

This is a Preliminary Official Statement "deemed final" within the meaning of and with the exception of certain information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission. The Township will deliver a final Official Statement in compliance with Rule 15c2-12. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

NEW ISSUE – Book-Entry-Only

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

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 15, 2022

In the opinion of Raymond Coleman & Heinold LLP, Moorestown, 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.

\$6,000,000*
TOWNSHIP OF EDGEWATER PARK
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2022
(Bank-Qualified) (Callable)

Dated: Date of Delivery

Due: June 15, as shown on the inside front cover

The Township of Edgewater Park, County of Burlington, New Jersey ("Township") is issuing \$6,000,000* aggregate principal amount of its General Obligation Bonds, Series 2022 ("Bonds"). The Bonds shall be issued in fully registered book-entry-only form without coupons.

The principal of the Bonds shall be paid on the respective 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 June 15 and December 15, commencing June 15, 2023, in each year until maturity or earlier redemption thereof. The Bonds are subject to redemption prior to their stated maturity dates on the terms and conditions set forth herein.

Upon initial issuance, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made 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 2016-9, 2018-4, 2016-08, 2019-07, 2020-03, 2021-04, and 2021-10, 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 May 17, 2022; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on June 22, 2022.

The proceeds of the Bonds will be used by the Township to provide funds 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; (ii) permanently finance the costs of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

The full faith and credit of the Township are 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 Raymond Coleman & Heinold LLP, Moorestown, 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, Evan Crook, Esquire, of the law firm Malamut & Associates, LLC, Cherry Hill, 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 July 7, 2022.

ELECTRONIC SUBMISSIONS FOR THE BONDS WILL BE RECEIVED VIA PARITY UNTIL 11:00 A.M. ON JUNE 22, 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

\$6,000,000*

TOWNSHIP OF EDGEWATER PARK
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2022
(Bank-Qualified) (Callable)

<u>Year</u>	<u>General Obligation Bonds*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2023	\$325,000	%	%	
2024	550,000			
2025	525,000			
2026	525,000			
2027	525,000			
2028	550,000			
2029	550,000			
2030	575,000			
2031	600,000			
2032	625,000			
2033	650,000			

* 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 EDGEWATER PARK
COUNTY OF BURLINGTON, NEW JERSEY**

Mayor and Township Committee

<u>Name</u>	<u>Title</u>
William "Bill" Belgard III	Mayor
Kevin Johnson	Deputy Mayor
Michael Trainor	Committeeperson
Juanita Scott	Committeeperson
Lauren DiFilippo	Committeeperson

Administrator

Tom Pullion

Chief Financial Officer

Tara Krueger

Township Clerk

Brandon Luis Garcia, RMC

Tax Assessor

Neal Snyder

Solicitor

Malamut & Associates, LLC
Cherry Hill, New Jersey

Auditor

Mercadien P.C.
Hamilton, New Jersey

Bond Counsel

Raymond Coleman & Heinold LLP
Moorestown, New Jersey

Municipal Advisor

Phoenix Advisors, LLC
Bordentown, New Jersey

The information which is set forth herein has been provided by the Township of Edgewater Park, County of Burlington, 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

\$6,000,000*
TOWNSHIP OF EDGEWATER PARK
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2022
(Bank-Qualified) (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 Edgewater Park, County of Burlington, New Jersey ("Township") of its: \$6,000,000* aggregate principal amount of its General Obligation Bonds, Series 2022 ("Bonds").

AUTHORIZATION FOR THE BONDS

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey ("State"), as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2016-9, 2018-4, 2016-08, 2019-07, 2020-03, 2021-04, and 2021-10 (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 May 17, 2022; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on June 22, 2022.

PURPOSE OF THE ISSUE

The proceeds of the Bonds will be used by the Township to provide funds to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment, at maturity, of the \$2,490,000 bond anticipation notes heretofore issued by the Township on December 21, 2021 and maturing on July 20, 2022 (the "Prior Notes"), all as more particularly described in the table below; (ii) permanently finance the costs of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

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

* Preliminary, subject to change.

Bond Ordinance	Purpose/ Improvement	Refunding of Prior Notes	New Money
2016-9	Road Improvements	\$1,425,000	
2018-4	Road Improvements and Purchase of Vehicles and Equipment	\$1,065,000	
2016-08	Purchase of Various Vehicles	\$0	\$110,000
2019-07	Facilities Improvements, Purchase of Vehicles and Equipment, Road and Drainage Improvements	\$0	\$1,182,000
2020-03	Facilities Improvements, Purchase of Vehicles and Equipment, Road and Drainage Improvements	\$0	\$1,858,000
2021-04	Purchase of Vehicles and Equipment	\$0	\$285,000
2021-10	Facilities Improvements, Purchase of Vehicles and Equipment, Road and Drainage Improvements	\$0	\$75,000
SUBTOTAL		\$2,490,000	\$3,510,000
TOTAL:			<u>\$6,000,000</u>

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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 June 15 and December 15 (each an "Interest Payment Date" and collectively, "Interest Payment Dates"), commencing June 15, 2023, in each year until maturity or earlier redemption thereof.

Individual purchases of the Bonds may be made in the principal amount of \$5,000, or any integral multiple of \$5,000, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of 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 June 15 in the years and in the principal amounts, all as shown on the inside front cover page of this Official Statement.

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

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

Redemption Provisions

The Bonds maturing prior to June 15, 2030 are not subject to redemption prior to maturity. The Bonds maturing on and after June 15, 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 June 15, 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 System¹

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 term 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

¹ Source: The Depository Trust Company

regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, Banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township, 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 and 2019 are included in Appendix "B" to this Official Statement. The unaudited financial data was provided by Bowman & Company LLP, Voorhees, New Jersey. The audited financial data was provided by Mercadien, P.C., Princeton, New Jersey, and is included herein in reliance upon the authority of such firm. Bowman & Company LLP and Mercadien, P.C., have consented to the inclusion of their reports 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.edgewaterpark-nj.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.

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 completed revaluation of property within the Township was effective for the year 2012. In addition, in 2019, the Township completed a compliance plan for several areas of the Township to significantly reduce the amount of tax appeals .

Upon the filing of certified adopted budgets by the Township, the School District, the Township Fire District and the County of Burlington ("County"), the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in *N.J.S.A. 54:4-1 et seq.* Special taxing districts are

permitted in the State for various special services rendered to the properties located within the special district.

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under 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.

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 \$905,068.99 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. Also, the Township maintains insurance coverage for cyberattacks and related events. In addition, the Township has a program to randomly test its defenses for cyberattacks.

TAX MATTERS

Federal

In the opinion of Raymond Coleman & Heinold LLP, Moorestown, 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** 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, Evan Crook, Esq., of the law firm Malamut & Associates, LLC, Cherry Hill, 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 rating reflects only the views of S&P. There is no assurance that the rating 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 Underwriter (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 (other than described in the Continuing Disclosure Agreement) 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.

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

Neither Bond Counsel 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" as it relates to Bond Counsel) and, accordingly, will express no opinion with respect thereto.

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 June __, 2022. The Underwriter has purchased the Bonds in accordance with the Notice of Sale prepared in connection with the Bonds. The Bonds are being offered for sale at the yields 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 currently does not have undertakings with regard to continuing disclosure for prior obligations issued. The Township has appointed Phoenix Advisors, LLC, Bordentown, New Jersey to serve as continuing disclosure agent on June 13, 2022 to ensure compliance with its continuing disclosure 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 Tara Krueger, Chief Financial Officer of the Township, at 609.877.2050, 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 EDGEWATER PARK,
NEW JERSEY**

**By: _____
TARA KRUEGER, Chief Financial Officer**

Dated: June __, 2022

APPENDIX A

CERTAIN INFORMATION REGARDING THE TOWNSHIP

GENERAL INFORMATION ON THE TOWNSHIP

History

The Township of Edgewater Park, New Jersey ("Township"), was incorporated in 1924 and is located in the County of Burlington ("County"), in the State of New Jersey ("State"). The Township borders the Delaware River and Route 130. The overall area of the Township is 3.4 square miles located approximately sixteen (16) miles southwest of the City of Trenton and twenty (20) miles northeast of the City of Philadelphia, Pennsylvania. Residents of the Township have access to the River-Line Train which runs from Trenton to Camden. Highway Route 130, which borders the Township, also runs from Trenton to Camden.

Local Government

The Township's form of government is a Township Committee form of government. Five members are elected at large for three year staggered terms which make up the Township Committee. Of these five members, the Mayor is selected by the committee. The Mayor and Committee appoint the Township Administrator to administer their directives and conduct municipal affairs. This form of government provides a stable environment with professional administration for all municipal services.

Public Works

The Department of Public Works is headed by a superintendent and is responsible for municipal grounds, leaf collection, snow removal, storm-water drainage maintenance and other various functions. The Township participates in a county-wide recycling program and provides its residents with containers for recyclables. Independent contractors are also used for major projects under the Township's Capital Improvement Program.

Parks and Recreation

The Township offers a variety of recreational facilities to its residents. The Township maintains three recreation facilities known as Weimann Field, Memorial Field and Kite Field. These facilities provide the residents with sporting activities such as baseball, soccer, basketball and tennis.

Edgewater Park Sewerage Authority

The Edgewater Park Sewerage Authority ("Authority") was established in 1945 in accordance with the Municipal Utilities Authorities Law, P.L. 1957, c183. The Authority Board consists of five members appointed by resolution of the Township Committee for five year staggered terms. The Authority operates a sanitary sewerage collection system for the residents of the Township. The administrative offices are located in Edgewater Park.

Building, Zoning and Development Codes

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

The Township has adopted the Municipal Land Use Law which gave the Township Planning Board and the Township Zoning Board of Adjustment authority to regulate most land use

other than single-family residential use. Accordingly, the Township is able to guide the approximate use or development of land to promote the public health, safety and general welfare.

Business and Industry

The Township Planning Board and Zoning Board of Adjustment have approved several large projects which consist of the following:

- The construction of a 727,000 square foot distribution center for Global Furniture with an estimated assessed value of \$49,000,000.00.
- Approval of a Self Storage facility with an estimated assessed value of \$3,000,000.00. The planned start date for this project is the fall of 2022.
- A cannabis distribution site providing both medical and recreational use. This facility has been completed and is in operation. The Township will receive tax revenues in the amount of 2.5% of recreational sales in addition to property tax revenues. The Township expects to collect at least \$250,000.00 each year in revenues from sales.

The Township has also targeted an area for redevelopment with the intent to create a town center. Currently the Township is working with a developer and marketing group on the initial concept and plans to start the process of creating this new town center over the next year.

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	33	33	31	31	31
Part-time	<u>24</u>	<u>23</u>	<u>25</u>	<u>25</u>	<u>25</u>
Total	<u>57</u>	<u>56</u>	<u>56</u>	<u>56</u>	<u>56</u>

Employee Collective Bargaining Units

Employees are recognized as separate collective bargaining units. The police patrol officers have an approved contract through December 31, 2025. The police superior officers have an approved contract through December 31, 2025. The municipal employees (CWA) have an approved contract through December 31, 2023.

Compensated Absences

Township employees are entitled to sick leave and vacation days each year in accordance with the current union contracts. Unused sick leave and vacation days may be accumulated and carried forward to the subsequent year.

The Township compensates employees for all unused vacation days upon termination or retirement. The current policy also provides for the payment of seventy-five percent of unused sick leave accumulated at the rate of pay upon termination or retirement. (For additional information regarding compensated absences, see Appendix B: Audited Financial Statements, Note G).

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 I).

Township Population(1)

2020 Federal Census	8,930
2010 Federal Census	8,881
2000 Federal Census	8,069
1990 Federal Census	8,388
1980 Federal Census	9,273

Selected Census 2020 Data for the Township (1)

Median household income	\$59,085
Per capita income	\$34,394

Township Labor Force (2)

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township					
Labor Force	4,862	4,783	4,837	4,770	4,796
Employment	4,592	4,408	4,682	4,588	4,594
Unemployment	270	375	155	182	202
Unemployment Rate	5.6%	7.8%	3.2%	3.8%	4.2%
County					
Labor Force	242,242	239,256	240,664	236,181	237,722
Employment	229,429	220,269	233,163	227,635	228,177
Unemployment	12,813	18,987	7,501	8,546	9,545
Unemployment Rate	5.3%	7.9%	3.1%	3.6%	4.0%
State					
Labor Force	4,661,625	4,495,200	4,522,200	4,455,500	4,476,100
Employment	4,363,717	4,055,300	4,367,300	4,278,300	4,274,100
Unemployment	297,917	439,900	154,900	177,200	202,000
Unemployment Rate	6.4%	9.8%	3.4%	4.0%	4.5%

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

(2) 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.

Currently there is a 196 unit mixed use development being constructed consisting of condominiums, apartments and commercial uses. The planned completion date of this project is the spring of 2024 and the estimated assessed valuation of this project is \$37,000,000.00.

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.

The Township has been awarded approximately \$1,000,000.00 toward the construction of a community and emergency center. This center will host various Township events, senior citizen programs and recreational activities. The facility will also serve as a shelter and county food distribution center.

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 130 and the New Jersey Turnpike, the primary interstate route in the New York-Washington corridor.

The New Jersey Transit High Speed Line (River-Line) provides access to Camden, Philadelphia, Trenton and New York. It provides a link to center city Philadelphia for both commuters and shoppers.

The Township through its Capital Improvement Program has been making it a priority to invest in its roads and infrastructure. 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. Developers are required to pay for a portion of circulation improvements related to their projects, thus taking the burden off of taxpayers.

GENERAL INFORMATION ON THE SCHOOL DISTRICT (1)

Primary and Secondary Education

The Edgewater Park Township School District ("School District") is a Type II district located in the County. As such, the School District functions independently through its Board of Education ("Board"). The Board is comprised of nine (9) members, elected to three (3) year terms. The terms are staggered so that at least three (3) members are elected every year. The purpose of the School District is to educate the students in grades K-8. Students in grades 9-12 are transported to the Burlington City High School District.

The School District prepares annually a current expense and debt service budget. The amounts to be raised by taxation for current expense and debt service are submitted to the voters for approval. If the amounts are disapproved, the Township Committee fixes an amount and certifies the same to the School District and the County Board of Taxation. If the School District determines that the amount certified by the Township is insufficient to operate a thorough and efficient school system, the School District may appeal to the State Commissioner of Education to restore the local funds eliminated.

SCHOOL DISTRICT ENROLLMENTS(1)

<u>Grade</u>	<u>2017</u>	<u>2018</u>	<u>October 15,</u> <u>2019</u>	<u>2020</u>	<u>2021</u>
Pre-K	41	31	45	36	39
K	97	90	90	86	77
1	84	86	96	65	78
2	81	94	84	81	70
3	73	85	90	83	76
4	83	82	79	97	79
5	81	86	91	74	98
6	73	87	86	94	78
7	65	68	92	91	83
8	77	69	76	88	84
Sp. Ed	<u>130</u>	<u>129</u>	<u>136</u>	<u>129</u>	<u>114</u>
Totals	<u>885</u>	<u>907</u>	<u>965</u>	<u>924</u>	<u>876</u>

(1) Source: School District Business Administrator/Board Secretary

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 Oct. 15, 2021</u>	<u>Functional Capacity</u>
Magowan School	1956	2003	1-4	472	736 (2)
Jacques School	1964	2003	Pre-K-K		(2)
Ridgway School	1969	None	5-8	<u>404</u>	<u>480</u>
Totals				<u>876</u>	<u>1,216</u>

**BURLINGTON CITY HIGH SCHOOL
ENROLLMENTS(3)(4)**

<u>Grade</u>	<u>2017</u>	<u>2018</u>	<u>October 15, 2019</u>	<u>2020</u>	<u>2021</u>
9	96	93	104	114	121
10	90	94	99	101	114
11	80	94	96	106	88
12	101	81	94	95	91
Special Education	<u>312</u>	<u>304</u>	<u>327</u>	<u>334</u>	<u>345</u>
Totals	<u>679</u>	<u>666</u>	<u>720</u>	<u>750</u>	<u>759</u>

HIGHER AND OTHER EDUCATION FACILITIES

Rowan College at Burlington County (Formerly Burlington County College)

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

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

In 2015, RCBC began a transition from its original Pemberton Campus to the more accessible and modern Mount Laurel Campus to serve students more efficiently and effectively. The 100-acre Mount Laurel campus is located at the intersection of Route 38 and I-295. The \$55 million transition included a new Student Success Center and renovation of 240,000 square feet.

(1) Source: School District Business Administrator/Board Secretary

(2) Magowan School and Jacques School are the same building

(3) Source: School District Officials

(4) Edgewater Park Township students only.

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

The RCBC Board of Trustees governs the college and certain fiscal matters are subject to review by the Board of School Estimate. The Burlington County Board of County Commissioners sponsors the college, appointing nine of the twelve trustees. The college is not permitted to borrow for capital expenditures. Instead, the Board of Trustees and the Board of School Estimate certify the need for funding to the Board of County Commissioners, which either currently appropriates the amount certified or authorizes the issuance of county debt, generally in accordance with the provisions of the Local Bond Law except that no down payment is required.

Burlington County Institute of Technology

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

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

Burlington County Special Services School District

The Burlington County Special Services School District ("B.C.S.S.S.D.") was created by the Burlington County Board of Chosen Freeholders in June, 1972. The B.C.S.S.S.D. is comprised of state of the art facilities located in the Townships of Westampton, Lumberton and Medford and programs are provided for (1) the orthopedically handicapped, the multiple handicapped, and the autistic; (2) elementary school students with severe emotional and social problems; (3) students ages fourteen through sixteen with educational needs, which are beyond the capabilities of existing local school boards and regions; and (4) trainable mentally retarded young people from ages fourteen to twenty-one.

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

**CERTAIN TAX INFORMATION
TEN LARGEST TAXPAYERS (1)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2022 Assessed Valuation</u>	<u>% of Total Assessed Value</u>
Edgewater Park Holdings LLC	Apartments	\$20,000,000	3.45%
Edgewater Park Real Estate Assoc.	Apartments	19,350,000	3.34%
Aion Woodlane Crossing LLC	Apartments	15,372,900	2.65%
Rosemar Properties	Apartments	9,654,000	1.66%
Dev Property NJ LLC	Warehouse	9,500,000	1.64%
Rt 130S LLC	Warehouse	3,974,700	0.69%
Burlington Coat Factory	Retail	3,876,100	0.67%
Charlie Edgewater Park LLC	Retail	3,800,000	0.66%
Public Storage Mgmt. Inc.	Storage	3,640,000	0.63%
Hoover Plaza LLC	Retail	<u>3,366,000</u>	<u>0.58%</u>
Total:		<u><u>\$92,533,700</u></u>	<u><u>15.95%</u></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>
2021 (3)	\$20,229,988	\$19,897,294	98.35%	\$305,795	1.51%
2020	18,839,731	18,483,405	98.11%	300,037	1.59%
2019	18,463,626	17,988,376	97.43%	292,362	1.58%
2018	17,796,208	17,299,200	97.21%	317,370	1.78%
2017	17,595,939	17,101,445	97.19%	357,036	2.03%

DELINQUENT TAXES (2)

<u>Year</u>	<u>Balance</u>		<u>Collected</u>		<u>Transfer to Liens</u>	<u>Other Credits</u>	<u>Balance Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percent</u>			
2021 (3)	\$308,620	\$33,491	\$332,631	97.23%	-	\$897	\$8,583
2020	298,068	1,000	286,505	95.80%	\$1,453	2,527	8,583
2019	321,268	2,500	316,245	97.68%	-	1,816	5,707
2018	358,852	3,134	358,088	98.92%	-	-	3,899
2017	293,922	4,250	296,356	99.39%	-	-	1,816

(1) Source: Township Tax Assessor

(2) Source: Annual Reports of Audit

(3) Information from Annual Compiled Financial Statement

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by Sale & Transfers</u>	<u>Collections</u>	<u>Additions</u>	<u>Balance Dec. 31</u>
2021 (2)	\$208,427	\$26,899	-	\$1,590	\$236,916
2020	180,155	26,736	-	1,536	208,427
2019	154,835	25,319	-	-	180,155
2018	125,438	27,875	-	1,522	154,835
2017	102,679	22,759	-	-	125,438

FORECLOSED PROPERTY (1)(3)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by Transfer</u>	<u>Transferred to Fixed Assets</u>	<u>Balance Dec. 31</u>
2021 (2)	-	-	-	-
2020	-	-	-	-
2019	-	-	-	-
2018	\$3,028,800	-	\$3,028,800	-
2017	3,028,800	-	-	\$ 3,028,800

**NET ASSESSED VALUATIONS AND
ANNUAL TAX RATES (4)**

Tax Rate (5)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Total</u>	<u>Municipal</u>	<u>County</u>	<u>Local School</u>	<u>Open Space Tax</u>	<u>Fire District</u>
2021	\$ 580,132,460	\$3.367	\$0.956	\$0.390	\$1.936	\$0.009	\$0.076
2020	578,178,260	3.257	0.918	0.386	1.868	0.010	0.075
2019	595,000,600	3.077	0.879	0.357	1.760	0.010	0.071
2018	591,432,600	3.009	0.849	0.353	1.726	0.010	0.071
2017	591,391,100	2.950	0.811	0.372	1.691	0.009	0.067

(1) Source: Annual Reports of Audit

(2) Information from Annual Compiled Financial Statement

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

(4) Source: Township Tax Collector's Office

(5) Per \$100 of assessed valuation

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

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value Per Capita</u>
2021	\$580,132,360	101.19%	\$573,309,971	\$64,200 (2)
2020	578,178,160	102.18%	565,842,787	63,364 (2)
2019	595,000,500	111.64%	532,963,544	60,012 (3)
2018	591,432,500	113.18%	522,559,198	58,840 (3)
2017	591,391,000	109.84%	538,411,326	60,625 (3)

REAL PROPERTY CLASSIFICATION(4)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Farm</u>
2021	\$580,132,360	\$7,149,800	\$442,274,000	\$55,814,300	\$8,627,900	\$64,918,900	\$1,347,460
2020	578,178,160	7,149,800	442,274,800	55,914,300	8,627,900	62,863,900	1,347,460
2019	595,000,500	4,683,800	460,200,100	57,669,800	8,627,900	63,064,200	754,700
2018	591,432,500	6,390,800	454,825,300	57,769,600	8,627,900	63,064,200	754,700
2017	591,391,000	7,660,500	451,854,100	59,429,600	8,627,900	63,064,200	754,700

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

(2) Based upon the 2020 Federal Census of 8,930

(3) Based upon 2010 Federal Census of 8,881

(4) Source: Township Tax Assessor's Office

**TOWNSHIP OF EDGEWATER PARK
STATEMENT OF INDEBTEDNESS
AS OF DECEMBER 31, 2021**

The following table summarizes the direct debt of the Township as of December 31, 2021 in accordance with the requirements of the Local Bond Law of the State of New Jersey (N.J.S.A. 40A:2-2- et.seq.). The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General and debt of the Local School Districts. Deductions from gross debt to arrive at net debt include school debt, as well as, Reserve for Payment of Debt. The resulting net debt of \$8,743,936 represent 1.483% 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.

	<u>Debt Issued</u>			<u>Deductions</u>			<u>Net Debt</u>
	<u>Bonds</u>	<u>Notes</u>	<u>Authorized But Not Issued</u>	<u>Gross Debt</u>	<u>School Debt</u>	<u>Reserve for Payment of Debt</u>	
General	\$2,255,000	\$2,490,000	\$4,383,515	\$9,128,515		\$384,579	\$8,743,936
School - Local	12,910,000			12,910,000	\$12,910,000		
	<u>\$15,165,000</u>	<u>\$2,490,000</u>	<u>\$4,383,515</u>	<u>\$22,038,515</u>	<u>\$12,910,000</u>	<u>\$384,579</u>	<u>\$8,743,936</u>

DEBT RATIOS AND VALUATIONS (1)(2)

Average of Equalized Valuations of Real Property with Improvements for 2019, 2020 and 2021	\$	589,584,404
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2019, 2020 and 2021		1.48%
2021 Net Valuation Taxable	\$	580,132,460
2021 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$	573,310,071
Gross Debt (3):		
As a percentage of 2021 Net Valuation Taxable		3.80%
As a percentage of 2021 Equalized Valuations		3.84%
Net Debt (3):		
As a percentage of 2021 Net Valuation Taxable		1.51%
As a percentage of 2021 Equalized Valuations		1.53%
Gross Debt Per Capita (4)	\$	2,468
Net Debt Per Capita (4)		979

TOWNSHIP BORROWING CAPACITY(1)(2)

3.5% of Averaged (2019-21) Equalized Valuation of Real Property including Improvements (\$589,584,404)	\$20,635,454
Net Debt	<u>8,743,936</u>
Remaining Borrowing Capacity	<u><u>\$11,891,518</u></u>

SCHOOL DISTRICT BORROWING CAPACITY(1)(2)

3% of Averaged (2019-21) Equalized Valuation of Real Property including Improvements (\$589,584,404)	\$17,687,532
Local School District Debt	<u>12,910,000</u>
Remaining Borrowing Capacity	<u><u>\$4,777,532</u></u>

(1) As of December 31, 2021

(2) Source: Annual Debt Statement

(3) Excluding overlapping debt

(4) Based on 2020 Federal Census of 8,930

**TOWNSHIP OF EDGEWATER PARK
OVERLAPPING DEBT
AS OF DECEMBER 31, 2021**

DEBT ISSUED

	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	<u>Debt Auth. but not Issued</u>
County of Burlington:					
General	\$ 176,500,000	\$ 17,903,104 (1)	\$ 158,596,896	\$ 1,839,724 (2)	
Bonds					(2) \$ 18,039,210
Notes	6,288,055		6,288,055	72,941 (2)	
Loans					
Bonds Issued by Other Public Bodies					
Guaranteed by the County	390,398,600	390,398,600 (3)			
Solid Waste Utility	31,875,000	31,875,000			10,304,193
	<u>\$ 605,061,655</u>	<u>\$ 440,176,704</u>	<u>\$ 164,884,951</u>	<u>\$ 1,912,665</u>	<u>\$ 28,343,403</u>

(1) Includes cash on hand, accounts receivable and County College Bonds paid with State Aid.

(2) Such debt is allocated as a proportion of the Issuer's share of the total 2021 Net Valuations on which County taxes are apportioned, which is 1.16% .

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

**EDGEWATER PARK TOWNSHIP
SCHEDULE OF DEBT SERVICE
(BONDED DEBT ONLY)**

Year	Existing Debt (1)			2022 General Obligation Bonds			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2022	\$ 435,000	\$ 104,319	\$ 539,319				
2023	450,000	82,569	532,569	\$ 325,000			
2024	250,000	60,069	310,069	550,000			
2025	265,000	47,569	312,569	525,000			
2026	275,000	38,625	313,625	525,000			
2027	285,000	29,000	314,000	525,000			
2028	295,000	14,750	309,750	550,000			
2029				550,000			
2030				575,000			
2031				600,000			
2032				625,000			
2033				650,000			
	<u>\$ 2,255,000</u>	<u>\$ 376,900</u>	<u>\$ 2,631,900</u>	<u>\$ 6,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) As of December 31, 2021
Source: Annual Reports of Audit

**TOWNSHIP OF EDGEWATER PARK
2022 MUNICIPAL BUDGET**

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 1,550,000.00
Miscellaneous Revenues:	
Local Revenues	215,000.00
State Aid Without Offsetting Appropriations	676,039.00
Dedicated Uniform Construction Code Fees	
Offset With Appropriations	50,000.00
Special Items of Revenue with Consent of DLGS:	
Public and Private Revenues	43,151.33
Other Special Items	562,534.49
Receipts From Delinquent Taxes	275,000.00
Amount to be Raised by Taxation for Municipal Purposes:	
Local Tax for Municipal Purposes	5,916,888.08
Total Anticipated Revenues	\$ 9,288,612.90
Appropriations:	
Within CAPS:	
Operations	\$ 6,048,211.00
Deferred Charges and Statutory Expenditures	774,297.00
Excluded from CAPS:	
Other Operations	44,010.00
Public and Private Programs	43,151.33
Capital Improvements	400,000.00
Debt Service	558,500.00
Deferred Charges	815,015.25
Reserve for Uncollected Taxes	605,428.32
Total Appropriations	\$ 9,288,612.90

OPEN SPACE FUND

Dedicated Revenues from Trust Fund:	
Amount to be Raised by Taxation	\$ 59,806.00
Reserve Funds	180,194.00
Total Anticipated Revenues	\$ 240,000.00
Appropriations:	
Development of Lands for Recreation and Conservation:	
Salaries and Wages	\$ 1,000.00
Other Expenses	149,000.00
Maintenance of Lands for Recreation and Conservation:	
Salaries and Wages	10,000.00
Other Expenses	80,000.00
Total Appropriations	\$ 240,000.00

APPENDIX B

**COMPILED AND AUDITED FINANCIAL STATEMENTS
OF THE TOWNSHIP OF EDGEWATER PARK**

FOR THE YEAR ENDED 2021
COMPILED FINANCIAL STATEMENTS

ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Edgewater Park
Edgewater Park, New Jersey 08010

Management is responsible for the accompanying financial statements of the Township of Edgewater Park, County of Burlington, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2021 and the related 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 are not independent with respect to the Township of Edgewater Park.

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 16, 2022

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

ASSETS

Regular Fund:

Cash - Chief Financial Officer	\$ 5,459,346.25
Cash - Collector	237,054.14
Cash - Change Fund	650.00
Due State of New Jersey, Ch. 20, P.L. 1971	<u>3,598.72</u>

5,700,649.11

Receivables with Full Reserves:

Delinquent Property Taxes Receivable	314,378.68
Tax Title Liens Receivable	236,915.99
Revenue Accounts Receivable	4,631.30
Due Animal Control Fund	3.60
Due Trust Other Fund	<u>251,839.02</u>

807,768.59

Deferred Charges:

Special Emergency Appropriation (40A:4-53)	<u>25,000.00</u>
--	------------------

6,533,417.70

Federal and State Grant Fund:

Cash	605,264.50
Federal and State Grants Receivable	<u>460,444.83</u>

1,065,709.33

\$ 7,599,127.03

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

LIABILITIES, RESERVES
AND FUND BALANCE

Regular Fund:

Appropriation Reserves	\$ 496,780.45
Reserve for Encumbrances	44,879.79
Prepaid Taxes	167,952.38
Tax Overpayments	14,353.89
Due State of New Jersey - State Training Fees	2,175.00
Due State of New Jersey - Marriage License Fees	100.00
Due County for Added and Omitted Taxes	79,134.52
Fire District Taxes Payable	50.00
Reserve for Codification of Ordinances	1,195.00
Reserve for Sale of Municipal Assets	668,937.92
Reserve for Reassessment of Real Property	106,962.00

1,582,520.95

Reserves for Receivables and Other Assets 807,768.59

Fund Balance 4,143,128.16

6,533,417.70

Federal and State Grant Fund:

Reserve for State and Federal Grants:	
Unappropriated	495,685.82
Appropriated	570,023.51

1,065,709.33

\$ 7,599,127.03

See Accountant's Compilation Report and selected notes.

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

Revenue and Other Income Realized

Fund Balance Utilized	\$ 1,250,000.00
Miscellaneous Revenues Anticipated	2,051,702.27
Receipts from Current Taxes	19,897,294.03
Receipts from Delinquent Taxes	332,630.53
Non-Budget Revenue	400,799.98
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	715,069.48
Cancellation of Trust Other Reserves -- Due Trust Other Funds	1,290.00
Cancellation of Tax Overpayments	4,014.33
	4,014.33
 Total Income	 24,652,800.62

Expenditures

Budget and Emergency Appropriations:	
Operations - Within "CAPS":	
Salaries and Wages	3,187,236.95
Other Expenses	2,643,951.00
Deferred Charges and Statutory Expenditures -	
Municipal - Within "CAPS"	717,934.00
Operations - Excluded from "CAPS":	
Other Expenses	61,039.33
Capital Improvements - Excluded from "CAPS"	200,000.00
Municipal Debt Service - Excluded from "CAPS"	549,024.40
Deferred Charges - Municipal - Excluded from "CAPS"	311,000.00
County Taxes	2,255,828.08
Due County for Added and Omitted Taxes	79,134.52
Local District School Tax	11,230,067.00
Special - Fire District Taxes	439,460.00
Municipal Open Space Taxes	57,783.00
Municipal Open Space Added and Omitted Taxes	1,947.83
Other Expenditures:	
Tax Appeals	17,141.59
Refund of Prior Year Revenue	396.54
Prior Year Senior Citizens and Veterans Deductions Disallowed	1,000.00
Creation of Reserves:	
Due Animal Control Fund	3.60
Due Trust Other Fund	180,340.72
	180,340.72
 Total Expenditures	 21,933,288.56

Excess in Revenues	2,719,512.06
--------------------	--------------

Fund Balance

Balance Jan. 1	2,673,616.10
	5,393,128.16
Decreased by:	
Utilized as Revenue	1,250,000.00
 Balance Dec. 31	 \$ 4,143,128.16

See Accountant's Compilation Report and selected notes.

TOWNSHIP OF EDGEWATER PARK
TRUST FUND
Statement of Assets, Liabilities and Reserves - Regulatory Basis
December 31, 2021

ASSETS

Animal Control Fund:	
Cash - Chief Financial Officer	\$ 2,524.12
	2,524.12
Open Space Trust Fund:	
Cash - Chief Financial Officer	213,089.69
	213,089.69
Other Funds:	
Cash - Chief Financial Officer	1,912,168.71
Cash - Collector	176,557.87
Due from Police Off-Duty Vendors	41,042.85
	2,129,769.43
	\$ 2,345,383.24

LIABILITIES AND RESERVES

Animal Control Fund:	
Due to Current Fund	\$ 3.60
Due State of New Jersey	41.40
Reserve for Dog Fund Expenditures	2,479.12
	2,524.12
Open Space Trust Fund:	
Reserve for Open Space Trust	213,089.69
	213,089.69
Other Funds:	
Due Current Fund	251,839.02
Reserve for Encumbrances	13,670.38
Reserve for Special Law Enforcement	8,084.18
Reserve for Public Defender	1,339.76
Reserve for Escrow Deposits	341,321.46
Reserve for Street Opening	27,157.60
Reserve for Recreation Contributions	10,430.13
Reserve for Parking Offenses Adjudication Act	917.00
Reserve for Police Equipment Donations	7,470.00
Reserve for Flexible Spending	2,296.61
Reserve for Development Fee	40,324.95
Reserve for Affordable Housing	1,123,818.93
Reserve for Accumulated Absences	62,106.25
Reserve for Storm Recovery	50,000.00
Payroll Deductions Payable	12,435.29
Reserve for Tax Title Lien Redemptions	4,457.87
Reserve for Premiums Received at Tax Sale	172,100.00
	2,129,769.43
	\$ 2,345,383.24

See Accountant's Compilation Report and selected notes.

TOWNSHIP OF EDGEWATER PARK
TRUST -- MUNICIPAL OPEN SPACE FUND
Statement of Operations and Changes in Reserve for Future Use --Regulatory Basis
For the Year Ended December 31, 2021

Revenue and Other
Income Realized

Reserve for Future Use	\$ 182,217.00
Amount to be Raised by Taxation	<u>59,730.83</u>
Total Income	<u>241,947.83</u>

Expenditures

Salaries and Wages	315.00
Other Expenses	<u>35,431.59</u>
Total Expenditures	<u>35,746.59</u>
Excess (Deficit) in Revenue	<u>206,201.24</u>
Statutory Excess to Reserve	206,201.24

Reserve for Future Use

Balance Jan. 1	<u>189,105.45</u>
	<u>395,306.69</u>
Utilized as Revenue:	
Reserve for Future Use	<u>182,217.00</u>
Balance Dec. 31	<u><u>\$ 213,089.69</u></u>

See Accountant's Compilation Report and selected notes.

TOWNSHIP OF EDGEWATER PARK
GENERAL CAPITAL FUND
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
December 31, 2021

ASSETS

Cash - Chief Financial Officer	\$ 397,636.70
Deferred Charges to Future Taxation:	
Funded	2,255,000.00
Unfunded	6,873,515.25
Accounts Receivable	1,182,283.75
	\$ 10,708,435.70

**LIABILITIES, RESERVES
AND FUND BALANCE**

General Serial Bonds	\$ 2,255,000.00
Bond Anticipation Notes	2,490,000.00
Improvement Authorizations:	
Funded	1,137,809.56
Unfunded	2,826,499.25
Contracts Payable	728,351.01
Reserve for Encumbrances	15,074.62
Capital Improvement Fund	327,563.16
Reserve for Payment of Debt	384,578.95
Fund Balance	543,559.15
	\$ 10,708,435.70
Bonds and Notes Authorized But Not Issued	\$ 4,383,515.25

See Accountant's Compilation Report and selected notes.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

Selected Information - Substantially All Disclosures Required By the Regulatory
Basis of Accounting Have Been Omitted For the Year Ended December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial statements of the Township of Edgewater Park, County of Burlington, New Jersey ("the Township"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S.A.40A:5-5. The financial statements of the Township do not include the operations of the Board of Education, first aid organization or volunteer fire companies that are subject to separate audits.

Descriptions of Funds

The accounting policies of the Township conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such principles and practices 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. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds:

Current Fund – resources and expenditures for government 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 – accounts for receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

Basis of Accounting

Revenues – are recorded as received in cash except for certain amounts, which may be due from the State of New Jersey or the federal government as grants. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual are recorded as receivables with offsetting reserves.

Expenditures – are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Pension and Other Post-Employment Benefits ("OPEB") expenses are recorded on a cash basis as billed by the State of New Jersey. Thus, net pension liability, OPEB liability and related deferred inflows and outflows are not recorded on the statement of assets, liabilities, reserves and fund balance.

Foreclosed Property – is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds – receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

General Fixed Assets – property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. All interest costs are recorded as expenditures when paid.

Accounting for Governmental Fixed Assets, as promulgated by Technical Directive No. 2 as issued by the Division, differs in certain respects from generally accepted accounting principles. The following is a brief description of the provisions of the Directive:

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value. No depreciation on general fixed assets is recorded in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital have not been accounted for separately.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Departures from Accounting Principles Generally Accepted in the United States of America ("GAAP") - The accounting principles and practices followed by the Township differ in some respects, which in some instances may be material from GAAP applicable to local government units.

The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved and recognized as revenue in the year of liquidation.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Over-expended appropriations and emergency appropriations are deferred to the succeeding year's operations.
- No provision is made for accumulated vested vacation and sick leave.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.
- Depreciation expense is not calculated on fixed assets. It was not practicable to determine the effect of such differences.

Budgets - the Township is required by state law to adopt an annual budget for the Current Fund. Each budget is presented in accordance with accounting principles prescribed by the Division.

The following steps are taken in establishing the budgetary data reflected in the financial statements:

1. Not later than February 10 of the budget year the Township introduces a budget, which includes proposed expenditures and financing methods.
2. A public hearing is held not less than twenty-eight days after introduction and budget approval; after a public hearing the budget may be adopted by the governing body.

Once a budget is approved it may be amended after November 1 by a resolution adopted by the governing body.

FOR THE YEARS ENDED 2020 AND 2019

AUDITED FINANCIAL STATEMENTS

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON,
STATE OF NEW JERSEY**

FINANCIAL STATEMENTS

December 31, 2020

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Township Council
Township of Edgewater Park
County of Burlington
Edgewater Park, New Jersey 08010

Report on the Financial Statements

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

Management’s Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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

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

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Township as of December 31, 2020, and respective changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

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

Report on Summarized Comparative Information

We have previously audited the Township's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 9, 2020, in accordance with the financial reporting provisions described in Note A. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.



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

MERCADIEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 30, 2021

BASIC FINANCIAL STATEMENTS – REGULATORY BASIS

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A

**CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Regular Fund:			
Cash - Chief Financial Officer	SA-1	\$ 4,418,226.05	\$ 2,949,297.23
Cash - Collector	SA-2	196,381.26	245,617.46
Cash - Change Fund	SA-3	650.00	650.00
Note Receivable - General Capital Fund	SC-11	-	1,425,000.00
Due from State of New Jersey, Ch. 20, P.L. 1971	SA-4	5,204.20	4,941.87
		<u>4,620,461.51</u>	<u>4,625,506.56</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	308,620.31	298,068.49
Tax Title Liens Receivable	SA-6	208,426.95	180,154.59
Revenue Accounts Receivable	SA-7	6,808.27	13,849.16
Due from Trust Other Fund	B	71,498.30	257,553.25
		<u>595,353.83</u>	<u>749,625.49</u>
Deferred Charges:			
Special Emergency Appropriation (40A:4-53)	SA-19	50,000.00	75,000.00
		<u>5,265,815.34</u>	<u>5,450,132.05</u>
Federal and State Grant Fund:			
Cash	SA-1	167,377.80	130,123.63
Federal and State Grants Receivable	SA-20	460,444.83	210,444.83
		<u>627,822.63</u>	<u>340,568.46</u>
		<u>\$ 5,893,637.97</u>	<u>\$ 5,790,700.51</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A

CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
(CONTINUED)

December 31, 2020 and 2019

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Regular Fund:			
Appropriation Reserves	A-3;SA-8	\$ 746,657.68	\$ 577,512.02
Reserve for Encumbrances	A-3;SA-8	137,081.72	190,104.06
Prepaid Taxes	SA-9	166,190.39	187,495.56
Tax Overpayments	SA-10	6,757.14	3,233.28
Due to State of New Jersey - State Training Fees	SA-11	3,278.00	880.00
Due to State of New Jersey - Marriage License Fees	SA-12	175.00	200.00
Due to County for Added and Omitted Taxes	SA-16	1,487.86	18,673.92
Fire District Taxes Payable	SA-15	50.00	50.00
Reserve for Codification of Ordinances	SA-18	1,195.00	12,100.00
Reserve for Sale of Municipal Assets	SA-18	768,937.92	913,769.50
Reserve for Reassessment of Real Property	SA-18	106,962.00	108,600.00
Due to Open Space Trust Fund	SA-14	58,072.70	528.92
		<u>1,996,845.41</u>	<u>2,013,147.26</u>
Reserves for Receivables and Other Assets	A	595,353.83	749,625.49
Fund Balance	A-1	<u>2,673,616.10</u>	<u>2,687,359.30</u>
		<u>5,265,815.34</u>	<u>5,450,132.05</u>
Federal and State Grant Fund:			
Reserve for State and Federal Grants:			
Unappropriated	SA-21	17,029.33	59,563.11
Appropriated	SA-22	589,790.59	279,078.72
Reserve for Encumbrances	SA-22	21,002.71	1,926.63
		<u>627,822.63</u>	<u>340,568.46</u>
		<u>\$ 5,893,637.97</u>	<u>\$ 5,790,700.51</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-1

**CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE**

Years Ended December 31, 2020 and 2019

<u>Revenue and Other Income Realized</u>	<u>2020</u>	<u>2019</u>
Fund Balance Utilized	\$ 1,250,000.00	\$ 1,300,000.00
Miscellaneous Revenues Anticipated	1,716,978.10	1,372,894.70
Receipts from Current Taxes	18,483,404.88	17,988,376.37
Receipts from Delinquent Taxes	286,505.18	316,244.95
Non-Budget Revenue	138,281.01	205,476.51
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	532,620.00	480,279.02
Liquidation of Reserve:		
Due Trust Other Fund	186,054.95	-
Total Income	<u>22,593,844.12</u>	<u>21,663,271.55</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations - Within "CAPS":		
Salaries and Wages	2,998,501.18	2,777,869.28
Other Expenses	2,712,285.00	2,638,495.00
Deferred Charges and Statutory Expenditures -		
Municipal - Within "CAPS"	611,472.00	608,973.00
Operations - Excluded from "CAPS":		
Other Expenses	390,287.75	118,018.66
Capital Improvements - Excluded from "CAPS"	238,000.00	238,000.00
Municipal Debt Service - Excluded from "CAPS"	533,892.98	532,952.15
Deferred Charges - Municipal - Excluded from "CAPS"	311,450.00	330,000.00
County Taxes	2,225,417.72	2,122,331.55
Due County for Added and Omitted Taxes	1,487.86	18,673.92
Local District School Tax	10,798,880.00	10,467,923.00
Special - Fire District Taxes	430,848.00	422,450.00
Municipal Open Space Taxes	57,796.00	59,500.00
Municipal Open Space Added and Omitted Taxes	38.58	528.92
Other Expenditures:		
Refund of Prior Year Revenue - Due Trust Other Fund	1,833.57	-
Refund of Prior Year Revenue - Tax Appeals	36,695.40	-
Refund of Prior Year Revenue - Added Tax Overpayments	7,701.28	-
Prior Year Senior Citizens' and Veterans' Deductions Disallowed	1,000.00	2,500.00
Creation of Reserves:		
Due Trust Other Fund	-	139,541.05
Total Expenditures	<u>21,357,587.32</u>	<u>20,477,756.53</u>
Statutory Excess to Fund Balance	1,236,256.80	1,185,515.02
<u>Fund Balance</u>		
Balance January 1	<u>2,687,359.30</u>	<u>2,801,844.28</u>
	3,923,616.10	3,987,359.30
Decreased by:		
Utilized as Revenue	<u>1,250,000.00</u>	<u>1,300,000.00</u>
Balance December 31	<u>\$ 2,673,616.10</u>	<u>\$ 2,687,359.30</u>

See notes to financial statements.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-2

**CURRENT FUND
STATEMENT OF REVENUES**

Year Ended December 31, 2020

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 1,250,000.00	\$ -	\$ 1,250,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	5,000.00	-	10,150.00	5,150.00
Fees and Permits - Other	6,000.00	-	12,267.00	6,267.00
Fines and Costs - Municipal Court	120,000.00	-	113,512.74	(6,487.26)
Interest and Costs on Taxes	50,000.00	-	70,620.91	20,620.91
Interest on Investments and Deposits	10,000.00	-	11,120.47	1,120.47
Comcast Franchise Cable Fees	25,000.00	-	26,575.15	1,575.15
Energy Receipts Taxes	676,039.00	-	676,039.00	-
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17)				
Uniform Construction Code Fees	50,000.00	-	89,031.20	39,031.20
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services:				
Public and Private Revenue Offset with Appropriations:				
Clean Communities Grant	18,885.92	-	18,885.92	-
Alcohol Education and Rehabilitation Grant	1,044.87	-	1,044.87	-
Body Armor Replacement Grant	3,624.00	-	3,624.00	-
Drunk Driving Enforcement Grant	33,455.62	-	33,455.62	-
Recycling Tonnage Grant	37,767.34	-	37,767.34	-
County Park Development Grant	-	250,000.00	250,000.00	-
Other Special Items:				
Reserve for Payment of Debt -- General Capital Fund	90,000.00	-	90,000.00	-
Reserve for Sale of Assets	150,000.00	-	150,000.00	-
Burlington Coat Factory Pilot	107,000.00	-	122,883.88	15,883.88
	<u>1,383,816.75</u>	<u>250,000.00</u>	<u>1,716,978.10</u>	<u>83,161.35</u>
Receipts from Delinquent Taxes	<u>250,000.00</u>	<u>-</u>	<u>286,505.18</u>	<u>36,505.18</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>5,311,715.70</u>	<u>-</u>	<u>5,617,973.24</u>	<u>306,257.54</u>
Budget Totals	<u>8,195,532.45</u>	<u>250,000.00</u>	<u>8,871,456.52</u>	<u>425,924.07</u>
Non-Budget Revenue	<u>-</u>	<u>-</u>	<u>138,281.01</u>	<u>138,281.01</u>
	<u>\$ 8,195,532.45</u>	<u>\$ 250,000.00</u>	<u>\$ 9,009,737.53</u>	<u>\$ 564,205.08</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-2

**CURRENT FUND
STATEMENT OF REVENUES (CONTINUED)**

Year Ended December 31, 2020

<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections		\$ 18,483,404.88
Allocated to:		
County Taxes	\$ 2,226,905.58	
School Taxes	10,798,880.00	
Fire District Taxes	430,848.00	
Municipal Open Space Taxes	<u>57,834.58</u>	
		13,514,468.16
Balance for Support of Municipal Budget Appropriations		4,968,936.72
Add: Appropriation "Reserve for Uncollected Taxes"		<u>649,036.52</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 5,617,973.24</u>
Revenue from Delinquent Taxes:		
Delinquent Tax Receipts		<u>\$ 286,505.18</u>
Fees and Permits - Other:		
Revenue Accounts Receivable:		
Clerk		\$ 2,014.00
Planning Board		3,150.00
Zoning Board		2,960.00
Police Department		1,529.00
Property List		170.00
Road Opening Permit		<u>2,444.00</u>
		<u>\$ 12,267.00</u>
Miscellaneous Revenue not Anticipated:		
Receipts:		
Chief Financial Officer:		
Clothing Bin	\$ 470.14	
Construction Rental Inspection Fees	46,163.50	
DMV Inspection Fees	327.50	
Donations	500.00	
Insurance Reimbursements	28,710.36	
Miscellaneous Fees	2,685.69	
Outstanding Checks Canceled	352.00	
Police Off Duty Administration Fees	5,176.48	
Refund of Prior Year Expenditures	9,536.08	
Restitution	1,028.00	
Senior Citizens' and Veterans' Administrative Fee	1,414.75	
Vacant Property Registration Fees	<u>21,000.00</u>	
		117,364.50
Tax Collector:		
Property Maintenance Fees	2,080.33	
PILOT Agreement - Pathmark	5,563.54	
PILOT Agreement - ACDEP	<u>12,692.64</u>	
		20,336.51
Due from Trust Other Fund:		
Outstanding Checks Canceled - Treasurer	450.00	
Outstanding Checks Canceled - Collector	<u>130.00</u>	
		580.00
		<u>\$ 138,281.01</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES**

Year Ended December 31, 2020

	Appropriations		Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
<u>OPERATIONS - WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT FUNCTIONS</u>						
Administration						
Salaries and Wages	\$ 120,000.00	\$ 120,000.00	\$ 117,014.88	\$ -	\$ 2,985.12	\$ -
Other Expenses	81,450.00	85,450.00	77,378.82	3,678.96	4,392.22	-
Township Committee						
Salaries and Wages	17,000.00	17,000.00	16,597.30	-	402.70	-
Other Expenses	6,300.00	6,300.00	756.10	-	5,543.90	-
Municipal Clerk						
Salaries and Wages	92,000.00	92,000.00	78,755.44	-	13,244.56	-
Other Expenses	37,000.00	37,000.00	20,836.84	-	16,163.16	-
Financial Administration						
Salaries and Wages	96,000.00	96,000.00	95,329.36	-	670.64	-
Other Expenses	84,000.00	86,000.00	80,598.36	5,307.20	94.44	-
Audit Services						
Other Expenses	33,000.00	35,000.00	35,000.00	-	-	-
Collection of Taxes						
Salaries and Wages	57,000.00	57,000.00	56,117.56	-	882.44	-
Other Expenses	18,400.00	18,400.00	10,762.36	-	7,637.64	-
Assessment of Taxes						
Salaries and Wages	17,000.00	17,000.00	16,159.46	-	840.54	-
Other Expenses	16,200.00	16,200.00	10,438.06	-	5,761.94	-
Legal Services and Costs						
Other Expenses	124,000.00	124,000.00	80,983.62	30,146.22	12,870.16	-
Municipal Court						
Salaries and Wages	151,000.00	151,000.00	137,867.41	-	13,132.59	-
Other Expenses	18,495.00	18,495.00	5,627.19	339.30	12,528.51	-
Engineering Services and Costs						
Other Expenses	58,000.00	58,000.00	23,752.13	-	34,247.87	-
Economic Development						
Other Expenses	1,500.00	1,500.00	300.00	-	1,200.00	-
Land Use Administration						
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board						
Salaries and Wages	1,000.00	1,000.00	405.41	-	594.59	-
Other Expenses	7,700.00	7,700.00	2,568.97	181.25	4,949.78	-

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2020

	Appropriations		Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
<u>OPERATIONS - WITHIN "CAPS" (CONTD)</u>						
<u>GENERAL GOVERNMENT FUNCTIONS (CONTD)</u>						
Zoning Board						
Salaries and Wages	11,000.00	11,000.00	9,281.08	-	1,718.92	-
Other Expenses	1,000.00	1,000.00	100.00	-	900.00	-
Insurance:						
General Liability	65,000.00	65,000.00	61,051.64	-	3,948.36	-
Workers Compensation	155,000.00	155,000.00	138,998.93	-	16,001.07	-
Employee Group Health	581,000.00	581,000.00	542,403.92	3,820.70	34,775.38	-
Unemployment Compensation Insurance	13,000.00	13,000.00	10,009.06	-	2,990.94	-
<u>PUBLIC SAFETY FUNCTIONS</u>						
Police						
Salaries and Wages	1,858,319.98	1,815,319.98	1,710,787.13	-	104,532.85	-
Other Expenses	137,150.00	137,150.00	79,517.63	3,250.00	54,382.37	-
Emergency Management						
Other Expenses	1,500.00	1,500.00	-	-	1,500.00	-
Aid to Ambulance / Emergency Squad	26,000.00	26,000.00	26,000.00	-	-	-
Prosecutor						
Other Expenses	19,000.00	19,000.00	13,800.00	-	5,200.00	-
Public Defender						
Other Expenses	13,000.00	13,000.00	7,400.00	300.00	5,300.00	-
<u>PUBLIC WORKS FUNCTIONS</u>						
Road Repairs and Maintenance						
Salaries and Wages	362,486.20	332,486.20	282,273.66	-	50,212.54	-
Other Expenses	86,500.00	66,500.00	36,203.89	8,598.27	21,697.84	-
Solid Waste Collection						
Salaries and Wages	6,100.00	6,100.00	4,919.43	-	1,180.57	-
Other Expenses	164,550.00	164,550.00	149,655.00	-	14,895.00	-
Public Buildings and Grounds						
Other Expenses	31,000.00	31,000.00	26,745.92	1,760.00	2,494.08	-
Community Services Act						
Other Expenses	268,000.00	328,000.00	289,675.25	29,142.03	9,182.72	-

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2020

	<u>Appropriations</u>		<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Charged</u>			<u>Balance</u>
		<u>Modification</u>				<u>Canceled</u>
<u>OPERATIONS - WITHIN "CAPS" (CONTD)</u>						
<u>HEALTH AND HUMAN SERVICES</u>						
Animal Control						
Other Expenses	7,500.00	7,500.00	6,220.00	-	1,280.00	-
Board of Health						
Salaries and Wages	600.00	600.00	425.00	-	175.00	-
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	-
<u>PARK AND RECREATION FUNCTIONS</u>						
Recreation Services						
Other Expenses	7,500.00	12,000.00	11,586.90	-	413.10	-
Maintenance of Parks						
Other Expenses	4,500.00	4,500.00	-	-	4,500.00	-
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	12,000.00	12,000.00	782.79	-	11,217.21	-
<u>State Uniform Construction Code Appropriations Offset by</u>						
<u>Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>						
Construction Official						
Salaries and Wages	67,000.00	77,000.00	76,449.93	-	550.07	-
Other Expenses	21,300.00	21,300.00	9,726.01	-	11,573.99	-
Construction Sub-Code Officials						
Fire						
Salaries and Wages	13,000.00	13,000.00	3,717.90	-	9,282.10	-
Plumbing						
Salaries and Wages	15,000.00	15,000.00	9,642.40	-	5,357.60	-
Electrical						
Salaries and Wages	17,000.00	17,000.00	14,626.80	-	2,373.20	-
Other Code Enforcement						
Salaries and Wages	105,000.00	125,000.00	124,373.95	-	626.05	-
Other Expenses	28,000.00	8,000.00	693.87	370.00	6,936.13	-
<u>UTILITY EXPENSES AND BULK PURCHASES</u>						
Utilities:						
Electricity	68,000.00	68,000.00	47,800.25	7,526.40	12,673.35	-
Street Lighting	93,000.00	93,000.00	73,142.95	13,893.62	5,963.43	-
Telephone	26,000.00	36,000.00	30,763.99	3,689.93	1,546.08	-
Water Service	4,500.00	4,500.00	2,806.43	-	1,693.57	-
Natural Gas / Fuel Oil	14,000.00	14,000.00	7,668.47	243.88	6,087.65	-
Telecommunications	20,000.00	20,000.00	11,071.64	37.33	8,891.03	-
Gasoline / Motor Fuel	50,000.00	50,000.00	26,239.45	1,113.26	22,647.29	-
Trash Disposal	245,000.00	245,000.00	224,042.54	19,259.36	1,698.10	-

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2020

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>				
OPERATIONS - WITHIN "CAPS" (CONTD)						
<u>Unclassified:</u>						
Accumulated Absences Compensation	15,995.00	15,995.00	15,995.00	-	-	-
Storm Recovery						
Other Expenses	10,000.00	10,000.00	10,000.00	-	-	-
Storm Water Management						
Other Expenses	12,000.00	12,000.00	3,750.00	-	8,250.00	-
Environmental Commission						
Other Expenses	1,000.00	1,000.00	740.00	-	260.00	-
Aid to Providence House						
Other Expenses	2,240.00	2,240.00	770.00	-	1,470.00	-
Newsletter						
Other Expenses	6,000.00	6,500.00	4,514.00	-	1,986.00	-
Senior Advisory						
Other Expenses	3,000.00	3,000.00	-	-	3,000.00	-
Total Operations - Within "CAPS"	5,706,786.18	5,706,786.18	4,973,622.08	132,657.71	600,506.39	-
Contingent	4,000.00	4,000.00	-	-	4,000.00	-
Total Operations - Including Contingent Within "CAPS"	5,710,786.18	5,710,786.18	4,973,622.08	132,657.71	604,506.39	-
Salaries and Wages	3,041,501.18	2,998,501.18	2,784,539.10	-	213,962.08	-
Other Expenses	2,669,285.00	2,712,285.00	2,189,082.98	132,657.71	390,544.31	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
<u>MUNICIPAL - WITHIN "CAPS"</u>						
Statutory Expenditures:						
Public Employees' Retirement System	75,152.00	75,152.00	75,152.00	-	-	-
Social Security System (O.A.S.I.)	235,000.00	235,000.00	207,051.73	-	27,948.27	-
Police and Firemen's Retirement System of N.J.	300,320.00	300,320.00	300,320.00	-	-	-
Defined Contribution Retirement Program	1,000.00	1,000.00	-	-	1,000.00	-
Total Deferred Charges and Statutory Expenditures - Within "CAPS"	611,472.00	611,472.00	582,523.73	-	28,948.27	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	6,322,258.18	6,322,258.18	5,556,145.81	132,657.71	633,454.66	-

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2020

	Appropriations		Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Aid to Library (N.J.S.A. 40:54-35)	2,500.00	2,500.00	-	-	2,500.00	-
Affordable Housing						
Other Expenses	30,000.00	30,000.00	20,859.35	3,720.00	5,420.65	-
SFSP Fire District Payment	3,010.00	3,010.00	3,010.00	-	-	-
Recycling Tax	10,000.00	10,000.00	8,163.15	704.01	1,132.84	-
<u>Public and Private Programs Off-Set by Revenues</u>						
Clean Communities Grant						
Other Expenses	18,885.92	18,885.92	18,885.92	-	-	-
Body Armor Replacement Grant						
Other Expenses	3,624.00	3,624.00	3,624.00	-	-	-
County Park Development Grant						
Other Expenses (N.J.S.A. 40A:4-87 \$250,000.00)		250,000.00	250,000.00	-	-	-
Drunk Driving Enforcement Grant						
Other Expenses	33,455.62	33,455.62	33,455.62	-	-	-
Recycling Tonnage Grant						
Other Expenses	37,767.34	37,767.34	37,767.34	-	-	-
Alcohol Education and Rehabilitation Grant						
Other Expenses	1,044.87	1,044.87	1,044.87	-	-	-
Total Operations - Excluded from "CAPS"	140,287.75	390,287.75	376,810.25	4,424.01	9,053.49	-
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	140,287.75	390,287.75	376,810.25	4,424.01	9,053.49	-

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2020

	Appropriations					Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
CAPITAL IMPROVEMENT - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-	-	-
Acquisition of Four Wheel Drive Police Vehicles	38,000.00	38,000.00	33,850.47	-	4,149.53	-
Street and Drainage Improvements	100,000.00	100,000.00	-	-	100,000.00	-
Total Capital Improvement Fund - Excluded from "CAPS"	238,000.00	238,000.00	133,850.47	-	104,149.53	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	390,000.00	390,000.00	390,000.00	-	-	-
Interest on Bonds	144,500.00	144,500.00	143,892.98	-	-	607.02
Total Municipal Debt Service - Excluded from "CAPS"	534,500.00	534,500.00	533,892.98	-	-	607.02
DEFERRED CHARGES:						
Special Emergency Authorizations - 5 Years	25,000.00	25,000.00	25,000.00	-	-	-
Deferred Charges to Future Taxation Unfunded:						
Ordinance Number 2014-05	106,250.00	106,250.00	106,250.00	-	-	-
Ordinance Number 2015-06	130,200.00	130,200.00	130,200.00	-	-	-
Ordinance Number 2015-07	50,000.00	50,000.00	50,000.00	-	-	-
Total Deferred Charges - Excluded from "CAPS"	311,450.00	311,450.00	311,450.00	-	-	-
Total General Appropriations for Municipal Purposes - Excluded from "CAPS"	1,224,237.75	1,474,237.75	1,356,003.70	4,424.01	113,203.02	607.02
Subtotal General Appropriations	7,546,495.93	7,796,495.93	6,912,149.51	137,081.72	746,657.68	607.02
Reserve for Uncollected Taxes	649,036.52	649,036.52	649,036.52	-	-	-
Total General Appropriations	\$ 8,195,532.45	\$ 8,445,532.45	\$ 7,561,186.03	\$ 137,081.72	\$ 746,657.68	\$ 607.02
Appropriations by N.J.S.A. 40A:4-87		\$ 250,000.00				
Adopted Budget		8,195,532.45				
		<u>\$ 8,445,532.45</u>				
Reserve for Uncollected Taxes			\$ 649,036.52			
Reserve for Federal, State and Other Grants Appropriated			344,777.75			
Special Emergency Authorizations - 5 Years			25,000.00			
Due Trust Other Fund			32,495.00			
Refunded			(153,422.42)			
Disbursed			6,663,299.18			
			<u>\$ 7,561,186.03</u>			

See notes to financial statements.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B

**TRUST FUNDS
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND RESERVES**

December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Control Fund:			
Cash - Chief Financial Officer	SB-1	\$ 255.12	\$ 4,125.12
		<u>255.12</u>	<u>4,125.12</u>
Open Space Trust Fund:			
Cash - Chief Financial Officer	SB-1	131,032.75	191,575.94
Due from Current Fund	SB-8	58,072.70	528.92
		<u>189,105.45</u>	<u>192,104.86</u>
Other Funds:			
Cash - Chief Financial Officer	SB-1	548,074.64	656,535.91
Cash - Collector	SB-2	163,528.32	371,026.08
Due from Police Off-Duty Vendors	SB-6	37,550.72	28,725.72
Prepaid Payroll	SB-10	-	115,368.23
		<u>749,153.68</u>	<u>1,171,655.94</u>
		<u>\$ 938,514.25</u>	<u>\$ 1,367,885.92</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B

**TRUST FUNDS
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND RESERVES (CONTINUED)**

December 31, 2020 and 2019

<u>LIABILITIES AND RESERVES</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Control Fund:			
Reserve for Encumbrances	SB-3	\$ -	\$ 950.00
Reserve for Animal Control Fund Expenditures	SB-4	<u>255.12</u>	<u>3,175.12</u>
		<u>255.12</u>	<u>4,125.12</u>
Open Space Trust Fund:			
Reserve for Encumbrances	SB-1	-	5,330.00
Reserve for Open Space Trust	B-1	<u>189,105.45</u>	<u>186,774.86</u>
		<u>189,105.45</u>	<u>192,104.86</u>
Other Funds:			
Due to Current Fund	SB-7	71,498.30	257,553.25
Reserve for Encumbrances	SB-11	-	6,743.00
Reserve for Special Law Enforcement	SB-11	8,084.18	8,084.18
Reserve for Public Defender	SB-11	2,054.76	1,773.76
Reserve for Escrow Deposits	SB-11	276,489.46	294,267.61
Reserve for Street Opening	SB-11	24,841.60	38,302.60
Reserve for Recreation Contributions	SB-11	8,230.13	8,230.13
Reserve for Parking Offenses Adjudication Act	SB-11	877.00	851.00
Reserve for Bicycle Patrol Fund	SB-11	1,995.00	1,995.00
Reserve for Trees Fund (Branches of Love)	SB-11	495.00	567.00
Reserve for Police Outside Services	SB-11	24,620.37	26,297.85
Reserve for Train Station	SB-11	795.00	795.00
Reserve for Flexible Spending	SB-11	909.25	1,542.91
Reserve for Development Fee	SB-11	40,219.49	40,138.92
Reserve for Accumulated Absences	SB-11	62,106.25	46,111.25
Reserve for Storm Recovery	SB-11	50,000.00	40,000.00
Payroll Deductions Payable	SB-11	12,536.00	27,376.40
Reserve for Tax Title Lien Redemptions	SB-11	2,201.89	12,126.08
Reserve for Premiums Received at Tax Sale	SB-11	<u>161,200.00</u>	<u>358,900.00</u>
		<u>749,153.68</u>	<u>1,171,655.94</u>
		<u>\$ 938,514.25</u>	<u>\$ 1,367,885.92</u>

See notes to financial statements.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B-1

**OPEN SPACE TRUST FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN RESERVE FOR FUTURE
USE**

Year Ended December 31, 2020

<u>Revenue and Other Income Realized</u>	<u>2020</u>	<u>2019</u>
Reserve for Future Use	\$ 168,204.00	\$ 166,500.00
Amount to be Raised by Taxation	<u>57,834.58</u>	<u>60,028.92</u>
Total Income	<u>226,038.58</u>	<u>226,528.92</u>
 <u>Expenditures</u>		
Salaries and Wages	290.80	3,198.21
Other Expenses	<u>55,213.19</u>	<u>36,564.59</u>
Total Expenditures	<u>55,503.99</u>	<u>39,762.80</u>
Excess in Revenue	<u>170,534.59</u>	<u>186,766.12</u>
Statutory Excess to Reserve	170,534.59	186,766.12
 <u>Reserve for Future Use</u>		
Balance January 1	<u>186,774.86</u>	<u>166,508.74</u>
	<u>357,309.45</u>	<u>353,274.86</u>
Utilized as Revenue:		
Reserve for Future Use	<u>168,204.00</u>	<u>166,500.00</u>
Balance December 31	<u>\$ 189,105.45</u>	<u>\$ 186,774.86</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B-2

**OPEN SPACE TRUST FUND
STATEMENT OF REVENUES**

Year Ended December 31, 2020

	Budget <u>Revenues</u>	<u>Realized</u>	<u>Excess</u>
Amount to be Raised By Taxation	\$ 57,796.00	\$ 57,834.58	\$ 38.58
Reserve Funds	168,204.00	168,204.00	-
	<u>\$ 226,000.00</u>	<u>\$ 226,038.58</u>	<u>\$ 38.58</u>
<u>Analysis of Realized Revenues</u>			
Analysis of Current Tax Collections:			
Due Current Fund:			
Open Space Tax Levy		\$ 57,796.00	
Open Space Tax Levy - Added and Omitted Taxes		<u>38.58</u>	
		<u>\$ 57,834.58</u>	

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B-3

**OPEN SPACE TRUST FUND
STATEMENT OF EXPENDITURES**

Year Ended December 31, 2020

	Budget <u>Appropriations</u>	<u>Paid or Charged</u>	<u>Unexpended Balance Canceled</u>
Development of Lands for Recreation and Conservation:			
Salaries and Wages	\$ 1,000.00	\$ -	\$ 1,000.00
Other Expenses	50,000.00	-	50,000.00
Total Development of Lands for Recreation and Conservation	<u>51,000.00</u>	-	<u>51,000.00</u>
Maintenance of Lands for Recreation and Conservation:			
Salaries and Wages	5,000.00	290.80	4,709.20
Other Expenses	170,000.00	55,213.19	114,786.81
Total Development of Lands for Recreation and Conservation	<u>175,000.00</u>	<u>55,503.99</u>	<u>119,496.01</u>
	<u>\$ 226,000.00</u>	<u>\$ 55,503.99</u>	<u>\$ 170,496.01</u>
Disbursed		\$ 55,213.19	
Due Current Fund		<u>290.80</u>	
		<u>\$ 55,503.99</u>	

See notes to financial statements.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

C

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash - Chief Financial Officer	SC-1	\$ 112,708.11	\$ 505,160.75
Deferred Charges to Future Taxation:			
Funded	SC-3	2,665,000.00	3,055,000.00
Unfunded	SC-4	6,212,515.25	4,666,450.00
Accounts Receivable	SC-6	189,783.75	126,250.00
		<u>\$ 9,180,007.11</u>	<u>\$ 8,352,860.75</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	SC-11	\$ 2,665,000.00	\$ 3,055,000.00
Bond Anticipation Notes	SC-12	1,425,000.00	1,425,000.00
Improvement Authorizations:			
Funded	SC-7	701,831.53	537,639.33
Unfunded	SC-7	2,917,887.23	1,518,337.81
Contracts Payable	SC-5	227,622.33	747,762.80
Reserve for Encumbrances	SC-8	29,639.76	37,692.94
Capital Improvement Fund	SC-9	335,563.16	333,428.16
Reserve for Payment of Debt	SC-10	344,578.95	348,037.57
Fund Balance	C-1	532,884.15	349,962.14
		<u>\$ 9,180,007.11</u>	<u>\$ 8,352,860.75</u>
Bonds and Notes Authorized but not Issued	SC-13	<u>\$ 4,787,515.25</u>	<u>\$ 3,241,450.00</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

E

**GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS**

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
General Fixed Assets:		
Land	\$ 7,742,542.00	\$ 7,742,542.00
Buildings & Contents	2,375,152.58	2,343,510.75
Vehicles	1,897,346.54	1,864,403.54
	<hr/>	<hr/>
Total	<u>\$ 12,015,041.12</u>	<u>\$ 11,950,456.29</u>
Total Investment in General Fixed Assets	<u>\$ 12,015,041.12</u>	<u>\$ 11,950,456.29</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

E-1

**GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF INVESTMENTS IN FIXED ASSETS**

December 31, 2020 and 2019

	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2020</u>
General Fixed Assets:				
Land	\$ 7,742,542.00	\$ -	\$ -	\$ 7,742,542.00
Building and Improvements	2,343,510.75	37,341.83	(5,700.00)	2,375,152.58
Furniture, Vehicles and Equipment	1,864,403.54	32,943.00	-	1,897,346.54
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 11,950,456.29</u>	<u>\$ 70,284.83</u>	<u>\$ (5,700.00)</u>	<u>\$ 12,015,041.12</u>
Total Investment in General Fixed Assets	<u>\$ 11,950,456.29</u>	<u>\$ 70,284.83</u>	<u>\$ (5,700.00)</u>	<u>\$ 12,015,041.12</u>

NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial statements of the Township of Edgewater Park, County of Burlington, New Jersey (“the Township”), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S.A.40A:5-5. The financial statements of the Township do not include the operations of the Board of Education, first aid organization or volunteer fire companies that are subject to separate audits.

Descriptions of Funds

The accounting policies of the Township conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Such principles and practices 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. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds:

Current Fund – resources and expenditures for government 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 – accounts for receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

Basis of Accounting

Revenues – are recorded as received in cash except for certain amounts, which may be due from the State of New Jersey or the federal government as grants. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual are recorded as receivables with offsetting reserves.

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a liability in the financial statements and constitute part of the Township’s statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. 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.

Pension and Other Post-Employment Benefits ("OPEB") expenses are recorded on a cash basis as billed by the State of New Jersey. Thus, net pension liability, OPEB liability and related deferred inflows and outflows are not recorded on the statement of assets, liabilities, reserves and fund balance.

Foreclosed Property – is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds – receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

General Fixed Assets – property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. All interest costs are recorded as expenditures when paid.

Accounting for Governmental Fixed Assets, as promulgated by Technical Directive No. 2 as issued by the Division, differs in certain respects from generally accepted accounting principles. The following is a brief description of the provisions of the Directive:

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value. No depreciation on general fixed assets is recorded in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital have not been accounted for separately.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Departures from Accounting Principles Generally Accepted in the United States of America ("GAAP") - The accounting principles and practices followed by the Township differ in some respects, which in some instances may be material from GAAP applicable to local government units.

The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved and recognized as revenue in the year of liquidation.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Over-expended appropriations and emergency appropriations are deferred to the succeeding year's operations.
- No provision is made for accumulated vested vacation and sick leave.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.
- Depreciation expense is not calculated on fixed assets. It was not practicable to determine the effect of such differences.

Budgets - the Township is required by state law to adopt an annual budget for the Current Fund. Each budget is presented in accordance with accounting principles prescribed by the Division.

The following steps are taken in establishing the budgetary data reflected in the financial statements:

1. Not later than February 10 of the budget year the Township introduces a budget, which includes proposed expenditures and financing methods.
2. A public hearing is held not less than twenty-eight days after introduction and budget approval; after a public hearing the budget may be adopted by the governing body.

Once a budget is approved it may be amended after November 1 by a resolution adopted by the governing body.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

B. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Township is governed by the deposit and investment limitations of New Jersey state law. The deposits and investments held at December 31, 2020, and reported at fair value are as follows:

Type	Maturities	Value
Demand Deposits	N/A	<u>\$ 5,738,234.05</u>
Reconciliation of Cash		
Current		\$ 4,615,257.31
Federal and State Grants		167,377.80
Dog Trust		255.12
Other Trust		842,635.71
General Capital		<u>112,708.11</u>
Total Reconciliation of Comparative Balance Sheets		<u>\$ 5,738,234.05</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments, had a bank balance of \$7,057,683.05 at December 31, 2020. Of the bank balance, \$250,000.00 was fully insured by the Federal Deposit Insurance Corporation and \$6,807,683.05 was secured by a collateral pool held by the bank, but not in the Township’s name, as required by New Jersey’s Governmental Unit Deposit Protection Act (“GUDPA”). The GUDPA is more fully described in Note C of these financial statements.

Investment Interest Rate Risk – The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at December 31, 2020, are provided in the above schedule.

Investment Credit Risk – The Township has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Township or bonds or other obligations of the local unit or units within which the Township is located;

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

B. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Township;
- Local governments' investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

Concentration of Investment Credit Risk – The Township places no limit on the amount it may invest in any one issuer.

C. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (“GUDPA”)

The Township has deposited cash in 2020 with an approved public fund depository qualified under the provisions of GUDPA. In addition to savings and checking accounts the Township invests monies in certificates of deposits.

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 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.

The market value of the collateral must equal five percent of the average daily balance of public funds; and, if the public funds deposited exceed seventy-five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy-five percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years' equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2020, was \$8,532,936.30. The Township's remaining borrowing power is \$11,107,343.25. The summary of municipal debt for the last three years and the calculation of statutory net debt are presented in the Supplementary Information section of this report.

Bond Anticipation Notes

At December 31, 2020, the Township had bond anticipation notes of \$1,425,000 that were issued on December 22, 2020 and mature on December 21, 2021.

Pooled Loan Revenue Bonds – Series 2013A

In December of 2003, the Township entered into a lease and agreement with the Burlington County Bridge Commission ("Commission"). This agreement provides the Township funding to finance capital projects and capital equipment through the issuance of County-Guaranteed Pooled Loan Revenue Bonds (2003 Governmental Leasing Program). On February 28, 2013, the 2003 pooled loan revenue bonds were refinanced under Series 2013A. The following is a schedule of annual payments to the Commission for principal and interest:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 195,000.00	\$ 30,500.00	\$ 225,500.00
2022	205,000.00	20,750.00	225,750.00
2023	210,000.00	10,500.00	220,500.00
Total	<u>\$ 610,000.00</u>	<u>\$ 61,750.00</u>	<u>\$ 671,750.00</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. DEBT (CONTINUED)

Pooled Loan Revenue Bonds – Series 2014A-2

In January of 2014, the Township entered into a lease and agreement with the Commission. This agreement provides the Township to permanently finance various general capital improvements through the issuance of County-Guaranteed Pooled Loan Revenue Bonds (2014A-2 Governmental Loan Program). The following is a schedule of annual payments to the Commission for principal and interest:

Year	Principal	Interest	Total
2021	\$ 215,000.00	\$ 94,319.00	\$ 309,319.00
2022	230,000.00	83,569.00	313,569.00
2023	240,000.00	72,069.00	312,069.00
2024	250,000.00	60,069.00	310,069.00
2025	265,000.00	47,568.76	312,568.76
2026-2028	855,000.00	82,375.00	937,375.00
Total	<u>\$ 2,055,000.00</u>	<u>\$ 439,969.76</u>	<u>\$ 2,494,969.76</u>

E. LEASE OBLIGATIONS

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

Operating:

Three (3) Copiers

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

Year	Amount
2021	\$ 5,603.40
2022	5,136.45
	<u>\$ 10,739.85</u>

Rental payments under operating leases for the year 2020 were \$5,603.40.

F. CAPITAL LEASE OBLIGATIONS

The Township had a capital lease agreement in effect for four police vehicles. The capital lease agreement was paid off during 2020 for \$33,850.47.

G. COMPENSATED ABSENCES

Full-time employees are entitled to sick leave and vacation days each year in accordance with the current union contracts. Unused sick leave and vacation days may be accumulated and carried forward to the subsequent year.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

G. COMPENSATED ABSENCES (CONTINUED)

The Township compensates employees for all unused vacation days upon termination or retirement. The current policy also provides for the payment of seventy-five percent of unused sick leave accumulated at the rate of pay upon termination or retirement.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2020, accrued benefits for compensated absences are valued at \$406,510.50.

H. DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a Deferred Compensation Program in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division. The program is offered by the Township through two program administrators, PEBSICO & Equitable. The programs, available to all full-time employees at their option, permit 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.

All amounts of compensation deferred under the plan and all income attributed to those amounts are the exclusive property of the Township of Edgewater Park, subject to the claims of the general creditors of the Township. Participants' rights under the plan are equal to those of a general creditor of the Township in an amount equal to the fair market value of the deferred account for each participant. It is unlikely that the Township would use plan assets to satisfy claims of the general creditors in the future.

Certain provisions of the Job Protection Act of 1997 affect the plan. Commencing on January 1, 1999, 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. On September 3, 1997, the State of New Jersey implemented new regulations that require all new plans to be in compliance with the provisions of the Act. Since the Township's plan was adopted before August 20, 1996, the date the Act was signed into law, the Township has until January 1, 1999, to amend the plan or adopt a new one that complies with the Act and State regulations.

The Township assumes no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

I. PENSION OBLIGATIONS

Public Employees' Retirement System ("PERS")

Plan Description - The State of New Jersey, Public Employees' Retirement System ("PERS") is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits. For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report ("CAFR") which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

I. PENSION OBLIGATIONS (CONTINUED)

Public Employees' Retirement System ("PERS") (Continued)

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007, and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008, and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 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 or more years of service credit before age 62, and tier 5 with 30 or more years of service credit before age 35. 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 their respective tier.

Contributions - The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute fifty percent of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

I. PENSION OBLIGATIONS (CONTINUED)

Public Employees' Retirement System ("PERS") (Continued)

The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of fifteen years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$103,391.00 for 2020. The employee contribution rate was 7.50% effective since July 1, 2018.

Net Pension Liability and Pension Expense - At December 31, 2020, the Township's proportionate share of the PERS net pension liability is valued to be \$1,541,238.00. The net pension liability was measured as of plan year ended June 30, 2020. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Township's proportion measured as of June 30, 2020, was .00945%, which was an increase of .00176% from its proportion measured as of June 30, 2019. The Township's PERS pension expense was \$62,208.00.

Actuarial Valuation Date	July 1, 2019
Net Pension Liability	\$ 4,210,561
Township's Portion of the Plan's Total Net Pension Liability	0.032586%

Actuarial Assumptions - The collective total pension liability for the plan year ended June 30, 2020, measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.00% - 6.00%
	Based on years of service
Thereafter	3.00% - 7.00%
	Based on years of service
Investment Rate of Return	7.00%

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

I. PENSION OBLIGATIONS (CONTINUED)

Public Employees' Retirement System ("PERS") (Continued)

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at plan year ended 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 real rates of return for each major asset class included in PERS's target asset allocation as of plan year ended June 30, 2020, are summarized in the following table:

<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-U.S. 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>	

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

I. PENSION OBLIGATIONS (CONTINUED)

Public Employees' Retirement System ("PERS") (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of plan year ended June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and non-employer contributing entity will be based on 78% of the actuarially determined contribution for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's collective net pension liability of the participating employers as of plan year ended June 30, 2020, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
Local	\$ 1,940,161.53	\$ 1,541,238.00	\$ 1,202,740.48

Deferred Outflows of Resources and Deferred Inflows of Resources - The following presents a summary of the collective deferred outflows of resources and deferred inflows of resources for the plan year ended June 30, 2020:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 28,063.00	\$ 5,450.00
Changes of Assumptions	50,000.00	645,331.00
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	52,681.00	-
Changes in Proportion	380,607.00	193,956.00
	<u>\$511,351.00</u>	<u>\$844,737.00</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

I. PENSION OBLIGATIONS (CONTINUED)

Public Employees' Retirement System ("PERS") (Continued)

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

	Years Ending December 31,
2021	\$ 141,847.00
2022	(168,816.00)
2023	(185,431.00)
2024	(125,536.00)
2025	3,546.00
Thereafter	1,004.00
	<u><u>\$(333,386.00)</u></u>

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

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

Plan Description - The State of New Jersey, Police and Firemen's Retirement System ("PFRS") is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits. For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report ("CAFR") which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service. The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
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, as defined, 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 10 years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. 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. For fiscal year 2020,

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

I. PENSION OBLIGATIONS (CONTINUED)

Police and Firemen's Retirement System ("PFRS") (Continued)

the State contributed an amount less than the actuarially determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of fifteen years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PFRS amounted to \$364,043.00 for 2020.

The employee contributions for PFRS is ten percent of employees' annual compensation, as defined.

Special Funding Situation - 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 are treated as a non-employer 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 to report in the financial statements of the local participating employers related to this legislation. For the special funding situation, the unaudited proportionate share of the net pension liability of the State related to the Township for the year ended December 31, 2020, was .032586% and \$653,460.00. Unaudited State contributions and pension expense for the year ended December 31, 2020, was \$50,283.00 and \$74,057.00 respectively.

Net Pension Liability and Pension Expense - At December 31, 2020, the Township's proportionate share of the PFRS net pension liability is valued to be \$4,210,561.00. The net pension liability was measured as of plan year ended June 30, 2020. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the plan year ended June 30, 2020. The Township's proportion measured as of June 30, 2020, was .03259%, which was an increase of .00328% from its proportion measured as of June 30, 2019. The Township's PFRS pension expense was \$510,556.00.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

I. PENSION OBLIGATIONS (CONTINUED)

Police and Firemen’s Retirement System (“PFRS”) (Continued)

Actuarial Valuation Date	July 1, 2019
Net Pension Liability	\$ 4,210,561
Township's Portion of the Plan's Total Net Pension Liability	0.032586%

The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The State’s proportion of the net pension liability associated with the Township was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of plan year ended June 30, 2020, was .03259%, which was an increase of .00328% from its proportion measured as of June 30, 2019, which is the same proportion as the Township’s.

Township's Proportionate Share of the Net Pension Liability	\$ 4,210,561.00
State's Proportionate Share of the Net Pension Liability Associated with the Township (unaudited)	653,460.00
Total Net Pension Liability	<u>\$ 4,864,021.00</u>

Actuarial Assumptions - The collective total pension liability for the June 30, 2020, measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25% - 15.25%
	Based on years of service
Investment Rate of Return	7.00%

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. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

I. PENSION OBLIGATIONS (CONTINUED)

Police and Firemen’s Retirement System (“PFRS”) (Continued)

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, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at plan year ended 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 real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets 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>	

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

I. PENSION OBLIGATIONS (CONTINUED)

Police and Firemen’s Retirement System (“PFRS”) (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of plan year ended June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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 projected benefit payments to determine the total pension liability.

Sensitivity of the Township’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township’s proportionate share of the collective net pension liability calculated using the discount rate as disclosed above, as well as what the Township’s proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
Local	\$ 6,468,146.16	\$ 4,210,561.00	\$ 3,531,671.67

Deferred Outflows of Resources and Deferred Inflows of Resources - The following presents a summary of the collective deferred outflows of resources and deferred inflows of resources for the plan year ended June 30, 2020:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 42,450	\$ 15,111
Changes of Assumptions	10,596	1,128,826
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	246,885	-
Changes in Proportion	739,173	-
	<u>\$ 1,039,104</u>	<u>\$ 1,143,937</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

I. PENSION OBLIGATIONS (CONTINUED)

Police and Firemen’s Retirement System (“PFRS”) (Continued)

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows for the plan year ended June 30, 2020:

<u>Years Ending December 31,</u>	
2021	\$ 457,731.00
2022	(189,816.00)
2023	(221,325.00)
2024	(114,236.00)
2025	(38,837.00)
Thereafter	1,650.00
	<u>\$ (104,833.00)</u>

Pension Plan Fiduciary Net Position - Detailed information about the pension plan’s fiduciary net position is available in the separately issued PFRS financial statements.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (“DCRP”) is a cost-sharing multiple-employer defined contribution pension fund which was established in 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.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. 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’s contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The Township currently has no employees enrolled in the DCRP.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

J. ASSESSMENTS AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Regional School District, and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3 with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (the "Collector") on or before May 13.

Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1 and November 1 of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one-half of the prior year's tax. The preliminary payments are due and payable on February 1 and May 1. The New Jersey statutes allow a grace period of ten days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of eight percent or eighteen percent of the amount delinquent. If taxes are delinquent on or after April 1 of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1 of the current tax year even though the amount due is not known.

K. POST-EMPLOYMENT BENEFITS OTHER THEN PENSIONS

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

General Information About the OPEB Plan - The Township participates in a cost sharing multiple-employer defined post-retirement benefit plan, which is administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52: 14-17.25 et seq., to provide health care benefits to employees, retirees and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

K. POST-EMPLOYMENT BENEFITS OTHER THEN PENSIONS (CONTINUED)

The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1990, The Township authorized participation in the SHBP's post-retirement benefit program through resolution number 165-2002 on October 23, 2002. The Township adopted the provisions of Chapter 88, Public Laws of 1974 as amended by Chapter 436, P.L. 1981 to permit local public employers to pay the premium charges for certain eligible pensioners and their dependents and to pay Medicare charges for such retirees and their spouses covered by the New Jersey Health Benefits Program. In 2011, Township employees began making health benefit contributions of 1.5% of their base salaries towards the health benefit costs. The total number of plan participants eligible for benefits was 37 at December 31, 2019.

The SHBP provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement medical coverage to their employees must file a resolution with the Division. 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 post-retirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years 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 negotiation agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide post-retirement medical coverage. Local employers were required to file a resolution with the Division 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 post-retirement medical coverage who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

K. POST-EMPLOYMENT BENEFITS OTHER THEN PENSIONS (CONTINUED)

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. As a participating employer the Township will pay and remit to the State treasury contributions to cover the full cost of premiums for eligible pensioners on a basis comparable to the reimbursement made by the State to its eligible pensioners and their spouses in accordance with provisions of Chapter 75, Public Law of 1972.

The Township's contribution to the Plan for the years ended December 31, 2019, was \$36,696 which equaled the required contribution for the year.

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

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer 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 non-employer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The Township's unaudited portion of the non-employer contributing entities' total proportionate share of the collective net OPEB liability as of December 31, 2019, is 0.070441% or \$3,892,372.00. The Township's unaudited portion of the non-employer OPEB expense is \$51,594.00.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

K. POST-EMPLOYMENT BENEFITS OTHER THEN PENSIONS (CONTINUED)

Net OPEB Liability

Components of Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the SHBP as of June 30, 2019, is as follows:

	June 30, 2019
Total OPEB liability	\$ 1,977,119
Plan Fiduciary Net Position	39,083
Net OPEB Liability	<u>\$ 1,938,036</u>
 Plan Fiduciary Net Position as a percentage of total OPEB liability	 1.98%

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

Inflation	2.50%
Salary increases*	
Public Employees' Retirement (PERS)	
Initial fiscal year applied	
Rate Through 2026	2.00% - 6.00%
Rate Thereafter	3.25% - 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	15.25%
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections Scale MP-2019

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

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

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

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

K. POST-EMPLOYMENT BENEFITS OTHER THEN PENSIONS (CONTINUED)

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 Medical Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

Discount Rate

The discount rate for June 30, 2019, was 3.5%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

At June 30, 2019		
At 1% Decrease (2.50%)	At Current Discount Decrease (3.50%)	At 1% Increase (4.50%)
\$ 2,240,863.08	\$ 1,938,036.00	\$ 1,691,949.68

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

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

At June 30, 2019		
At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
\$ 1,635,463.88	\$ 1,938,036.00	\$ 2,324,018.57

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

K. POST-EMPLOYMENT BENEFITS OTHER THEN PENSIONS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 566,757.00
Changes of Assumptions	-	686,797.00
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	1,596.00	-
Changes in Proportion	<u>36,266.00</u>	<u>509,657.00</u>
	<u>\$ 37,862.00</u>	<u>\$ 1,763,211.00</u>

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ (218,713.00)
2021	(218,713.00)
2022	(218,713.00)
2023	(218,713.00)
2024	(218,712.00)
Thereafter	<u>(631,782.00)</u>
	<u>\$ (1,725,346.00)</u>

L. CAPITAL ASSETS

The following schedule is a summarization of the changes in General Capital Assets by Source for the year ended December 31, 2020:

	<u>Balance December 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2020</u>
Land	\$ 7,742,542.00	\$ -	\$ -	\$ 7,742,542.00
Building and Improvements	3,161,414.60	37,341.83	(5,700.00)	3,193,056.43
Furniture, Vehicles and Equipment	1,046,499.69	32,943.00	-	1,079,442.69
Total	<u>\$ 11,950,456.29</u>	<u>\$ 70,284.83</u>	<u>\$ (5,700.00)</u>	<u>\$ 12,015,041.12</u>

M. FUND BALANCE

Of the \$2,673,616 Current Fund balance at December 31, 2020, \$1,250,000 is appropriated in the 2021 budget.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

N. JOINT INSURANCE POOL

The Township is a member of the Burlington County Municipal Joint Insurance Fund (the "Fund"). The Fund provides its members Workers' Compensation and Employer's Liability coverage, Liability Other Than Motor Vehicles coverage, Property Damage Other Than Motor Vehicles coverage, and Motor Vehicles coverage.

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 Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to ensure the payment of the Fund's obligations. The Fund published its own financial report for the year ended December 31, 2018, which can be obtained from:

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

O. INTERFUNDS

The following interfunds remained as of December 31, 2020:

	Interfunds Receivable	Interfunds Payable
Current Fund	\$ 71,498.30	\$ 58,072.70
Trust Other Funds	58,072.70	71,498.30
Total Funds	\$ 129,571.00	\$ 129,571.00

The purpose of these interfunds are short-term borrowings.

P. COVID-19 IMPACT

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Township operates. Due to the impact of New Jersey Governor Murphy's Executive Order No. 107 dated March 21, 2020, mandating statewide stay-at-home practices and closure of all non-essential retail businesses, it is reasonably possible that revenues could decline. It is unknown how long these conditions will last and what the complete financial effect will be to the Township.

Q. SUBSEQUENT EVENTS

The American Rescue Plan Act of 2021 was signed on March 11, 2021, and authorized federal funding to provide direct financial relief funds to the public in response to COVID-19. Included in the plan was \$130 billion in emergency funding for local government entities. Of the funding provided for local governments in the State of New Jersey, \$905,068.99 was allocated to the Township of Edgewater Park, split evenly between years 2021 and 2022.

APPENDIX C

FORM OF BOND COUNSEL OPINION

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June __, 2022

Mayor and Township Committee
of the Township of Edgewater Park
400 Delanco Road
Edgewater Park, New Jersey 08010

**Re: \$ _____ TOWNSHIP OF EDGEWATER PARK, COUNTY OF
BURLINGTON, NEW JERSEY, GENERAL OBLIGATION
BONDS, SERIES 2022**

Ladies and Gentlemen:

We have served as Bond Counsel to the Township of Edgewater Park, County of Burlington, New Jersey ("Township") in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Bonds"). The Bonds consist of \$ _____ aggregate principal amount of General Improvement 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 May 17, 2022 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on June __, 2022 ("Award Certificate").

The Bonds are dated their date of delivery, mature on June 15 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 June 15 and December 15, commencing June 15, 2023, in each year until maturity or earlier redemption.

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Interest Rate</u>
2023	\$325,000	%
2024	\$550,000	
2025	\$525,000	
2026	\$525,000	
2027	\$525,000	
2028	\$550,000	
2029	\$550,000	
2030	\$575,000	
2031	\$600,000	
2032	\$625,000	
2033	\$650,000	

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.

Sincerely,

APPENDIX D

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this ____ day of July, 2022 between the Township of Edgewater Park, County of Burlington, 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 \$ _____ ("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 Series 2022 Bonds, and other filers on behalf of such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

"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 July ____, 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, 2022). 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) the Township's annual financial statements, substantially in the form set forth in Appendix B to the Official Statement, 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; and (ii) certain financial information and operating data of the Township consisting of Township indebtedness, property valuation information, and tax rate, levy and collection data. Each annual audited financial statements 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 eight (8) 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.

(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 two (2) 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.

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.

SECTION 9. Prior Compliance With the Rule. Except as specifically set forth in the Official Statement, the Township covenants that it has never failed to comply with any previous undertakings to provide secondary market disclosure pursuant to the Rule.

SECTION 10. 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 11. 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 Edgewater Park, New Jersey
400 Delanco Road
Edgewater Park, New Jersey 08010
Attention: Tara Krueger, Chief Financial Officer

(ii) If to the Dissemination Agent:

Phoenix Advisors LLC
625 Farnsworth Avenue
Bordentown, New Jersey 08505
Attention: Anthony P. Inverso, Senior Managing Director

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 11 for the giving of notice.

SECTION 12. 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 13. 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 14. 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 15. 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 16. 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 17. 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 18. 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 19. 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 EDGEWATER PARK,
NEW JERSEY**

By: _____
TARA KRUEGER, Chief Financial Officer

PHOENIX ADVISORS, LLC, as Dissemination Agent

By: _____

Name: _____

Title: _____

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: Township of Edgewater Park, New Jersey

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

Date of Issuance of the Affected
Bond Issue: July ____, 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 July ____, 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 Edgewater Park, New Jersey

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: Township of Mount Holly, New Jersey

Name of Bond Issues Affected: Taxable General Obligation Refunding Bonds, Series 2020

Date of Issuance of the Affected
Bond Issue: August 5, 2020

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 August 5, 2020, 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 Mount Holly, New Jersey