$ 18,532,071.00
Township's Covered Payroll (Plan Measurement Period)	\$ 6,386,056.00	\$ 6,209,768.00	\$ 5,723,960.00	\$ 5,548,612.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	219.84%	222.70%	281.58%	333.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	Measurement Date Ended June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0827615737%	0.0841144874%	0.0848639301%	0.0817823098%
Township's Proportionate Share of the Net Pension Liability	\$ 24,511,605.00	\$ 18,882,017.00	\$ 15,888,849.00	\$ 15,630,225.00
Township's Covered Payroll (Plan Measurement Period)	\$ 5,721,836.00	\$ 5,799,668.00	\$ 5,769,272.00	\$ 5,653,588.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	428.39%	325.57%	275.40%	276.47%
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	\$ 941,792.00	\$ 746,563.00	\$ 814,240.00	\$ 737,507.00
Township's Contribution in Relation to the Contractually Required Contribution	\$ (941,792.00)	\$ (746,563.00)	(814,240.00)	(737,507.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 6,641,141.00	\$ 6,363,129.00	\$ 6,565,107.00	\$ 5,779,769.00
Township's Contributions as a Percentage of Covered Payroll	14.18%	11.73%	12.40%	12.76%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 735,242.00	\$ 723,159.00	\$ 699,606.00	\$ 616,183.00
Township's Contribution in Relation to the Contractually Required Contribution	(735,242.00)	(723,159.00)	(699,606.00)	(616,183.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 5,591,359.00	\$ 5,690,511.00	\$ 5,705,922.00	\$ 5,693,268.00
Township's Contributions as a Percentage of Covered Payroll	13.15%	12.71%	12.26%	10.82%

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)***

	Measurement Date Ended June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.2157174072%	0.1388599432%	0.1347551367%	0.1844815761%
Township's Proportionate Share of the Net Pension Liability	\$ 27,873,534.00	\$ 16,993,428.00	\$ 25,626,728.00	\$ 28,480,389.00
State's Proportionate Share of the Net Pension Liability associated with the Township	4,325,845.00	2,683,295.00	3,480,967.00	3,190,043.00
Total	\$ 32,199,379.00	\$ 19,676,723.00	\$ 29,107,695.00	\$ 31,670,432.00
Township's Covered Payroll (Plan Measurement Period)	\$ 7,526,960.00	\$ 6,985,640.00	\$ 8,087,932.00	\$ 5,901,396.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	370.32%	243.26%	316.85%	482.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	Measurement Date Ended June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.1773220925%	0.1890541187%	0.1802672520%	0.1851993166%
Township's Proportionate Share of the Net Pension Liability	\$ 33,873,056.00	\$ 31,489,826.00	\$ 22,675,948.00	\$ 24,620,578.00
State's Proportionate Share of the Net Pension Liability associated with the Township	2,844,497.00	2,761,552.00	2,441,819.00	2,294,937.00
Total	\$ 36,717,553.00	\$ 34,251,378.00	\$ 25,117,767.00	\$ 26,915,515.00
Township's Covered Payroll (Plan Measurement Period)	\$ 5,838,412.00	\$ 6,215,192.00	\$ 5,870,844.00	\$ 6,086,512.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	580.18%	506.66%	386.25%	404.51%
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	\$ 2,409,932.00	\$ 1,402,638.00	\$ 1,851,504.00	\$ 1,632,696.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(2,409,932.00)</u>	<u>(1,402,638.00)</u>	<u>(1,851,504.00)</u>	<u>(1,632,696.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,925,772.00	\$ 7,533,953.00	\$ 7,032,906.40	\$ 8,109,871.00
Township's Contributions as a Percentage of Covered Payroll	82.37%	18.62%	26.33%	20.13%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 1,445,779.00	\$ 1,536,728.00	\$ 1,384,577.00	\$ 1,351,173.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(1,445,779.00)</u>	<u>(1,536,728.00)</u>	<u>(1,384,577.00)</u>	<u>(1,351,173.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 5,869,499.00	\$ 5,905,155.00	\$ 6,117,628.00	\$ 5,891,104.00
Township's Contributions as a Percentage of Covered Payroll	24.63%	26.02%	22.63%	22.94%

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

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

Changes in Assumptions

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

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

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

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

The mortality assumption was updated upon direction from the DPB.

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

None

Changes in Assumptions

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

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

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Other Notes to Supplementary Pension Information (Cont'd)

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

Changes in Assumptions (Cont'd)

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

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

The mortality assumption was updated upon direction from the DPB.

Note 9: LENGTH OF SERVICE AWARDS PROGRAM

Plan Description - The Township's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Resolution adopted on January 3, 2002 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the Township approved the adoption of the Plan at the general election held on February 16, 2002, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2002. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Volunteer Firemen's Insurance Services, Inc. ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

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

Note 9: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

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

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

The Township elected to contribute \$1,718.00 for the year ended December 31, 2020 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2020, the Township's total expenditure, net of forfeitures of \$0.00, to the Plan was \$3,360.00.

Participant Accounts - Each participant's account is credited with the Township's contribution and Plan earnings, and charged with administrative expenses. For the year ended December 31, 2020, the Township elected to pay substantially all of the Plan's administrative costs. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Township has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the Township to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the Township. These funds, however, are not available for funding the operations of the Township.

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

Note 9: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

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

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

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

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

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**A. 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.

General Information about the OPEB Plan

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

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

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

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

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

The Township was billed monthly by the Plan and paid \$3,363,015.26 for the year ended December 31, 2019, representing 16.71% of the Township's covered payroll. During the year ended December 31, 2019, retirees were required to contribute \$0.00.

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.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

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

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

The Township does not have a Special Funding Situation within the Plan.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2019 the Township's proportionate share of the net OPEB liability was \$34,521,891.00.

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

The Township's proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the Township's proportion was 0.254848% which was a decrease of 0.013587% from its proportion measured as of the June 30, 2018 measurement date.

OPEB Expense - At December 31, 2019, the Township's proportionate share of the OPEB expense, calculated by the Plan as of the June 30, 2019 measurement date is \$(871,547.00). This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2019, the Township made contributions to the Plan totaling \$3,363,015.26.

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 10,095,546.00
Changes of Assumptions	-	12,233,790.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	28,437.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	6,418,646.00	9,594,506.00
Township Contributions Subsequent to the Measurement Date	<u>1,747,720.16</u>	<u>-</u>
	<u>\$ 8,194,803.16</u>	<u>\$ 31,923,842.00</u>

\$1,747,720.16 reported as deferred outflows of resources resulting from the Township's contributions subsequent to the measurement date will be included as a reduction of the Township's net OPEB liability during the year ending December 31, 2019.

The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

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

Year Ending Dec. 31,	
2020	\$ (4,181,884.00)
2021	(4,181,884.00)
2022	(4,184,113.00)
2023	(4,187,716.00)
2024	(4,191,008.00)
Thereafter	<u>(4,550,154.00)</u>
	<u>\$ (25,476,759.00)</u>

Actuarial Assumptions

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

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

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

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

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

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

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

Actuarial Assumptions (Cont'd)

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

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

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

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

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

The Township's 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>
Township's Proportionate Share of the Net OPEB Liability	<u>\$ 39,916,088.00</u>	<u>\$ 34,521,891.00</u>	<u>\$ 30,138,393.00</u>

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Township's Proportionate Share of the Net OPEB Liability	<u>\$ 29,132,222.00</u>	<u>\$ 34,521,891.00</u>	<u>\$ 41,397,322.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. 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 GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.254848%	0.268435%	0.256394%
Township's Proportionate Share of the Net OPEB Liability	\$ 34,521,891.00	\$ 42,054,686.00	\$ 52,344,857.00
Township's Covered Payroll (Plan Measurement Period)	\$ 13,943,827.40	\$ 13,651,899.00	\$ 12,549,205.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	247.58%	308.05%	417.12%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

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

	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 3,363,015.26	\$ 2,413,171.19	\$ 2,462,220.56
Township's Contributions in Relation to the Required Contribution	(3,363,015.26)	(2,413,171.19)	(2,462,220.56)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 20,131,743.00	\$ 13,598,013.40	\$ 13,889,640.00
Township's Contributions as a Percentage of Covered Payroll	16.71%	17.75%	17.73%

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Other Notes to Supplementary OPEB Information**Changes in Benefit Terms

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

Changes in Assumptions

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

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

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

B. TOWNSHIP OF VOORHEES POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided - The Township provides postretirement health care benefits through a health plan for retirees, which includes a Medicare Part B reimbursement, dental insurance and life insurance. The Township's provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: eligible retirees who retire from active employment with the Township under various classifications who have at least twenty (25) years of service in a state retirement system. This provision is part of various Labor Agreements between the Township and its employees. The plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers. For dental insurance purposes, reimbursements by retirees are paid after the Township provides the retirees with a detailed accounting of the costs.

Employees Covered by Benefit Terms - As of December 31, 2020, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	125
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	181
	306

Total OPEB Liability

The Township's total OPEB liability of \$25,262,359.00 was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2020.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. TOWNSHIP OF VOORHEES POSTEMPLOYMENT BENEFIT PLAN (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:

Inflation	3.00%
Salary Increases	3.00% Annually
Discount Rate	1.93%
Healthcare Cost Trend Rates	8.00% Decreasing to 5.00% Ultimate
Retirees' Share of Benefit-Related Costs	\$4.96 per month for \$10,000 Life Insurance Coverage, \$7.44 for \$15,000 Life Insurance Coverage

The discount rate was based on the S&P Municipal Bond 20 year High Grade Bond index rate.

Mortality rates were based on the RP-2006 Mortality Table with MP-2019 Projection.

An experience study was not performed on the actuarial assumptions used in the January 1, 2020 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

Changes in Total OPEB Liability

Balance at December 31, 2019		\$ 16,539,907.00
Changes for the Year:		
Service Cost	\$4,397,142.00	
Interest Cost	535,858.00	
Benefit Payments	(205,077.00)	
Changes in Assumptions	4,563,371.00	
Difference between Expected and Actual Experience	<u>(568,842.00)</u>	
Net Changes		<u>8,722,452.00</u>
Balance at December 31, 2020		<u>\$ 25,262,359.00</u>

Changes of benefit terms reflect no increase in the retirees' share of health insurance premiums.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.26% at December 31, 2019 to 1.93% at December 31, 2020.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. TOWNSHIP OF VOORHEES POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the Township, 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:

	<u>December 31, 2020</u>		
	<u>1.00% Decrease (0.93%)</u>	<u>Current Discount Rate (1.93%)</u>	<u>1.00% Increase (2.93%)</u>
Total OPEB Liability	<u>\$ 28,693,394.00</u>	<u>\$ 25,262,359.00</u>	<u>\$ 21,831,324.00</u>

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>December 31, 2020</u>		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$ 20,969,796.00</u>	<u>\$ 25,262,359.00</u>	<u>\$ 30,374,054.00</u>

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2020, the Township recognized OPEB (benefit) expense of \$5,570,456.00. As of December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 4,732,613.00	\$ -
Difference Between Expected and Actual Experience	<u>-</u>	<u>536,979.00</u>
	<u>\$ 4,732,613.00</u>	<u>\$ 536,979.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. TOWNSHIP OF VOORHEES POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd) - Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending <u>Dec 31,</u>	
2021	\$ 637,456.00
2022	637,456.00
2023	637,456.00
2024	637,456.00
2025	647,183.00
2026-2027	<u>998,627.00</u>
	<u>\$ 4,195,634.00</u>

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 the State's Proportionate Share of the net OPEB Liability Associated with the Township

	Plan Measurement Date December 31,		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 4,397,142.00	\$ 500,059.00	\$ 457,929.00
Interest Cost	535,858.00	530,558.00	505,185.00
Benefit Payments	(205,077.00)	(203,104.00)	(192,814.00)
Changes in Assumptions	4,563,371.00	1,035,529.00	-
Difference Between Expected and Actual Experience	<u>(568,842.00)</u>	<u>(465.00)</u>	<u>(68,090.00)</u>
Net Change in Total OPEB Liability	8,722,452.00	1,862,577.00	702,210.00
Total OPEB Liability - Beginning of Fiscal Year	<u>16,539,907.00</u>	<u>14,677,330.00</u>	<u>13,975,120.00</u>
Total OPEB Liability - End of Fiscal Year	<u>\$ 25,262,359.00</u>	<u>\$ 16,539,907.00</u>	<u>\$ 14,677,330.00</u>
Covered-Employee Payroll	\$ 17,178,934.29	\$ 15,281,481.00	\$ 15,281,481.00
Total OPEB Liability as a Percentage of Covered Payroll	147.05%	108.23%	96.05%

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. TOWNSHIP OF VOORHEES POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Other Notes to Supplementary OPEB Information**Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate changed from 3.26% as of December 31, 2019 to 1.93% as of December 31, 2020.

Note 11: COMPENSATED ABSENCES

Full-time employees are entitled up to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Five vacation days not used during the year may be accumulated and carried forward. The Township of Voorhees compensates employees for unused sick leave upon retirement and is paid at the rate of 25 percent of the employee's highest daily rate.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2020, accrued benefits for compensated absences are valued at \$1,408,007.36.

Note 12: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 13: LEASE OBLIGATIONS

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

Capital:

- Three (3) 2017 Ford Interceptor Utility
- One (1) 2018 Chevy Tahoe
- One (1) 2019 Chevy Tahoe
- One (1) 2020 Chevy Tahoe

Operating:

- Three (3) Mail Machines
- Three (3) Leximark Digital Copiers

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

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2020</u>	<u>2019</u>
Vehicles	\$ 71,683.50	\$ 58,795.58

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 33,225.74	\$ 3,633.97	\$ 36,859.71
2022	18,579.75	2,687.25	21,267.00
2023	<u>19,878.01</u>	<u>1,388.99</u>	<u>21,267.00</u>
	<u>\$ 71,683.50</u>	<u>\$ 7,710.21</u>	<u>\$ 79,393.71</u>

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

<u>Year</u>	<u>Amount</u>
2021	\$ 10,503.87
2022	6,603.23

Rental payments under operating leases for the year 2020 were \$14,139.12.

Note 14: CAPITAL DEBT**General Improvement Bonds**

General, Open Space and Sewer Improvement Bonds, Series 2008 - On December 4, 2008, the Township issued \$3,121,550.00 of general improvement bonds, \$1,145,700.00 of open space improvement bonds and \$1,214,750.00 of sewer improvement bonds, with interest rates ranging from 4.25% to 4.375%. The purpose of the bonds is to fund various capital ordinances, specifically 2003-29, 2005-65, 2005-67, 2006-80, 2006-81, 2006-82, 2006-83, 2007-98, 2007-99, 2007-104, 2007-105, 2007-106, 2007-107, 2008-126, 2008-127, 2008-128, 2008-129 and 2008-130. The final maturity of the bonds was November 1, 2020.

General and Sewer Improvement Bonds, Series 2011 - On June 21, 2011, the Township issued \$3,445,600.00 in general improvement refunding bonds and \$1,678,400.00 in sewer improvement bonds, with interest rates ranging from 2.0% to 3.0%. The purpose of the bonds is to fund various capital ordinances, specifically 2009-145, 2009-146, 2009-147, 2009-148, 2010-163, 2010-164, 2010-165, 2010-166, 2010-167, 2010-169 and 2010-176. The final maturity of the bonds is February 1, 2022.

General, Open Space and Sewer Improvement Refunding Bonds, Series 2012 - On March 29, 2012, the Township issued \$1,615,000.00 of general improvement bonds, \$1,160,000.00 of open space improvement bonds and \$310,000.00 of sewer improvement bonds, with interest rates ranging from 2.0% to 4.0, to advance refund \$3,055,000.00 outstanding Series 2003 General Obligation Bonds. The final maturity of the bonds is June 1, 2024.

General and Sewer Improvement Bonds, Series 2013 - On August 7, 2013, the Township issued \$6,613,000.00 in general improvement bonds and \$1,969,000.00 in sewer improvement bonds, with interest rates ranging from 1.000% to 3.375%. The purpose of the bonds is to fund various capital ordinances, specifically 2010-169, 2011-190, 2011-191, 2011-192, 2011-193, 2012-209, 2012-210, 2012-211, 2012-212, 2012-217, 2013-232, 2013-234, 2013-235 and 2013-236. The final maturity of the bonds is May 1, 2028.

General and Sewer Improvement Bonds, Series 2014 - On August 12, 2014, the Township issued \$8,640,000.00 in general improvement bonds and \$1,080,000.00 in sewer improvement bonds, with interest rates ranging from 2.0% to 3.25%. The purpose of the bonds is to fund various capital ordinances, specifically 2010-170, 2014-248, 2014-249, 2014-250 and 2014-251. The final maturity of the bonds is August 15, 2034.

General and Sewer Improvement Bonds, Series 2016 - On July 19, 2016, the Township issued \$7,791,000.00 in general improvement bonds and \$1,654,000.00 in sewer improvement bonds, with interest rates ranging from 1% to 2%. The purpose of the bonds is to fund various capital ordinances, specifically 2014-248, 2014-249, 2014-255, 2014-256, 2015-261, 2015-262, 2015-263, 2015-264, 2015-265, 2016-281, 2016-282, 2016-283, 2016-284, 2016-285 and 2016-286. The final maturity of the bonds is February 1, 2026.

Refunding Bonds, Series 2016 – On May 17, 2016 Fire District No. 3 of the Township of Voorhees issued \$3,500,000.00 of Refunding Bonds to provide funding to refund the callable portion of the outstanding 2008 Bond Issue. The Refunding Bonds were issued at interest rates ranging from 1.5% to 4.0%. The final maturity of the bonds is November 1, 2028. On March 1, 2017 Voorhees Township acquired Fire District No. 3 of the Township of Voorhees and assumed responsibility for the payment of this refunding bond issuance.

General and Sewer Improvement Bonds, Series 2017 - On September 12, 2017, the Township issued \$6,854,000.00 in general improvement bonds and \$1,087,000.00 in sewer improvement bonds, with interest rates ranging from 1.50% to 2.25%. The purpose of the bonds is to fund various capital ordinances, specifically 2016-286, 2017-303, 2017-304, 2017-305, 2017-306 and 2017-307. The final maturity of the bonds is September 15, 2027.

Note 14: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

General and Sewer Improvement Bonds, Series 2019 - On October 30, 2019, the Township issued \$4,970,000.00 in general improvement bonds and \$2,999,000.00 in sewer improvement bonds, with interest rates ranging from 2.25% to 2.85%. The purpose of the bonds is to fund various capital ordinances, specifically 2015-261, 2016-284, 2018-319, 2018-327, 2018-328, 2018-329, 2018-330 and 2019-346. The final maturity of the bonds is November 1, 2039.

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

<u>Year</u>	<u>General</u>		<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>			
2021	\$ 3,851,600.00	\$ 612,567.77	\$ 808,400.00	\$ 150,681.25	\$ 5,423,249.02
2022	3,944,000.00	525,352.52	635,000.00	135,974.00	5,240,326.52
2023	3,650,000.00	437,955.02	655,000.00	122,789.63	4,865,744.65
2024	3,748,000.00	357,863.77	690,000.00	108,492.76	4,904,356.53
2025	2,900,000.00	285,072.52	595,000.00	92,555.26	3,872,627.78
2026-2030	7,950,000.00	683,183.82	1,635,000.00	295,215.65	10,563,399.47
2031-2035	1,515,000.00	122,025.00	835,000.00	170,362.50	2,642,387.50
2036-2039			749,000.00	53,201.00	802,201.00
	<u>\$ 27,558,600.00</u>	<u>\$ 3,024,020.42</u>	<u>\$ 6,602,400.00</u>	<u>\$ 1,129,272.05</u>	<u>\$ 38,314,292.47</u>

General Debt - New Jersey Environmental Infrastructure Loans

On October 14, 2004, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$4,744,596.00, at no interest, from the fund loan, and \$1,605,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the upgrading of a storm sewer pumping station and construction of a tide gate. Semiannual debt payments are due February 1st and August 1st through 2024.

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

<u>Year</u>	<u>Environmental Infrastructure</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 339,045.57	\$ 19,492.43	\$ 358,538.00
2022	357,542.14	14,440.72	371,982.86
2023	355,010.36	8,917.72	363,928.08
2024	359,087.18	4,544.16	363,631.34
	<u>\$ 1,410,685.25</u>	<u>\$ 47,395.03</u>	<u>\$ 1,458,080.28</u>

Note 14: CAPITAL DEBT (CONT'D)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 35,547,185.25	\$ 43,378,003.30	\$ 37,065,238.80
Sewer Utility:			
Bonds and Notes	<u>7,717,500.00</u>	<u>8,130,650.00</u>	<u>5,956,400.00</u>
Total Issued	<u>43,264,685.25</u>	<u>51,508,653.30</u>	<u>43,021,638.80</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	750.00	950.00	100.00
Sewer Utility:			
Bonds and Notes	<u>250.00</u>	<u>1,000.00</u>	<u>750.00</u>
Total Authorized but not Issued	<u>1,000.00</u>	<u>1,950.00</u>	<u>850.00</u>
Total Issued and Authorized but not Issued	<u>43,265,685.25</u>	<u>51,510,603.30</u>	<u>43,022,488.80</u>
<u>Deductions</u>			
Funds Temporarily Held to Pay Debt	127,817.65	5,020,392.07	106,311.68
Open Space Debt	1,900,685.25	2,455,653.30	3,014,338.80
Self-Liquidating	<u>6,683,871.35</u>	<u>8,131,650.00</u>	<u>5,957,150.00</u>
Total Deductions	<u>8,712,374.25</u>	<u>15,607,695.37</u>	<u>9,077,800.48</u>
Net Debt	<u>\$ 34,553,311.00</u>	<u>\$ 35,902,907.93</u>	<u>\$ 33,944,688.32</u>

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 .946%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 2,825,000.00	\$ 2,825,000.00	
Sewer Utility	7,717,750.00	6,683,871.35	\$ 1,033,878.65
General	<u>35,547,935.25</u>	<u>2,028,502.90</u>	<u>33,519,432.35</u>
	<u>\$ 46,090,685.25</u>	<u>\$ 11,537,374.25</u>	<u>\$ 34,553,311.00</u>

Net debt \$34,553,311.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$3,653,058,584.33, equals .946%.

Note 14: CAPITAL DEBT (CONT'D)

Summary of Statutory Debt Condition - Annual Debt Statement

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 127,857,050.45
Less: Net Debt	<u>34,553,311.00</u>
Remaining Borrowing Power	<u>\$ 93,303,739.45</u>
Equalized Valuation Basis	<u>\$ 3,653,058,584.33</u>
Statutory Net Debt Percentage	<u>0.946%</u>

**Calculation of "Self-Liquidating Purpose,"
Sewer Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 2,504,065.98
Deductions:	
Operating and Maintenance Costs	\$ 1,602,500.00
Debt Service	<u>957,958.58</u>
Total Deductions	<u>2,560,458.58</u>
Excess (Deficit) in Revenue	<u>\$ (56,392.60)</u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 15: SCHOOL TAXES

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

	<u>Balance December 31,</u>	
	<u>2020</u>	<u>2019</u>
Balance of Tax	\$ 10,708,343.27	\$ 10,446,998.41
Deferred	<u>5,603,555.27</u>	<u>5,603,555.27</u>
	<u>\$ 5,104,788.00</u>	<u>\$ 4,843,443.14</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. 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>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	None	\$ 6,701.57	\$ 86,205.40
2019	None	27,753.11	70,064.84
2018	None	39,640.45	75,674.11

It is estimated that there are no unreimbursed payments on behalf of the Township at December 31, 2020.

Joint Insurance Pool - The Township of Voorhees is a member of the Camden County Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

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

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

The fund provides the Township with the following coverage:

Property – Blanket Building and Grounds
General and Automobile Liability
Worker's Compensation and Employer's Liability
Boiler and Machinery
Public Employee Dishonesty
Environmental Liability
Crime Coverage

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. 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 for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2020, which can be obtained from:

Camden County Municipal Joint Insurance Fund
9 Campus Drive, Suite 16
Parsippany, New Jersey 07054

Note 16: RISK MANAGEMENT (CONT'D)

Self-Insurance Plan - The Township has adopted a plan of self-insurance for dental benefits. At December 31, 2020, there is a \$147,281.33 reserve balance. The Township funds the plan on a pay-as-you-go basis. Any additional funding required for claims in excess of the trust fund's reserve will be paid and charged to future budgets.

The following is a summary of Township contributions, reimbursements from beneficiaries 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	\$ 200,000.00	\$ 36,735.42	\$ 123,697.13	\$ 147,281.33
2019	200,000.00	26,861.92	233,139.70	34,243.04
2018	180,000.00	23,249.30	218,216.90	40,520.82

There have been no settlements that exceed the Township's coverage for years ended December 31, 2020, 2019, and 2018.

Note 17: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 4, 2003 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Voorhees Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2004, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the referendum, the Township levies a tax not to exceed three and one half cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Voorhees Open Space, Recreation and Farmland Preservation Trust Funds.

Note 18: CONTINGENCIES

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

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

Note 19: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Date Adopted</u>	<u>Authorization</u>
General Improvements		
Acquisition of Vehicles and Equipment	03/23/21	\$ 651,700.00
Improvement to Municipal Facilities	07/12/21	783,750.00
Road Improvements	07/12/21	1,624,500.00
Acquisition of Vehicles and Equipment	07/12/21	1,411,700.00
Sewer Improvements		
Acquisition of Vehicles and Equipment	07/12/21	54,815.00
Improvement to the Sewer System	07/12/21	458,185.00

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

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

APPENDIX C

FORM OF BOND COUNSEL OPINION



May __, 2022

Mayor and Township Committee
of the Township of Voorhees
2400 Voorhees Town Center
Voorhees, New Jersey 08043

RE: \$12,675,000 TOWNSHIP OF VOORHEES, COUNTY OF CAMDEN, NEW JERSEY, GENERAL OBLIGATION BONDS, SERIES 2022

Ladies and Gentlemen:

We have served as Bond Counsel to the Township of Voorhees, County of Camden, New Jersey ("Township") in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Bonds"). The Bonds consist of: (i) \$11,048,000 aggregate principal amount of General Improvement Bonds; and (ii) \$1,627,000 aggregate principal amount of Sewer Utility Bonds.

The Bonds are authorized pursuant to and in accordance with: (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) the bond ordinances set forth in the Resolution (hereinafter defined), each duly and finally adopted by the Township Committee of the Township and published in accordance with the Local Bond Law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Township Committee of the Township on April 11, 2022 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May __, 2022 ("Award Certificate").

The Bonds are dated their date of delivery, mature on March 1 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the interest rates per annum in the table below, payable semiannually on March 1 and September 1, commencing March 1, 2023, in each year until maturity or earlier redemption.

<u>Year</u>	<u>General Improvement Bonds</u>	<u>Sewer Utility Bonds</u>	<u>Total Principal Amount</u>	<u>Interest Rate</u>
2023	\$618,000	\$82,000	\$700,000	%
2024	615,000	60,000	675,000	
2025	1,215,000	100,000	1,315,000	
2026	1,220,000	100,000	1,320,000	
2027	1,230,000	100,000	1,330,000	
2028	1,230,000	110,000	1,340,000	
2029	1,230,000	115,000	1,345,000	

COUNSEL WHEN IT MATTERS.SM



<u>Year</u>	<u>General Improvement Bonds</u>	<u>Sewer Utility Bonds</u>	<u>Total Principal Amount</u>	<u>Interest Rate</u>
2030	\$1,230,000	\$120,000	\$1,350,000	%
2031	1,230,000	120,000	1,350,000	
2032	1,230,000	120,000	1,350,000	
2033		120,000	120,000	
2034		120,000	120,000	
2035		120,000	120,000	
2036		120,000	120,000	
2037		120,000	120,000	

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

The Bonds are being issued to provide funds which will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment, at maturity, of the principal of certain bond anticipation notes heretofore issued by the Township; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

As the basis for the opinions set forth below, we have examined such matters of law as we have deemed necessary including, *inter alia*, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended ("Code"), and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the Bond Ordinances, the Resolution, the Award Certificate, the representations and covenants of the Township given pursuant to the Code as set forth in the Certificate as to Nonarbitrage and other Tax Matters ("Nonarbitrage Certificate"), and the other certifications, opinions and instruments listed in the closing agenda prepared in connection with the settlement for the Bonds.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, instruments, certifications and opinions examined including, without limiting the generality of the foregoing, the Nonarbitrage Certificate.

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

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

2. For the payment of principal and interest on the Bonds, the Township has the power and is obligated, to the extent payment is not otherwise provided, to levy *ad valorem* taxes upon all



taxable real property within the Township without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.

3. Interest on the Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Bonds received or accrued by a foreign corporation subject to the branch profits tax will be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by the Township that it will comply with the applicable requirements of the Code, including requirements relating to, *inter alia*, the use and investment of proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Township to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that affect the tax-exempt status of the interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Bonds will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Bonds.



In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has *not* designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the Bonds should consult their own tax advisers as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

4. Interest on the Bonds and any gain from the sale thereof is not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, any financial or other information which has been or may be supplied to purchasers of the Bonds.

The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State of New Jersey, as presently enacted and construed, and we assume no responsibility to advise any party as to any changes in law or fact subsequent to the date hereof.

This is only an opinion letter and not a warranty or guaranty of the matters discussed above.

This letter is being provided solely for the benefit of the Township and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,

APPENDIX D

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this 19th day of May, 2022, between the Township of Voorhees, County of Camden, New Jersey ("Township") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Township of its General Obligation Bonds, Series 2022, in the principal amount of \$12,675,000 ("Bonds"). The Bonds consist of: (i) \$11,048,000 aggregate principal amount of General Improvement Bonds; and (ii) \$1,627,000 aggregate principal amount of Sewer Utility Bonds.

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the Bonds (collectively, the "Bondholders") and in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended from time to time, including administrative or judicial interpretations thereof, as it applies to the Bonds ("Rule").

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

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

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

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the Township or the Dissemination Agent is authorized by law or contract to remain closed.

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

"Dissemination Agent" shall mean Phoenix Advisors, LLC, Bordentown, New Jersey, or any successor Dissemination Agent designated in writing by the Township and which has filed with the Township a written acceptance of such designation.

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

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

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

"Official Statement" shall mean the Official Statement of the Township, dated May 5, 2022, relating to the Bonds.

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

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

SECTION 3. Provision of Annual Report.

(a) The Township shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Township's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the Township (commencing for the fiscal year ending December 31, 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 Commission.

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

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

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

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

SECTION 5. 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 Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation¹ of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The Township shall within seven (7) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8), (10), (13), (14) or (15) of subsection (a) of this Section 5, the Township may, but shall not be required to, rely conclusively on an Opinion of Counsel.

¹ The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

(c) If the Dissemination Agent has been instructed by the Township to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within three (3) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the Township.

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

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

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Township from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Township chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, it shall not have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

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

SECTION 10. Notices. All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

(i) If to the Township:

Township of Voorhees
2400 Voorhees Town Center
Voorhees, New Jersey 08043
Attention: Chief Financial Officer

(ii) If to the Dissemination Agent:

Phoenix Advisors, LLC.
625 Farnsworth Avenue
Bordentown, New Jersey 08505

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 10 for the giving of notice.

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

SECTION 12. Submission of Information to MSRB. Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

SECTION 13. Compensation. The Township shall pay the Dissemination Agent from time to time reasonable compensation for all services rendered under this Disclosure Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Disclosure Agreement.

SECTION 14. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Township or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 17. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

TOWNSHIP OF VOORHEES, NEW JERSEY

By: _____
DEAN CIMINERA, Chief Financial Officer

PHOENIX ADVISORS, LLC,
as Dissemination Agent

By: _____
ANTHONY INVERSO, Managing Director

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: Township of Voorhees, County of Camden, New Jersey

Name of Bond Issues Affected: General Obligation Bonds, Series 2022

Date of Issuance of the Affected
Bond Issue: May 19, 2022

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated May 19, 2022, between the Township and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by _____.]

Dated: _____

PHOENIX ADVISORS, LLC,
as Dissemination Agent

cc: Township of Voorhees, New Jersey