

**SUPPLEMENT TO PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 18, 2022  
FOR**

**\$8,535,000\***  
**TOWNSHIP OF WEST DEPTFORD**  
**COUNTY OF GLOUCESTER, NEW JERSEY**  
**GENERAL OBLIGATION BONDS, SERIES 2022**  
**CONSISTING OF**  
**\$3,310,000\* GENERAL IMPROVEMENT BONDS, SERIES 2022**  
**AND**  
**\$5,225,000\* WATER AND SEWER UTILITY BONDS, SERIES 2022**

The Preliminary Official Statement, dated August 18, 2022 (the "Preliminary Official Statement"), relating to the above-captioned bonds (the "Bonds") is hereby amended and supplemented as described below. This Supplement constitutes an integral part of and should be read in conjunction with the Preliminary Official Statement. All capitalized terms not defined herein shall have the meanings set forth in the Preliminary Official Statement.

1. The first paragraph on the front cover page of the Preliminary Official Statement is replaced and restated in its entirety as follows (new language is bold and underlined):

"In the opinion of Gibbons P.C., Bond Counsel to the Township (as defined herein), assuming continuing compliance by the Township with certain tax covenants described herein, under existing law, interest on the Bonds (as defined herein) is excluded from the gross income of the owners of the Bonds for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax, **however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code.** Under existing law, interest on the Bonds and net gains from the sale of the Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein."

2. The second paragraph of the section entitled "TAX MATTERS - Exclusion of Interest on the Bonds from Gross Income for Federal Income Tax Purposes" is replaced and restated in its entirety as follows (new language is bold and underlined):

"Assuming the Township observes its covenants with respect to continuing compliance with the Code, Gibbons P.C., Bond Counsel to the Township, is of the opinion that, under existing law, interest on the Bonds is excluded from the gross income of the owners of the Bonds for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax, **however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code.**"

3. The third paragraph of the section entitled "TAX MATTERS - Additional Federal Income Tax Consequences" is replaced and restated in its entirety as follows (new language is bold and underlined):

"Bond Counsel expresses no opinion regarding any Federal tax consequences other than its opinions with regard to the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code, interest on the Bonds not constituting an item of tax preference under Section 57 of the Code, **and for tax years beginning after December 31, 2022, interest on the Bonds being included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code.** Prospective purchasers of the Bonds should consult their tax

advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Bonds.”

4. Appendix D to the Preliminary Official Statement (Form of Opinion of Gibbons, P.C., Bond Counsel) is hereby replaced with the form of opinion contained in Exhibit A attached hereto (new language is bold and underlined):

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\* Preliminary, subject to change.

Dated: August 23, 2022

Exhibit A

August \_\_, 2022

Mayor and Township Committee  
Township of West Deptford  
400 Crown Point Road  
West Deptford, New Jersey 08086

Dear Mayor and Committee Members:

We have examined certified copies of the proceedings of the Committee of the Township of West Deptford, in the County of Gloucester, State of New Jersey (the "Township"), including ordinances, affidavits and certificates delivered by officials of the Township, and other proofs submitted to us relative to the issuance and sale by the Township of its \$\_\_\_\_\_ General Obligation Bonds, Series 2022, consisting of \$\_\_\_\_\_ General Improvement Bonds, Series 2022 (the "Series 2022A Bonds"), and \$\_\_\_\_\_ Water and Sewer Utility Bonds, Series 2022 (the "Series 2022B Bonds", and together with the Series 2022A Bonds, the "Bonds"), dated their date of delivery.

The Bonds are issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended (the "Local Bond Law"), a resolution of the Township adopted on August 17, 2022 and various bond ordinances of the Township in all respects duly adopted by the Committee of the Township.

Each of the Bonds is dated the date of delivery, bears interest at the interest rate set forth on the face of the Bonds and matures on April 1 in the years and principal amounts as set forth below:

<u>Year</u>	<u>Series 2022A Bonds</u>	<u>Series 2022B Bonds</u>
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		

The Bonds are subject to redemption prior to their stated maturities.

We have examined the Local Bond Law and such other laws and originals (or copies certified or otherwise identified to our satisfaction) of such instruments, certificates and documents as we deem necessary to render the opinions set forth herein. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the Local Bond Law, and other applicable provisions of law, and that the Bonds have been duly authorized, executed and delivered and are a valid and legally binding obligation of the Township.

2. The Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

3. Under existing law, interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax, **however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code.** We express no opinion regarding any other Federal income tax consequences arising with respect to the Bonds.

4. Under existing law, interest on the Bonds and net gains from the sale of the Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

With respect to our federal income tax opinion, we note that the Code imposes certain requirements that must be met on the date of issuance and on a continuing basis subsequent to the issuance of the Bonds in order for interest on the Bonds to be excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code. The Township has made certain representations and covenants in its tax certificate, which is executed on the date of issuance of the Bonds, as to various tax requirements. In addition, the Township has covenanted to comply with the provisions of the Code applicable to the Bonds and has covenanted not to take any action or fail to take any action to be taken which would cause the interest on the Bonds to lose the exclusion from gross income for Federal income tax purposes under Section 103 of the Code or cause interest on the Bonds to be treated as an item of tax preference under Section 57 of the Code. With your permission, we have relied upon the representations made in the tax certificate and have assumed continuing compliance by the Township with the above covenants in rendering our federal tax opinion with respect to the exclusion of interest on the Bonds from gross income for Federal income tax purposes and with respect to interest on the Bonds not constituting an item of tax preference.

Attention is called to the fact that for purposes of this letter we have not been requested to examine and have not examined any documents or information relating to the Township other than the certified copies of the proceedings and proofs referred to hereinabove, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of said Bonds.

Our opinion concerning the enforceability of the Bonds is subject to federal and state laws regarding bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and remedies generally (including, without limitation, laws relating to fraudulent conveyance, and by general principles of law and equity (regardless of whether enforcement is considered or sought in

proceedings at law or in equity) and by limitation on remedial rights under applicable law). Their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The opinions expressed herein are based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions, or laws or judicial decisions hereafter enacted or rendered. Our engagement by the Township with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of laws or judicial decisions hereafter enacted or rendered which impact on this opinion letter.

This opinion letter is rendered to you in connection with the above described transaction. This opinion letter may not be relied upon by you for any other purpose, or relied upon by, or furnished to, any other person, firm or corporation without our prior written consent. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

Very truly yours,

Gibbons P.C.

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 18, 2022

NEW ISSUE - BOOK-ENTRY ONLY

RATING: S&P: "AA-"

*In the opinion of Gibbons P.C., Bond Counsel to the Township (as defined herein), assuming continuing compliance by the Township with certain tax covenants described herein, under existing law, interest on the Bonds (as defined herein) is excluded from the gross income of the owners of the Bonds for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. Under existing law, interest on the Bonds and net gains from the sale of the Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.*

**\$8,535,000\***

**TOWNSHIP OF WEST DEPTFORD  
County of Gloucester, New Jersey  
GENERAL OBLIGATION BONDS, SERIES 2022**

**Consisting of**

**\$3,310,000\* GENERAL IMPROVEMENT BONDS, SERIES 2022**

**and**

**\$5,225,000\* WATER AND SEWER UTILITY BONDS, SERIES 2022  
(BANK-QUALIFIED) (CALLABLE)**

**Dated: Date of Delivery**

**Due: April 1, as shown on inside front cover**

The \$8,535,000\* General Obligation Bonds, Series 2022, consisting of \$3,310,000\* General Improvement Bonds, Series 2022 (the "General Improvement Bonds") and \$5,225,000\* Water and Sewer Utility Bonds, Series 2022 (the "Water and Sewer Utility Bonds," and together with the General Improvement Bonds, the "Bonds") of the Township of West Deptford, New Jersey (the "Township") will be issued in registered form, and, when issued, will be registered in the name of Cede & Co. ("Cede"), as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house transactions, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form without certificates in the denominations of \$1,000 each or any integral multiple thereof. Provided DTC or its nominee Cede is the registered owner of the Bonds, payments of the principal and interest (payable semi-annually April 1, 2023 and on each October 1 and April 1 thereafter until maturity or prior optional redemption) on the Bonds will be made directly to DTC or its nominee, which is obligated to remit such principal and interest to DTC Participants and Indirect Participants, each as defined herein. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day calendar months. DTC Participants and Indirect Participants, will be responsible for remitting such payments to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry Only System" herein.

The Bonds are being issued pursuant to the Local Bond Law of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended, various ordinances and a resolution in order to provide funds to (i) refund, on a current basis, certain outstanding bond anticipation notes of the Township, (ii) permanently finance certain unfinanced water and sewer utility improvements of the Township and (iii) pay certain costs incurred in connection with the issuance of the Bonds.

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of, redemption premium, if any, and interest on the Bonds. The Bonds will be valid and binding general obligations of the Township payable as to principal, redemption premium, if any, and interest from the levy of *ad valorem* taxes levied upon all the taxable property within the Township, without limitation as to rate or amount.

The Bonds are subject to redemption prior to their respective maturity dates as described herein. See "THE BONDS –Optional Redemption Provisions" herein.

FOR MATURITIES, INTEREST RATES, YIELDS, AND CUSIP NUMBERS SEE INSIDE FRONT COVER HEREOF.

*The Bonds are offered when, as and if issued and delivered to the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of Gibbons P.C., Newark, New Jersey and certain other conditions described herein. Acacia Financial Group, Inc., Mt. Laurel, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Bonds. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about August 31, 2022, in New York, New York, or at such other place and time as may be agreed to by the Township.*

**ELECTRONIC BIDS VIA BIDCOMP/PARITY FOR THE BONDS  
WILL BE RECEIVED IN ACCORDANCE WITH THE NOTICE OF SALE  
UNTIL 11:00 A.M. ON AUGUST 24, 2022**

\* Preliminary, subject to change.

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, and is otherwise subject to change in accordance with applicable law. 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 these securities 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.

**MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS**

**\$8,535,000 GENERAL OBLIGATION BONDS, SERIES 2022**

<u>Year</u>	<u>General Improvement Bonds</u>	<u>Water and Sewer Utility Bonds</u>	<u>Combined Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.*</u>
2023	\$140,000	\$185,000	\$325,000	%	%	952496
2024	145,000	185,000	330,000			952496
2025	190,000	200,000	390,000			952496
2026	200,000	205,000	405,000			952496
2027	205,000	215,000	420,000			952496
2028	210,000	220,000	430,000			952496
2029	215,000	225,000	440,000			952496
2030	220,000	235,000	455,000			952496
2031	230,000	240,000	470,000			952496
2032	235,000	250,000	485,000			952496
2033	245,000	255,000	500,000			952496
2034	255,000	265,000	520,000			952496
2035	265,000	275,000	540,000			952496
2036	275,000	285,000	560,000			952496
2037	280,000	300,000	580,000			952496
2038		310,000	310,000			952496
2039		325,000	325,000			952496
2040		335,000	335,000			952496
2041		350,000	350,000			952496
2042		365,000	365,000			952496

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\* CUSIP is a registered trademark of American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Global Market 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 is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the 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 WEST DEPTFORD  
IN THE COUNTY OF GLOUCESTER, NEW JERSEY**

**MAYOR**

James P. Mehaffey

**TOWNSHIP COUNCIL**

Adam Reid  
Ashley Morrell  
Jim Robinson  
Megan Kerr

**TOWNSHIP ADMINISTRATOR**

Lee Ann DeHart

**CHIEF FINANCIAL OFFICER**

Michael T. Kwasizur

**TOWNSHIP CLERK**

Lee Ann DeHart

**INDEPENDENT AUDITOR**

Bowman & Company LLP  
Woodbury and Voorhees, New Jersey

**TOWNSHIP ATTORNEY**

Law Office of Timothy D. Scaffidi  
Woodbury, New Jersey

**MUNICIPAL ADVISOR**

Acacia Financial Group, Inc.  
Mt. Laurel, New Jersey

**BOND COUNSEL**

Gibbons P.C.  
Newark, New Jersey



**No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. 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 of accuracy or completeness by the 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, resolutions, agreements, reports and 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 offices of the Township 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 Statements. If given or made, such other information or representations must not be relied upon as having been authorized by the Township or the Underwriter.**

**TOWNSHIP OF WEST DEPTFORD, GLOUCESTER COUNTY, NEW JERSEY**

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**OFFICIAL STATEMENT  
RELATING TO  
\$8,535,000\* GENERAL OBLIGATION BONDS, SERIES 2022  
CONSISTING OF  
\$3,310,000\* GENERAL IMPROVEMENT BONDS, SERIES 2022  
AND  
\$5,225,000\* WATER AND SEWER UTILITY BONDS, SERIES 2022  
  
OF THE TOWNSHIP OF WEST DEPTFORD,  
IN THE COUNTY OF GLOUCESTER, NEW JERSEY**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of West Deptford (the “Township”), in the County of Gloucester (the “County”), State of New Jersey (the “State”), and provides certain information relating to the Township in connection with the sale and issuance of \$8,535,000\* General Obligation Bonds, Series 2022, consisting of \$3,310,000\* General Improvement Bonds, Series 2022 (the “General Improvement Bonds”) and \$5,225,000\* Water and Sewer Utility Bonds, Series 2022 (the “Water and Sewer Utility Bonds,” and together with the General Improvement Bonds, the “Bonds”). This Official Statement has been executed by and on behalf of the Township by the Chief Financial Officer and may be distributed in connection with the sale of the Bonds described herein.

**THE BONDS**

Description of the Bonds

The Bonds shall be dated their date of delivery and will mature on April 1 of each year as shown on the inside front cover hereof. The Bonds shall bear interest from their date, payable on each April 1 and October 1, commencing April 1, 2023 (each, an “Interest Payment Date”), in each year until maturity or prior optional redemption at the rates per annum shown on the inside front cover page hereof. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day calendar months. Principal of and interest on the Bonds will be paid to The Depository Trust Company, New York, New York (“DTC”), acting as securities depository, by the Chief Financial Officer, acting as “Bond Registrar/Paying Agent”. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of the fifteenth day of the month preceding the month in which such Interest Payment Date occurs (the “Record Dates” for the payment of interest on the Bonds).

The Bonds are issued as fully registered book-entry bonds in the form of one certificate for each maturity of each series and in the principal amount of such maturity. The Bonds will be issued in book-entry form only in the amount of \$1,000 each or any integral multiple thereof. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner for

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\* Preliminary, subject to change.

the Bonds, payments of the principal of and interest on the Bonds will be made by the Paying Agent directly to Cede & Co., (or any successor or assign), as nominee for DTC. Disbursement of such payments to the participants of DTC is the responsibility of DTC. Disbursement of such payments to the beneficial owners is the responsibility of the DTC participants. See “THE BONDS – Book-Entry Only System” below.

### Optional Redemption Provisions

The Bonds maturing on or prior to April 1, 2032 shall not be subject to redemption prior to their respective maturity dates. The Bonds maturing on or after April 1, 2033 shall be subject to redemption prior to their respective maturity dates, on or after April 1, 2032 at the option of the Township, either in whole or in part at any time in any order of maturity at one hundred percent (100%) of the principal amount of the Bonds being redeemed (the “Redemption Price”), plus in each case accrued interest thereon to the date fixed for redemption.

Notice of Redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Township, at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. However, so long as DTC (or any successor thereto) acts as securities depository for the Bonds, Notices of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Bonds, and will be done in accordance with DTC procedures. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Township determines to redeem a portion of the Bonds of a maturity, such Bonds shall be selected by lot. If Notice of Redemption has been given as described herein, the Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Bonds redeemed.

### Book-Entry Only System

The following description 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 concerning these matters.

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 series for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or

regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices 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 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 as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township, 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 securities depository with respect to the Bonds at any time by giving reasonable notice to the Township or paying agent, if any. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.

**AUTHORIZATION AND PURPOSE OF THE BONDS**

The Bonds have been authorized and are to be issued pursuant to the laws of the State of New Jersey, including the Local Bond Law constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended (N.J.S.A. 40A:2-1 *et seq.*), the (“Local Bond Law”), various bond ordinances adopted by the Township Council and by virtue of a resolution of the Township adopted on August 17, 2022 authorizing the Bonds (the “Resolution”).

The Bonds are being issued to provide funds to (i) refund, on a current basis, certain outstanding bond anticipation notes of the Township, (ii) permanently finance certain unfinanced water and sewer utility improvements of the Township and (iii) pay certain costs incurred in connection with the issuance of the Bonds.

The projects to be funded in the sale are listed below.

General Improvement Bonds

<u>ORDINANCE NUMBER</u>	<u>DESCRIPTION</u>	<u>AMOUNT FUNDED BY BOND PROCEEDS</u>
2019-16	Various Capital Improvements	\$ 668,133.62
2021-10	Various Capital Improvements	1,527,681.32
2022-06	Various Capital Improvements	1,114,185.06
	<b>TOTAL</b>	\$3,310,000.00

Water and Sewer Utility Bonds

<u>ORDINANCE NUMBER</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
2019-11	Various Water/Sewer Utility Improvements	\$3,620,000.00
2021-14	Various Water/Sewer Utility Improvements	1,605,000.00
	<b>TOTAL</b>	\$5,225,000.00

**PAYMENT OF AND SECURITY FOR THE BONDS**

The Bonds are general obligations of the Township and unless paid from other sources, the Township is authorized and required by law to levy *ad valorem* taxes on all property taxable by the Township for the payment of the principal of and interest on the Bonds without limitation as to rate or amount. Payment of such principal and interest, however, is not limited to any particular fund or source of revenue of the Township. The Township is required to include the total amount of interest and debt redemption charges on all of its general obligation indebtedness for the succeeding year in the annual budget.

Enforcement of a claim for payment of principal of or interest on bonds or notes of the Township is subject to applicable provisions of Federal bankruptcy laws and to the provisions of statutes, if any, hereafter enacted by the Congress of the United States or the Legislature of the State of New Jersey, providing extension for payment of principal of or interest on the Bonds or imposing other constraints upon enforcement of such contracts insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission.

No principal or interest payments on Township indebtedness are past due. The Township has never defaulted on the payment of any bonds or notes.

## **MARKET PROTECTION**

During the remainder of 2022, the Township does not anticipate issuing additional bonds. Based on the current financial condition of the Township, it is not anticipated that any tax anticipation notes will be issued during 2022. The Township may issue bond anticipation notes during the remainder of 2022, as may be necessary.

## **PROVISIONS WITH REGARD TO TOWNSHIP GENERAL OBLIGATION DEBT**

This summary does not purport to be a full and complete statement of all of the provisions referred to herein, and the cited statutes should be read in full for a complete understanding of all of said provisions.

### **Local Bond Law**

The Local Bond Law (N.J.S.A. 40A:2-1 et. seq.). The Local Bond Law generally governs the issuance of bonds and notes by local units to finance certain capital improvements and appropriations. The Local Bond Law requires that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of capital expenditures. All bonds and notes issued by the Township are general (“full faith and credit”) obligations.

### **Debt Limits**

Debt Limits. The net authorized debt of all local units which are municipalities in the State of New Jersey is generally limited by statute to an amount equal to 3.5% of its equalized valuation basis. The equalized valuation basis of the local unit is set by statute as the average for the last three years of the sum of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as annually determined by the State Department of the Treasury, Division of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Exceptions To Debt Limits - Extensions Of Credit. The debt limit of a local unit may be exceeded with the approval of the Local Finance Board, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Local Unit must 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 ability of a Local Unit to meet its obligations or to provide essential services, and the Local Finance Board makes other statutory determinations, approval is granted.

School Debt. In the State of New Jersey, in a Type II school district without a Board of School Estimate, school debt authorized by the board of education must be approved by the registered voters of that school district. When the amount authorized exceeds the school district’s limit, the district may use the municipality’s share of available borrowing capacity upon approval of the proposed debt by the State Commissioner of Education and the Local Finance Board, and



subsequently by the registered voters of the district. School debt of a Type I school district is authorized by a Board of School Estimate and the governing body of a local unit.

## **Local Budget Law**

The Local Budget Law (N.J.S.A. 40A:4-1, et seq.). The foundation of the New Jersey local finance system is the annual budget. Every local unit must adopt an operating budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division (the “Director”) prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review focusing on anticipated revenues serves to protect the solvency of all local units. The budgets of local units must be in balance; i.e., total anticipated revenues must equal total appropriations.

If in any year a Local Unit’s expenditures exceed (or are less than) its realized revenues for that year, then such deficit (excess) must be raised (accounted for) in the succeeding year’s budget.

Real Estate Taxes. The same general principal that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The Local Budget Law (N.J.S.A. 40A:4-29) provides that the maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the Local Unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year.

The Local Budget Law (N.J.S.A. 40A:4-41) also 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.

This provision requires that an additional amount (the “Reserve For Uncollected Taxes”) be added to the tax levy required to balance the budget so that when the percentage collected of the prior year’s tax levy is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget. The Reserve For Uncollected Taxes is calculated to be the levy required to balance a local unit’s budget multiplied by the prior year’s percentage of uncollected taxes (or a lesser percentage).

Miscellaneous Revenues. The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenue 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 Director 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.

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof with the exception of the inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation.

See “COVID-19 RISK FACTORS” herein for a discussion of recent amendments to N.J.S.A. 40A:4-26 in response to the COVID-19 outbreak.

Appropriation and Tax Levy CAP Limitations. Chapter 68 of the Pamphlet Laws of 1976 (N.J.S.A. 40A:4-45.1 et seq.), as amended and supplemented by P.L. 1983, c. 49, P.L. 1990, c.89, and by P.L. 2004, c.74 (the “CAP Law”), imposes restrictions which limit the allowable increase in municipal appropriations over the previous year’s appropriations to the lesser of 102.5% or the increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services as published by the United States Department of Commerce (the “Cost-of-Living Adjustment”). If the Cost-of-Living Adjustment is less than or equal to 2.5% an increase equal to 3.5% will be permitted by adoption of an ordinance. If the Cost-of Living Adjustment is greater than 2.5%, an increase in any amount above 2.5% will be permitted upon passage of a referendum. This limitation is subject to the following exceptions among others: (i) all debt service payments; (ii) the amount of revenue generated by the increase in valuations within the municipality based solely on applying the preceding year’s municipal tax rate to the apportionment valuation of new construction or improvements within the municipality and such increase shall be levied in direct proportion to said valuation; (iii) capital expenditures funded by any source; (iv) an increase involving certain defined categories of emergency appropriations as approved by the Director in certain cases; (v) amounts required to be paid pursuant to any contract between the municipality and any political subdivision or public body in connection with the provision and/or financing of projects for certain public purposes such as water, sewer, parking, senior citizens’ housing or any similar purpose; or (vi) that portion of the municipal tax levy which represents funding to participate in any Federal or State aid program and amounts received or to be received from Federal, State or other funds in reimbursement for local expenditures.

Additionally, the Legislature of the State of New Jersey has previously enacted P.L. 2007, c. 62 (the "Property Tax Act") effective April 3, 2007, which imposed a 4% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The Property Tax Act was amended by the provisions of P.L. 2010, c. 44 effective July 13, 2010 (the "Amendment") and applicable to the next budget year following enactment. The Amendment reduces the tax levy cap to 2% from 4%, limits exclusions only to capital expenditures, including debt service, certain increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare cost increases in excess of 2% and extraordinary costs directly related to a declared emergency. Waivers from the Division of Local Government Services or the Local Finance Board are no longer available under the Amendment.

For municipalities, the levy cap is in addition to the existing appropriation cap; both cap laws must be met.

Deferral of Current Expenses. A local unit may make emergency appropriations after the adoption of a budget and the determination of the tax rate, but only to meet unforeseen pressing needs to protect or promote public health, safety, morals or welfare, or to provide temporary housing or public assistance. With limited exceptions set forth below, such appropriations must

be included in full in the following year's budget. If such emergency appropriations exceed 3% of the adopted operating budget, consent of the Director is required (N.J.S.A. 40A:4-46, -47, -49). The exceptions are certain enumerated quasi-capital projects such as ice, snow, and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, revision of ordinances, and master plan preparations, which may be amortized over five years (N.J.S.A. 40A:4-55, -55.3). See "COVID-19 RISK FACTORS" herein for a discussion of recent amendments to N.J.S.A. 40A:4-26 in response to the COVID-19 outbreak.

Under the CAP Law, emergency resolutions aggregating less than 3% of the previous year's final current operating appropriations may be raised in that portion of the budget outside its limitations if approved by at least two-thirds of the members of the governing body and the Director. Emergency resolutions that aggregate more than 3% of the previous year's final current operating appropriations must be raised within its limitations. Emergency resolutions for debt service, capital improvements, the Township's share of Federal or State grants and other statutorily permitted items are outside its limitation.

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. Subaccounts (line items) within an appropriation are not subject to the same year-end transfer restriction; however, they are subject to internal review and approval.

Capital Budget. In accordance with the Local Budget Law, each local unit must adopt and annually revise a capital program budget. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over a period of up to six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body of a local unit setting forth the items and the method of financing or from the annual operating budget if the items were detailed.

Operation of Utilities. Municipal public utilities are supported, in addition to the general taxing power upon real property, by the revenues generated by the respective operations of the utilities.

For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to fully provide for debt service. The regulations regarding anticipation of revenue and deferral of charges apply equally to the budgets of the utilities.

Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the current or operating budget.

## **Local Fiscal Affairs Law**

Local Fiscal Affairs Law (N.J.S.A. 40A:5-1, et seq.). This law regulates the nonbudgetary financial activities of local governments. The chief financial officer of a local unit must file annually with the Director a verified statement of the financial condition of the local unit. The statements of the Township are on file with its Clerk.

An independent examination of a local unit's financial statements must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division's "Requirements of Audit," includes recommendations for improvement of a local unit's financial procedures and must be filed with the Clerk within six months after the close of its fiscal year and, within five days thereafter, a certified duplicate copy must be filed in the office of the Director (N.J.S.A. 40A:5-6). The filing date of an audit may be extended by the Director upon a showing of good cause. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion (N.J.S.A. 40A:5-7).

Unaudited financial statements for the year ended December 31, 2021 and audited financial statements for the year ended December 31, 2020 appear in Appendix B to this Official Statement.

### **Municipal Finance Commission (N.J.S.A. 52:27-40)**

Any county, municipality, school district or other political subdivision of the State has the power to file a petition with any United States court or courts in bankruptcy under the federal bankruptcy act for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts, provided that the approval of the Municipal Finance Commission of New Jersey has been obtained. The powers of the Municipal Finance Commission of New Jersey have been vested in the Local Finance Board.

### **COVID-19 RISK FACTORS**

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, then President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy (the "Governor") of the State declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread throughout the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measures, which altered the behavior of businesses and people, have had and may continue to have negative impacts on regional, state and local economies. The public health emergency was terminated on June 4, 2021 but the state of emergency remained in effect via Executive Order 244. However, on January 11, 2022, the Governor restated the existing state of emergency and reinstated a public health emergency via Executive Order 280, effective immediately, in order to ensure that the State was able to respond to the threat of COVID-19 and the Omicron variant. The public health emergency declaration, which allowed existing orders to continue in effect, was set to expire thirty (30) days from January 11, 2022 but was extended via Executive Order 288 for an additional thirty (30) days, effective February 10, 2022. The public health emergency was terminated on March 7, 2022 via Executive Order 292; The existing state of emergency remains in effect. See <https://covid19.nj.gov> for further detail regarding the impact of COVID-19 on the State and the Governor's various executive orders.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020, c. 74 ("Chapter 74") on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five-year period (either through the issuance of special emergency notes or raised internally without borrowing). Specifically, Chapter 74 authorizes special emergency appropriations for:

(1) direct COVID-19 response expenses; and (2) deficits in prior year's operations attributable to COVID-19 (the beginning of the five-year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five-year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five-year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings related to the COVID-19 pandemic. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19. The Township does not anticipate authorizing these special emergency appropriations or issuing special emergency notes in order to address any financial impact caused by the COVID-19 pandemic.

As of the date hereof, the Township's overall finances and operations have not been materially or adversely impacted by the COVID-19 pandemic. The Township cannot reasonably predict how the COVID-19 outbreak may impact the future financial condition or operations of the Township, whether there will be any impact on the assessed values of property within the Township or unexpected deferrals of tax payments to the Township, or the costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain facilities, or costs to operate remotely and support Township functions and critical government actions during an outbreak, or any resulting impact such costs could have on the Township's operations

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 12, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to \$1,400 increase in direct stimulus payments 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 provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Township.

Based on available information as of the date hereof, the Township expects to receive a total of approximately \$2,195,946.28 from the Plan. Such funds are expected to be received in two equal payments, one within 60 days of enactment of the Plan and the balance no earlier than 12 months from the initial payment. The deadline to obligate the funds is December 31, 2024, and to spend funds is December 31, 2026.

Generally, according to the Plan, the allowable use of the funds to be provided to the Township include the following categories: (a) to 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; (b) to 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; (c) for the provision of government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the Township, prior to the emergency; (d) to make necessary investments in water, sewer or broadband infrastructure.

The Township received its second installment under the Plan in amount of \$1,097,973.14 on July 8, 2022. It intends to utilize some of the funding for stormwater infrastructure. The additional uses of the funds are still to be determined.

## **LITIGATION**

In the opinion of the Law Office of Timothy D. Scaffidi, the Township Attorney, there is no litigation pending or threatened, restraining or enjoining the issuance or delivery of the Bonds offered for sale or the levy or collection of any taxes to pay interest on or principal of the Bonds, or in any manner questioning the authority of proceedings for the issuance of the Bonds or for the levy or collection of said taxes. Moreover, to the knowledge of the Township Attorney no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided.

## **LEGAL MATTERS**

The legality of the Bonds will be subject to the final approving opinion of Gibbons P.C., Bond Counsel to the Township, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as Appendix D. Certain legal matters will be passed on for the Township by its Counsel, Law Office of Timothy D. Scaffidi, Woodbury, New Jersey.

## **TAX MATTERS**

### **Exclusion of Interest on the Bonds from Gross Income for Federal Income Tax Purposes**

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met on the date of issuance and on a continuing basis subsequent to the issuance of the Bonds in order to assure that interest on the Bonds will be excluded from gross income for purposes of Federal income taxation under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Bonds to lose the exclusion from gross income for Federal income tax purposes, retroactive to the date of the issuance of the Bonds. The Township will make certain representations in its tax certificate, which will be executed on the date of issuance of the Bonds, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Bonds and has covenanted not to take any action or fail to take any action that would cause the interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code or cause interest on the Bonds to be treated as an item of tax preference under Section 57 of the Code. Gibbons P.C., Bond Counsel to the Township, has relied upon the representations of the Township made in its tax certificate and has assumed continuing compliance by the Township with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Bonds from gross

income for federal income tax purposes and with respect to the treatment of interest on the Bonds for the purposes of alternative minimum tax.

Assuming the Township observes its covenants with respect to continuing compliance with the Code, Gibbons P.C., Bond Counsel to the Township, is of the opinion that, under existing law, interest on the Bonds is excluded from the gross income of the owners of the Bonds for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

### **Tax Treatment of Original Issue Premium**

The initial public offering price of certain of the Bonds (the “Premium Bonds”) is greater than the principal amount of such Bonds payable at maturity. An amount equal to the excess of the purchase price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the Premium Bond’s yield to maturity. As premium is amortized, the purchaser's basis of such Premium Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for Federal income tax purposes on the sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis is reduced, no Federal income tax deduction is allowed.

Purchasers of any Premium Bonds, whether at the time of initial issuance or subsequent thereto, should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning such Premium Bonds.

### **Additional Federal Income Tax Consequences**

Prospective purchasers of the Bonds should be aware that ownership of, accrual of, receipt of, interest on, or disposition of, tax-exempt obligations, such as the Bonds, may have additional Federal income tax consequences for certain taxpayers, including without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds should consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

The Bonds have been designated by the Township as “Qualified Tax-Exempt Obligations” for purposes of Section 265(b)(3) of the Code. The Township intends that, by such designation of the Bonds, the Bonds will not be subject to Section 265(b)(1) of the Code, which relates to the complete disallowance of deduction for interest expense of certain financial institutions that is allocable to interest on certain tax-exempt obligations acquired by a financial institution after August 7, 1986. The interest expense of certain financial institutions allocable to Qualified Tax-Exempt Obligations is subject to Sections 291(a)(3) and 291(e)(1)(B) of the Code, relating to the

non-deductibility of twenty (20) percent of the interest expense allocable to such tax-exempt obligations.

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

### **State Taxation**

Bond Counsel to the Township is of the opinion that, under existing law, interest on the Bonds and net gains from the sale of the Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

### **Miscellaneous**

Amendments to federal and state tax laws are proposed from time to time and could be enacted, and court decisions and administrative interpretations may be rendered, in the future. There can be no assurance that any such future amendments or actions will not adversely affect the value of the Bonds, the exclusion of interest on the Bonds from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Bonds or any other date, or that such changes will not result in other adverse federal or state tax consequences.

**ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE BONDS.**

### **SECONDARY MARKET DISCLOSURE**

The Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the “Securities Exchange Act”) has adopted amendments to its Rule 15c2-12 (“Rule 15c2-12”) effective July 3, 1995 which generally prohibits a broker, dealer or municipal securities dealer (“Participating Underwriter”) from purchasing or selling municipal securities, such as the Bonds, unless the Participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board through its electronic data program, the Electronic Municipal Market Access System (“MSRB”) (the “Continuing Disclosure Requirements”).

On the date of delivery of the Bonds, the Township will enter into a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) containing the Continuing Disclosure Requirements for the benefit of the beneficial holders of the Bonds pursuant to which the Township will agree to comply on a continuing basis with the Continuing Disclosure Requirements of Rule



15c2-12. Specifically, the Township will covenant for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Township by no later than October 1 of each fiscal year of the Township, commencing October 1, 2022 for the fiscal year ending December 31, 2021 (the “Annual Report”), and for the benefit of the holders and beneficial owners of the Bonds to provide notices of the occurrence of certain enumerated events. Notwithstanding the foregoing, if the fiscal year is not a calendar year then the Township shall provide certain financial information and operating data relating to the Township by not later than the first day of the tenth month of each fiscal year. The Annual Report and notices of enumerated events will be filed with the MSRB. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in “Appendix C - Form of Continuing Disclosure Certificate”. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12.

The Township has previously entered into continuing disclosure undertakings under Rule 15c2-12. The Township has appointed a dissemination agent for its outstanding bond issues.

### **LEGALITY FOR INVESTMENT**

The State and all public officers, municipalities, counties, political subdivisions and public bodies and agencies thereof, all banks, 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, moneys or other funds belonging to them or within their control in the Bonds, and such Bonds are authorized security for any and all public deposits.

### **MUNICIPAL BANKRUPTCY**

Any county, municipality, school district or other political subdivision of the State has the power to file a petition with any United States court or courts in bankruptcy under the Federal bankruptcy act for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts, provided that the approval of the Municipal Finance Commission of New Jersey has been obtained (N.J.S.A. 52:27-40). The powers of the Municipal Finance Commission of New Jersey have been vested in the Local Finance Board.

### **AUDITOR**

The audited financial statements of the Township included in Appendix B have been examined by Petroni & Associates LLC for the year ended December 31, 2020. Also included in Appendix "B" is an unaudited compilation report for the year ended December 31, 2021, as prepared by Bowman & Company LLP, independent auditor of the Township, Woodbury and Voorhees, New Jersey.

## **UNDERWRITING**

The Bonds will be purchased at a public sale from the Township for reoffering by \_\_\_\_\_ (the "Underwriter") at an aggregate purchase price of \$ \_\_\_\_\_. The Underwriter has purchased the Bonds in accordance with the Notice of Sale.

The Underwriter has agreed, subject to certain conditions, to purchase all but not less than all of the Bonds. The public offering yields of the Bonds may be changed from time to time by the Underwriter.

## **MUNICIPAL ADVISOR**

Acacia Financial Group, Inc., Mt. Laurel, New Jersey has served as Municipal Advisor to the Township with respect to the issuance of the Bonds (the "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 this Official Statement and the appendices hereto.

## **RATING**

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P") has assigned a rating to the Bonds of "AA-". Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: 55 Water Street, New York, New York 10041. There is no assurance such rating will continue for a given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

## **PREPARATION OF OFFICIAL STATEMENT**

The Township hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm to the purchasers of the Bonds, by certificates signed by the Chief Financial Officer, that to its knowledge such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

Bowman & Company LLP assisted in the preparation of information contained in Appendix "A" to the Official Statement and has reviewed certain financial and statistical information contained in the Official Statement and compared it to the Township's compiled and audited financial statements, as applicable. They have not verified the accuracy of other information or the completeness and fairness of that and other information contained herein, and accordingly express no opinion with respect thereto. However, they take responsibility for the compiled financial statements to the extent specified in the Independent Accountant's Compilation Report appearing in Appendix "B".

Gibbons P.C., Newark, New Jersey, has not verified the accuracy, completeness or fairness of the information contained herein, except under the heading "TAX MATTERS", and accordingly assumes no responsibility therefor and will express no opinion with respect thereto.

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

### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement may be directed to Michael T. Kwasizur, Chief Financial Officer, Township Hall, 400 Crown Point Road, West Deptford, New Jersey 08086, (856) 845-4004, Ext. 101, or to the Municipal Advisor, 6000 Midlantic Drive, Suite 410 North, Mt. Laurel, New Jersey 08054, (856) 234-2266.

### **MISCELLANEOUS**

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds. This Official Statement has been duly executed and delivered by the Chief Financial Officer for and on behalf of the Township.

### **TOWNSHIP OF WEST DEPTFORD**

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By: Michael T. Kwasizur  
Chief Financial Officer

Dated: August \_\_, 2022

**APPENDIX A**

**DESCRIPTION OF TOWNSHIP OF WEST DEPTFORD  
TOGETHER WITH CERTAIN ECONOMIC AND DEBT INFORMATION**

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## DESCRIPTION OF THE TOWNSHIP

### Location and Character

The Township is a residential and industrial community within the Delaware Valley economic region, a tristate region composed of eleven counties in the States of New Jersey, Pennsylvania, and Delaware. It is a major transportation center, combining one of the largest port facilities in the world with extensive rail, air and interstate highway systems.

### History of the Township

Deptford Township, New Jersey, was formed in 1695, including what is now West Deptford Township, Westville Borough, Woodbury City, Woodbury Heights Borough, Washington Township, Monroe Township and National Park Borough. The territory that comprises West Deptford Township was separated into a Township by Act of Legislature approved March 1, 1871. On March 21, 1871, a group met together for a Town Meeting in the Thorofare School in order to form the Township to be called West Deptford Township.

The Village of Westville was later incorporated into the Township by Act of Legislature approved February 20, 1878; the Borough of National Park became a separate municipal corporation as of April 15, 1902.

### Population

The Township falls within the Philadelphia, PA-NJ Metropolitan Statistical Area ("MSA"), a region which includes Bucks, Chester, Delaware, Montgomery and Philadelphia Counties in Pennsylvania and Burlington, Camden and Gloucester Counties in New Jersey. The population of the MSA as a whole increased from 5,036,646 in 2000 to approximately 5,965,343 in 2010, as determined by the United States Department of Commerce, Bureau of the Census. According to figures of the 2020 Census, the population of Gloucester County increased from 288,288 in 2010 to 302,294 in 2020, an increase of 4.85 percent. The population of the Township increased from 21,677 in 2010 to 22,197 in 2020, an increase of 2.39 percent.

The following table summarizes population increases and decreases for the Township, the County, and the MSA and population for the Township and the County.

**POPULATION – 1980 TO 2020 <sup>(1)</sup>**

<b>WEST DEPTFORD TOWNSHIP</b>			<b>GLOUCESTER COUNTY</b>		<b>PHILADELPHIA, PA – NEW JERSEY MSA</b>	
<b><u>Year</u></b>	<b><u>Population</u></b>	<b><u>Percent Change</u></b>	<b><u>Population</u></b>	<b><u>Percent Change</u></b>	<b><u>Population</u></b>	<b><u>Percent Change</u></b>
1980	18,002	29.25%	199,917	15.77%	4,716,818	(2.10)%
1990	19,380	7.65	230,082	15.09	4,856,881	2.97
2000	19,368	(0.06)	254,673	10.69	5,036,646	3.70
2010	21,677	11.92	288,288	13.20	5,965,343	18.44
2020	22,197	2.39	302,294	4.85	Not Available	

<sup>(1)</sup> Source: United States Department of Commerce, Bureau of the Census, 1980, 1990, 2000, 2010 and 2020 Census of the Population: New Jersey.

## **TOWNSHIP ORGANIZATION AND SERVICES**

### **General**

The Township is governed by a Township Committee, which has both legislative and executive powers and is comprised of five members, elected at large, for staggered three-year terms (2-2-1). The Mayor is chosen annually by majority vote of the members of the Township Committee ("Committee").

The Mayor is the chief executive officer of the Township. The responsibilities of the Mayor include execution and enforcement of laws of the State and ordinances of the Township, recommending to Committee such measures as he or she deems necessary or appropriate for the welfare of the Township, and preparing and submitting the annual budget to Committee for its consideration.

The responsibilities of Committee are, among others, to adopt the municipal budget and to enact ordinances to promote the health, safety and welfare of the Township and its residents.

The Township Administrator is responsible for the daily operations of the Township, staffing and personnel matters, preparation and implementation of the budget and Township receipts and disbursements.

The Township's Chief Financial Officer is custodian of all public moneys of the Township.

The Township Clerk assists with administering the affairs of the Township, including attending Committee meetings and providing for the taking and preparation of minutes therefore; compilation, preservation, indexing and publication of all ordinances and resolutions; and any other duties which the Committee may assign.

### **Township Services**

A number of services are provided by the Township and paid for from general revenues. Employees in the Public Works Department maintain Township streets and roads, storm drains, provide snow removal services, while overseeing Township parks, playgrounds and recreational activities. The Zoning Board of Adjustment oversees all zoning requirements, and the Construction Office is responsible for all building permits and enforcement of uniform construction codes.

Fire protection is provided by a part-time paid staffing and stipend volunteers to provide 24/7, 365 coverage with a 4-person staffed crew. Ambulance service is provided by Gloucester County EMS.

### **Water and Sewer Service**

The Township's Water and Sewer Department is responsible for water supply and sewage collection and treatment services. The Township draws its water from six (6) wells in operation throughout the Township with an average 0.95 million gallons per day output. Additional storage tanks exist with a capacity of three million gallons. 1.2 million gallons per day is purchased from the New Jersey American Water Company, through the interconnect mandated by the New Jersey Department of Environmental Protection.

Township residents have two separate charges for water and sewer services from the Township's water department: a water supply charge and a sewage collection charge.

Residents pay a minimum quarterly charge of \$21.45 for 9,000 gallons of water. Excess user charges are levied at the rate of \$8.42 per 1,000 gallons up to 54,500 gallons, \$10.34 per 1,000 gallons from 54,501 to 100,000, and \$12.38 per 1,000 gallons over 100,000 gallons.

Present sewer rates for residential dwellings are \$638 per year.

## Gloucester County Utilities Authority

The Township is a participant in the Gloucester County Utilities Authority's (the "GCUA") sewage collection and treatment system. Pursuant to a service contract with GCUA, the Township is obligated to deliver its wastewater to GCUA for treatment and to pay GCUA service charges for such treatment. The Township pays such service charges from amounts collected from residents as sewer charges.

See "TOWNSHIP INDEBTEDNESS - Overlapping Governmental Entities - Gloucester County Utilities Authority" herein for a general description of the GCUA and its activities.

## Trash Collection

Trash is collected by the Township's Public Works Department and disposed of at the SES Gloucester Incinerator, a private facility located in the Township and operated by SES Gloucester Company, L.P., a regulated public utility engaged in the business of solid waste disposal.

## PERSONNEL AND RETIREMENT SYSTEM

### Personnel

The Township currently employs 130 persons on a full-time year-round basis, 15 of which are water and sewer utility employees, 38 of whom are police officers and 4 are superior police officers and. The Township also employs 148 part-time employees.

The Township maintains a formal collective bargaining relationship with the Police Benevolent Association. The contract expires on December 31, 2023. The Township maintains a formal collective bargaining agreement with the AFSCME New Jersey Council 63, Local 3523. The contract expires December 31, 2025.

### Retirement System

The Township, on behalf of its employees, is enrolled in the New Jersey Public Employees' Retirement System ("PERS"), a pension actuarial reserve system administered by the Division of Pensions within the Treasury Department of the State of New Jersey. The Division of Pensions is responsible for setting the rates of contributions by employees which are based on the age of the applicant at the time of enrollment. A rate contribution factor, which normally does not change, is assigned to each employee. Employee contributions are deducted from an employee's base salary and collected by the employer.

The only functions of a municipality under PERS are to collect employee contributions and to make payment of its contribution to the retirement system.

Police personnel are covered by the Police and Firemen's Retirement System of New Jersey ("PFRS"), which operates in a similar manner to PERS, and the Consolidated Police and Firemen's Pension Fund. The Township pays an annual actuarially determined contribution raised through taxation.

The following table sets forth the trend in pension payments for the Township <sup>(1)</sup>

	<u>2021*</u>	<u>2020</u>	<u>2019</u>
Public Employees Retirement System	\$ 792,783	\$ 649,637	\$ 749,806
Police and Firemen's Retirement System	1,308,996	1,219,819	1,204,004
<b>Total</b>	<b>\$2,101,779</b>	<b>\$1,869,456</b>	<b>\$1,953,810</b>

<sup>(1)</sup> Source: 2020 Annual Audit of the Township.

<sup>(\*)</sup> Source: 2021 provided by Township Officials



## **Housing**

The Township's housing stock is primarily composed of single-family homes and residential apartment complexes. According to the 2010 Census, there were 8,793 year-round housing units in the Township. Of these units, 6,749, or 76.75 percent, were owner-occupied. See "Township Finances" herein for a description of trends and levels of the Township's real property tax levy and collections and for Township housing values.

According to Township Officials, there are four major apartment building complexes, Kingswick, Red Bank, Forest Creek and Heather Ridge, containing 425, 294, 655 and 400 units, respectively. At the present time, the Township is host to approximately eleven housing developments ranging in size from 96 to 529 homes.

## **Industry and Employment**

Mid Atlantic Corporate Center, an industrial and commercial complex of 645 acres has buildings occupied by the following tenants: Akers Laboratories, Aramark, Art, Guild, Aramsco, Aquatrols, Camden International, Cooper Electric, CheckPoint Systems, ICS direct Mail warehouse, Glacier Garlock Bearing, J. Ambrogi Foods, Marine Equipment Supply Company, McGrory Glass, OSSUR Stavola Foods, Troemner, Tru Green/Chemlawn, Ultra Fresh, UTZ Quality Foods, SJ Bakery and Docuvault. Docuvault constructed a brand new 115,300 sq.ft. building which received occupancy permitting in 2016.

A second Industrial Park, Forest Park Corporate Center has buildings occupied by among others Amazon, Archive Systems, Compucom, Delaware Valley Wholesale Florist, Furmanite, Medical Specialties Distribution, National Oak Distributors, Owens and Minor Supply. A smaller 58-acre Light Industrial area is the home of University of Pennsylvania, Amerisource and auto parts distribution company LKQ.

An Amazon warehouse opened in late 2018. A certificate of occupancy was granted in spring 2019. Amazon has and is expected to continue to provide major job opportunities within the municipality which is expected to boost the overall economy.

Park West Phase I – Parkville Road & Harvest Drive received approval before the Planning Board in spring 2019. Construction began in the fall of 2019 for the 65 Townhomes.

Bostik Findley 2000 Nolte Drive constructed a 7,410 sq. Ft. expansion to their existing facility as well as 18 new dry bulk storage silos. This project was completed in late 2019.

HA DeHart – 311 Crown Point Road expanded their facility with a 4,388 sqft. addition to the existing building as well as site improvements. The Project was completed in late 2019.

COIM – is currently building a 28,000 sq. ft. building at their existing warehouse facility on 286 Mantua Grove Road.

301 Grove Road constructed a 123,000 sq. ft. addition to the existing building, which was occupied by a division of Bostik and DHL. The project was completed in mid-2019.

The Enclave (Phase 3 Park West)- Has come in for preliminary review and plans to return for Planning Board in September with a previously approved General Development Plan, plans show 336 apartments and 200 single family townhomes.

RiverWinds Redevelopment - Grove Land Urban Renewal has received Planning Board approval to construct a 90,000 sq. ft. four story 78 room senior apartment facility. Anticipated completion is mid-

2023. Edgewood Properties is the Township’s designated Redeveloper, who is slated to develop the parcel closest to the golf/tennis building. This project will consist of 120 condominiums. This project appeared before the Planning Board in fall 2019.

West Deptford Holdings (Crown Point Road & Jobstown)- Site Plan approval granted for 157,500 sqft. warehouse and an additional 8,300 sqft. for related office space.

Treetop Development (New Street)- Site plan approval granted in January 2022 for two warehouse buildings (71,344 sqft. and 59,502 sqft.)

BCIF Warehouse 1847 Crown Point Road- Initial Site plan approval granted in 2020 for a 280,000 sqft. warehouse space. This project is planned to begin within the month with expected completion in late 2022 or early 2023.

**Labor Statistics**

Unemployment rates for the Township, County of Gloucester, and the State of New Jersey are as follows:

**LABOR FORCE DATA - ANNUAL AVERAGES <sup>(1)</sup>**

<u>Year</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Township of West Deptford</b>					
Labor Force	11,362	10,983	11,548	11,524	11,662
Employment	10,839	10,532	11,157	10,526	10,961
Unemployment	523	451	391	998	701
Unemployment Rate	4.6%	4.1%	3.4%	8.7%	6.0%
<b>County of Gloucester</b>					
Labor Force	151,568	147,200	156,379	156,923	158,303
Employment	144,412	140,900	150,907	142,899	148,799
Unemployment	7,156	6,200	5,472	14,024	9,504
Unemployment Rate	4.7%	4.2%	3.5%	8.9%	6.0%
<b>State of New Jersey</b>					
Labor Force	4,518,800	4,455,500	4,522,200	4,495,200	4,661,625
Employment	4,309,700	4,278,300	4,367,300	4,055,300	4,363,717
Unemployment	209,100	177,200	154,900	439,900	297,917
Unemployment Rate	4.6%	4.0%	3.4%	9.8%	6.4%

<sup>(1)</sup> Source: State of New Jersey Bureau of Labor Statistics and New Jersey Department of Labor and Workforce Development

**Transportation**

The Township is connected directly to Camden, New Jersey and Philadelphia, Pennsylvania by Interstate 295, which runs through the Township, parallel to the Delaware River. Interstate 295 in turn connects with the Walt Whitman Bridge, Benjamin Franklin Bridge, the North-South Freeway (Route 42), the New Jersey Turnpike, the Delaware Memorial Bridge and the Commodore Barry Bridge connecting Chester, Pennsylvania and Bridgeport, New Jersey, and other major regional highways.

## Hospitals

Inspira Health Network operates a 24/7 satellite Emergency Room in Woodbury, New Jersey, approximately 1/10th of a mile from the eastern-border of the Township. Inspira Medical Center is located in Mullica Hill (Harrison Township), and contains 210 licensed beds. This has changed since the hospital has relocated to Mullica Hill. Inspira Medical Center has also recently undergone an expansion to better serve the health care needs of the County, including an expanded/renovated emergency room/center, plans to build a surgical center and the establishment of several additional family practice centers throughout the County. Inspira Medical Center has over 1,825 full and part time employees and a medical and dental staff of 400. Jefferson Health System's Washington Township Campus, is located in Washington Township, formerly known as Kennedy Hospital.

## SCHOOL FACILITIES

### Township Board of Education

The West Deptford Township Board of Education is a Type II School District functioning through a nine-member board elected for staggered three-year terms.

The School District operates three elementary schools, one middle school and one secondary school within the Township, providing educational services for grades kindergarten through twelve.

School District enrollments on the grade level and background information regarding the various schools comprising the School District are shown in the tables that follow.

### SCHOOL DISTRICT ENROLLMENTS <sup>(1)</sup>

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Enrollment</u>
2021	2,877
2020	2,938
2019	2,904
2018	2,942
2017	2,954

<sup>(1)</sup> Source: West Deptford Township Board of Education 2021 Annual Comprehensive Financial Report.

### SCHOOL DISTRICT FACILITIES <sup>(2)</sup>

	<u>Date</u> <u>Constructed</u>	<u>Renovations/</u> <u>Additions</u>	<u>Grades</u>	<u>Enrollment</u> <u>(2021)</u>	<u>Functional</u> <u>Capacity</u>
Red Bank Elementary School	1964	1986; 1998	K-4	258	297
Oakview Elementary School	1954	1998	K-4	431	486
Green-Fields Elementary School	1957	1964; 1990; 1998	K-4	465	595
West Deptford Middle School	1971	1998	5-8	867	976
West Deptford High School	1959	1986; 1988; 1998	9-12	856	1,081
<b>Total</b>				<b>2,877</b>	<b>3,435</b>

<sup>(2)</sup> Source: West Deptford Township Board of Education 2021 Annual Comprehensive Financial Report.

**TOWNSHIP FINANCES**

**Financial Data**

The Township's financial statements are prepared in accordance with generally accepted auditing standards and in compliance with audit requirements and accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, and State of New Jersey. These standards and practices vary in some respects from generally accepted accounting principles for local units of government.

**Budget Operations**

Under the laws of the State of New Jersey, the Township must establish its property tax rate each year in an amount in which the resulting property tax levy will equal: (a) the aggregate amount of all annual anticipated expenditures, plus (b) provision for any prior years' deficits, less (c) the aggregate of all nontax revenues (e.g., state and federal assistance) estimated to be received by the Township in amounts approved by the state for tax rate purposes. The Township is required by law to make appropriations for over-expenditures made in the prior year.

**2022 and 2021 Budget Operations**

Current Fund budget appropriations for municipal purposes for year 2022 totaled \$37,829,550 a decrease of \$133,007 or -.35%, compared to the 2021 budget.

In addition, for year 2022 the amount to be raised by taxes for support of municipal budget totaled \$23,393,290 an increase of \$173,461 or .74%, as compared to the 2021 budget.

The following table summarizes the 2022 and 2021 budgeted revenues and appropriations.

**TOWNSHIP OF WEST DEPTFORD  
2022 AND 2021 LOCAL MUNICIPAL BUDGET  
CURRENT FUND BUDGET**

	<b>2022 Budget</b>	<b>2021 Budget</b>
<b>REVENUES</b>		
Fund Balance Anticipated	\$5,123,500.00	\$3,109,000.00
Miscellaneous Revenues:		
Local Revenues	822,000.00	1,101,626.18
State Aid Without Offsetting Appropriations	2,009,241.00	2,009,241.00
Dedicated Uniform Construction Code Fees	725,000.00	1,000,000.00
Special Items – DLGS - Shared Service	928,997.00	865,684.00
Special Items – DLGS - Additional Revenues	1,040,000.00	1,473,436.68
Special Items – DLGS – Public/Private	131,526.16	1,319,865.74
Special Items – DLGS – Other Special Items	3,055,995.51	3,063,874.86
Receipts from Delinquent Taxes	600,000.00	800,000.00
Amount to be Raised by Taxes – Municipal Purposes	<u>23,393,290.36</u>	<u>23,219,828.90</u>
<b>TOTAL GENERAL REVENUES</b>	<b><u>\$37,829,550.03</u></b>	<b><u>\$37,962,557.36</u></b>

**TOWNSHIP OF WEST DEPTFORD  
2022 AND 2021 LOCAL MUNICIPAL BUDGET  
CURRENT FUND BUDGET**

	<b>2022 Budget</b>	<b>2021 Budget</b>
<b>APPROPRIATIONS</b>		
Operations:		
Salaries and Wages	\$10,042,550.00	\$ 9,233,156.29
Other Expenses	9,670,636.18	10,046,794.03
Capital Improvements	750,000.00	500,000.00
Municipal Debt Service	9,409,000.00	9,449,600.00
Statutory Expenditures	2,882,501.00	2,734,021.00
Operations Excluded from "CAPS"	3,873,278.34	4,953,873.89
Deferred Charges	47,976.00	47,976.00
Reserve for Uncollected Taxes	<u>1,153,608.51</u>	<u>997,136.15</u>
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b><u>\$37,829,550.03</u></b>	<b><u>\$37,962,557.36</u></b>

**TOWNSHIP OF WEST DEPTFORD  
2022 AND 2021 LOCAL MUNICIPAL BUDGET  
WATER AND SEWER BUDGET**

	<b>2022 Budget</b>	<b>2021 Budget</b>
<b>REVENUES</b>		
Fund Balance Anticipated	\$2,233,946.90	\$1,476,370.00
Water and Sewer Rents	11,995,000.00	12,100,000.00
Miscellaneous	150,000.00	100,000.00
Reserve for Payment of Debt Service	<u>0.00</u>	<u>600,000.00</u>
<b>TOTAL REVENUES</b>	<b><u>\$14,378,946.90</u></b>	<b><u>\$14,276,370.00</u></b>
<b>APPROPRIATIONS</b>		
Operations	\$10,489,000.00	\$10,325,600.00
Capital Improvements	1,775,000.00	1,230,000.00
Debt Service	1,670,000.00	1,820,500.00
Deferred Charges and Statutory Expenditures	<u>444,946.90</u>	<u>900,270.00</u>
<b>TOTAL APPROPRIATIONS</b>	<b><u>\$14,378,946.90</u></b>	<b><u>\$14,276,370.00</u></b>

## **Certain Factors Affecting Revenues and Expenditures**

### **State Aid**

The Township received from the State \$2,009,241 in Energy Receipts Taxes in 2021. The 2022 Current Fund budget anticipates \$2,009,241 in Energy Receipts Tax. In addition, the Township also will receive \$104,810 in Municipal Relief Fund Aid in 2022, which will be budgeted in 2023.

### **Limitation on Revenue and Expenditure Growth and Tax Levy Increases**

Certain statutory requirements place significant restrictions on the growth of revenues and expenditures and tax levy increases for New Jersey political subdivisions. Appropriations for the payment of debt service are not subject to these restrictions and do not require a referendum.

### **Incinerator Plant Host Community Agreement**

Pursuant to a Host Community Agreement with the Township, SES Gloucester Company, L.P., a regulated public utility which operates an incinerator in the Township, is obligated to pay the Township annually an amount which, when added to the facility's initial annual tax liability, equals \$500,000. Such amount may be adjusted upward during the term of the agreement to reflect increases in the facility's assessed value. The Host Community Agreement, which was approved by the New Jersey Board of Public Utilities in August 1990, has a term equal to the longer of twenty years or until the facility closes, and does not include periods during which the facility is required to be out of operation. In 2021, the Township collected \$409,581 and is anticipating collecting \$409,000 in the 2022 Current Fund Budget.

### **Property Taxes**

The following tables show (i) the ten largest real estate taxpayers in the Township and their 2022 assessed valuations; (ii) the trend of Township real property valuations for the years 2018 - 2022; (iii) the classification of real property utilized in determining assessed valuations for the years 2018 -2022; (iv) the real estate tax collection records of the Township for the years 2017 - 2021; (v) an analysis of the real estate tax levy for the years 2018 -2022; and (iv) the tax title liens and delinquent taxes for the years 2017 - 2021.

## **TAX BASE**

Information concerning the tax base of the Township is set forth in the following six tables.

**TEN LARGEST REAL ESTATE TAXPAYERS <sup>(1)</sup>**

<u>Name of Taxpayer</u>	<u>2022 Assessed Valuation</u>	<u>% of Total Assessed Value</u>
Sunoco	\$ 57,699,500	2.28
Solvay Specialty Polymers USA LLC	43,203,800	1.71
CPI Operations LLC	27,500,000	1.09
Johnson Matthey Inc.	24,683,000	0.98
SES Gloucester Co LP	22,000,700	0.87
Heather Ridge LLC	22,000,000	0.87
NY Life Ins Co	21,736,900	0.86
Colonial Pipeline Co	21,515,800	0.85
Forest Creek Gardens NJ LP	19,900,000	0.79
Kingswick Apartments LP	<u>18,850,000</u>	<u>0.74</u>
<b>Total:</b>	<b><u>\$279,089,700</u></b>	<b><u>11.04%</u></b>

<sup>(1)</sup> Source: Gloucester County website.

**TREND OF TOWNSHIP REAL PROPERTY VALUATIONS <sup>(2)</sup>**

	<u>Total Taxable Value of Land and Improvements</u>	<u>Net Valuation on Which County Taxes are Apportioned</u>	<u>Ratio of Total Taxable Value of Land and Improvements to Net Valuation on Which County Taxes are Apportioned <sup>(3)</sup></u>
2022	\$2,227,303,200	\$2,530,702,632	88.01%
2021	2,214,796,300	2,405,021,060	92.09
2020	2,212,783,700	2,417,909,033	91.52
2019	2,207,177,000	2,270,659,675	97.20
2018	2,251,189,000	2,318,976,903	97.07

<sup>(2)</sup> Source: County Abstract of Ratables.

<sup>(3)</sup> Source: Township Tax Assessor.

**CLASSIFICATION OF REAL PROPERTY UTILIZED IN DETERMINING ASSESSED  
VALUATIONS <sup>(4)</sup>**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Vacant	\$70,052,000	\$72,232,000	\$68,646,000	\$62,067,900	\$74,942,200
Residential	1,339,925,200	1,337,249,700	1,340,288,900	1,342,855,900	1,344,652,400
Farm	3,843,300	3,510,700	3,484,100	3,957,800	3,684,600
Commercial	383,063,600	374,015,300	373,088,900	376,375,800	374,654,500
Industrial	368,370,100	334,273,900	341,428,900	343,686,500	343,510,200
Apartments	<u>80,153,900</u>	<u>80,153,900</u>	<u>80,153,900</u>	<u>80,153,900</u>	<u>80,153,900</u>
<b>Total</b>	<b><u>\$2,245,408,500</u></b>	<b><u>\$2,201,435,500</u></b>	<b><u>\$2,207,090,700</u></b>	<b><u>\$2,209,097,800</u></b>	<b><u>\$2,221,597,800</u></b>

<sup>(4)</sup> Source: Township Tax Assessor, Gloucester County website.

**REAL ESTATE TAX COLLECTION RECORD <sup>(1)</sup>**

<u>Tax Year</u>	<u>Tax Levy</u>	<u>Current Year Collected</u>	<u>Percent of Current Levy Collected</u>
2021*	\$75,837,867	\$75,114,088	99.04%
2020	75,628,216	74,652,578	98.71
2019	73,350,391	72,313,264	98.59
2018	72,774,681	70,455,909	96.81
2017	70,843,977	69,887,065	98.65

<sup>(1)</sup> Source: 2020 and 2019 Annual Audits of the Township.

<sup>(\*)</sup> Source: 2021 Unaudited Financial Statements

**ANALYSIS OF REAL ESTATE TAX LEVY <sup>(2)</sup> <sup>(3)</sup>**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Local Tax	\$1.013	\$1.012	\$1.003	\$1.005	\$0.974
School Tax	1.651	1.621	1.605	1.576	1.514
Local Open Space	0.005	0.006	0.005	0.005	0.00
County Tax	0.725	0.745	0.762	0.654	0.662
Local Library	0.037	0.035	0.036	0.035	0.034
<b>Total Tax Rate</b>	<b>\$3.431</b>	<b>\$3.419</b>	<b>\$3.411</b>	<b>\$3.275</b>	<b>\$3.184</b>

<sup>(2)</sup> Source: Township Auditor, County Abstract of Ratables.

<sup>(3)</sup> Per \$100 of assessed valuation.

**TAX TITLE LIENS AND DELINQUENT TAXES <sup>(4)</sup>**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021*	\$2,158,272	\$540,042	\$2,698,314	3.55%
2020	2,217,261	790,461	3,007,722	3.98
2019	2,047,699	829,968	2,877,667	3.92
2018	1,971,730	993,342	2,965,072	4.07
2017	1,828,722	732,740	2,561,462	3.62

<sup>(4)</sup> Source: Township Tax Collector

<sup>(\*)</sup> Source: 2021 Unaudited Financial Statements

**TOWNSHIP INDEBTEDNESS**

**Classification of Township Indebtedness**

The Township has two types of indebtedness: direct and indirect debt. Direct debt consists of general obligation bonds issued by the Township, bond anticipation notes and bonds that have been authorized by the Township but unissued. The Township is required to make annual payments of principal and semiannual payments of interest on general obligation bonds.



Indirect debt of the Township consists of the Township's allocable portion of debt incurred or payable by Gloucester County. Although the Township is not directly obligated on bonds or notes issued by the County, the property located within the Township is assessed for the debt service owed by the County. The Township's Debt Statement, included herein, includes the Township's allocable portion of the net debt of the County, based on the Township's percentage share (changeable from time to time) of the total percentage assessment made upon property in the Township. See "ANALYSIS OF REAL ESTATE TAX LEVY" herein.

### **Authorization of Direct Debt; Debt Limits**

The incurrence of direct debt by the Township and the Board of Education of the Township of West Deptford ("School District") is governed by various general laws of the State of New Jersey which place limitations on the maximum amount of debt that may be incurred, the capital projects that may be financed and the maximum term of any loan.

### **Current Indebtedness**

The Township's outstanding debt as of December 31, 2021, is included in the Table, "TOWNSHIP OF WEST DEPTFORD -Direct and Indirect Debt Statement" herein.

### **Overlapping Governmental Entities**

As discussed above, the Township is indirectly liable for debt incurred or payable by the following:

*School District* - The School District is authorized to levy taxes only on property situated within the Township at rates set by the County. The Township collects the school taxes on behalf of the School District and remits them to the School District. The debt of the School District is payable from the School District's tax levy and from other funds of the School District and not from Township taxes and revenues.

*Gloucester County* - Revenues derived from property situated within the Township are available for a portion of the debt service on general obligation debt issued by Gloucester County. The Township's pro rata share of Gloucester County indebtedness and the total net direct debt of the County are indicated by the Debt Statement that follows.

*Gloucester County Utilities Authority* - The Gloucester County Utilities Authority ("GCUA") is a public body corporate and politic of the State of New Jersey, established pursuant to a resolution of the Board of Chosen Freeholders of the County adopted July 21, 1967, and the Sewerage Authorities Law, constituting Chapter 138 of the Laws of 1946 of the State of New Jersey, as amended and supplemented. The Authority has been renamed, reorganized and is continued as a public body corporate and politic pursuant to the Municipal and County Utility Authorities Law, constituting Chapter 183 of the Laws of 1957 of the State of New Jersey, as amended and supplemented ("Utility Authorities Law") and a resolution of the Board of Chosen Freeholders of the County adopted August 7, 1978.

GCUA provides sewerage collection and treatment services in its service area. The service area of the GCUA is the geographical area of the County, comprised of approximately 160 square miles in the northwestern area of the County and covering all or portions of the Borough of Clayton, the Township of Deptford, the Township of East Greenwich, the Township of Elk, the Borough of Glassboro, the Township of Mantua, the Township of Monroe, the Borough of National Park, the Borough of Paulsboro, the Borough of Pitman, the Township of Washington, the Borough of Wenonah, the Township of West Deptford, the Borough of Westville, the City of Woodbury and the Borough of Woodbury Heights. GCUA's sewerage collection and treatment system serves an estimated population of 150,000. The service area is predominantly residential.

GCUA has the power under the Utility Authorities Law to acquire, construct, maintain, operate and use sanitation facilities for the relief of waters in, bordering or entering the area within the territorial boundaries of the County from pollution or threatened pollution and for the improvement of conditions affecting the public health. Under the Utility Authorities Law, the Board of Chosen Freeholders of the County also may authorize GCUA to acquire, construct, maintain, operate or improve a water system, a solid waste system or a hydroelectric system.

Pursuant to the terms of a Deficiency Advance Contract, the County has undertaken to pay to GCUA, in each year, amounts equal to the excess of GCUA expenses over revenues, including amounts necessary to pay debt service on bonds or notes of GCUA. The obligation of the County to make payments under the Deficiency Advance Contract, includes, if necessary, the power and obligation to levy ad valorem taxes on all County property subject to taxation without limitation as to rate or amount. The total outstanding County Guaranteed debt of GCUA and the Township's proportionate share of the County's contingent liability under the Deficiency Advance Contract are indicated by the Debt Statement that follows. To date, the County has never been called upon to make any payments under the Deficiency Advance Contract.

*Gloucester County Improvement Authority* - The Gloucester County Improvement Authority ("Improvement Authority") is a public body corporate and politic organized and existing under the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State of New Jersey, as amended and supplemented. The Improvement Authority is empowered, generally, to provide public facilities, including buildings and transportation facilities, for use by governmental entities and to promote economic development. Timely payment of the principal of and interest on outstanding indebtedness of the Improvement Authority is secured under the provisions of a guaranty of the County ("County Guaranty") which obligates the County to provide for the payment of the obligations of the Improvement Authority in the event that the revenues or other funds thereof constituting the primary security for repayment of such indebtedness are either insufficient or not available for such purposes. Such payments constitute valid and binding, direct and general obligations of the County payable from ad valorem taxes that can be levied upon all taxable property in the County without limitation as to rate or amount.

The total outstanding County Guaranteed debt of the Improvement Authority and the Township's proportionate share of the County's contingent liability under the County Guaranty are indicated by the Debt Statement on the following page.

### **Debt Statement**

The following table sets forth the general obligation direct debt of the Township incurred for capital purposes, as well as the indirect debt of the Township.

**TOWNSHIP OF WEST DEPTFORD  
DIRECT AND INDIRECT DEBT STATEMENT  
(DECEMBER 31, 2021) <sup>(1)</sup>**

**Direct Debt:**

General Purpose Debt:	
Serial Bonds	\$69,920,062
Bond Anticipation Notes	3,310,750
Bonds and Notes Authorized but Unissued	399,766
Water & Sewer Utility Debt:	
Serial Bonds	\$5,004,938
Bond Anticipation Notes	1,605,000
Environmental Infrastructure Trust	4,200,133
Bonds and Notes Authorized but Unissued	8,501,947
School District Debt	<u>11,125,000</u>
<b>TOTAL GROSS DEBT:</b>	<b>\$104,067,595</b>
Less: School District Debt:	11,125,000
Less: Self-Liquidating Debt	19,312,018
Less: Other Deductions	<u>19,548,901</u>
<b>TOTAL NET DIRECT DEBT:</b>	<b><u>\$54,081,676</u></b>

**Indirect Debt:**

Gloucester County	
Total Debt as of 12/31/2021 (\$239,426,468)	
Township's Share: 8.51%	20,375,192
Gloucester County Utilities Authority	
Total Debt as of 10/31/2021 (\$63,833,877)	
Township's Share: 8.51%	5,432,263
Gloucester County Improvement Authority	
Total Debt as of 12/31/2021 (\$175,219,209)	
Township's Share: 8.51%	<u>14,911,155</u>
<b>Total Net Indirect Debt:</b>	<b><u>\$40,718,610</u></b>
<b>Total Net Direct and Indirect Debt:</b>	<b><u>\$94,800,286</u></b>

<sup>(1)</sup> Source; 2021 Annual Debt Statement of the Township; School District debt is paid by the School District out of its operating budget and not by the Township. The Township collects taxes on behalf of the School District, acting as agent.

**CAPITAL DEBT RATIO AS OF DECEMBER 31, 2021 <sup>(1)</sup>**

	<u>Amount</u>	<u>Equalized Valuation</u>
Average Equalized Valuation Basis (2019, 2020, 2021)	\$2,426,139,437	
Net Direct Debt	54,081,676	2.23%
Net Direct and Indirect Debt	\$94,800,286	3.91%

<sup>(1)</sup> Source: 2021 Annual Debt Statement of the Township.

**EXISTING LONG-TERM DEBT SERVICE REQUIREMENTS**

The following tables sets forth the existing long-term debt service requirements of the Township.

**TOWNSHIP OF WEST DEPTFORD  
SCHEDULE OF DEBT SERVICE (1)  
(BONDED DEBT ONLY)**

<u>Year</u>	<u>General</u>		<u>Water-Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2022	\$ 6,550,672.00	\$ 2,670,826.89	\$ 634,328.00	\$ 158,940.61	\$ 10,014,767.50
2023	6,657,374.00	2,375,468.29	602,626.00	136,311.71	9,771,780.00
2024	6,937,748.00	2,086,897.59	602,252.00	117,127.41	9,744,025.00
2025	7,211,562.00	1,782,966.44	603,438.00	96,914.81	9,694,881.25
2026	7,535,096.00	1,465,307.09	609,904.00	76,286.66	9,686,593.75
2027-2031	32,062,610.00	3,484,032.82	1,897,390.00	139,542.18	37,583,575.00
2032	2,965,000.00	95,850.00	55,000.00	825.00	3,116,675.00
	<u>\$ 69,920,062.00</u>	<u>\$ 13,961,349.12</u>	<u>\$ 5,004,938.00</u>	<u>\$ 725,948.38</u>	<u>\$ 89,612,297.50</u>

<sup>(1)</sup> As of December 31, 2021.

Source: Township Auditor

**TOWNSHIP OF WEST DEPTFORD**  
**SCHEDULE OF DEBT SERVICE (1)**  
**(LONG-TERM LOANS PAYABLE ONLY)**

<u>Year</u>	<u>Water-Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 748,854.43	\$ 89,918.75	\$ 838,773.18
2023	561,622.87	67,668.75	629,291.62
2024	533,937.52	54,031.25	587,968.77
2025	459,196.92	41,025.00	500,221.92
2026	460,333.65	29,750.00	490,083.65
2027-2031	631,566.46	43,150.00	674,716.46
2032-2036	202,531.75	23,250.00	225,781.75
2037-2041	202,531.75	16,550.00	219,081.75
2032-2046	217,531.75	10,950.00	228,481.75
2047-2040	182,025.68	3,375.00	185,400.68
	<u>\$ 4,200,132.78</u>	<u>\$ 379,668.75</u>	<u>\$ 4,579,801.53</u>

<sup>(1)</sup> As of December 31, 2021.  
Source: Township Auditor

**APPENDIX B**

**UNAUDITED AND AUDITED FINANCIAL STATEMENTS**

**OF THE TOWNSHIP OF WEST DEPTFORD**

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**FOR THE YEAR ENDED 2021**  
**COMPILED FINANCIAL STATEMENTS**

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## **INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of West Deptford  
West Deptford, New Jersey 08086

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

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

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

Respectfully submitted,

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

/s/ Michael J. Welding  
Certified Public Accountant  
Registered Municipal Accountant

Woodbury, New Jersey  
March 30, 2022



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

ASSETS

## Regular Fund:

Cash	
Treasurer	\$ 18,668,558.25
Change Funds	1,150.00
Due from State of New Jersey--Veterans' and Senior Citizens' Deductions (Ch. 73, P.L. 1976)	31,736.23
	18,701,444.48
Receivables and Other Assets with Full Reserves:	
Delinquent Property Taxes Receivable	540,041.97
Tax Title Liens Receivable	2,158,271.90
Property Acquired for Taxes--Assessed Valuation	887,100.00
Other Municipal Liens and Special Charges	166,627.15
Other Charges Receivable	10,302.85
Due Trust--Other Funds	8,881.28
	3,771,225.15
Deferred Charges:	
Special Emergency Appropriations (N.J.S.A. 40A;4-53)	24,000.00
	22,496,669.63
Federal and State Grant Fund:	
Cash	1,313,756.88
Due from Current Fund	51,362.43
Federal and State Grants Receivable	1,354,655.46
	2,719,774.77
	\$ 25,216,444.40

(Continued)

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

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LIABILITIES, RESERVES AND FUND BALANCE

## Regular Fund:

## Liabilities:

Appropriation Reserves	\$ 3,990,077.10
Reserve for Encumbrances	845,582.34
Prepaid Taxes	901,390.62
Tax Overpayments	4,884.02
Payroll Taxes Payable	27,064.43
Local School District Tax Payable	2,903,893.83
Due to State of New Jersey--DCA Training Fees	13,346.00
Due to State of New Jersey--License Fees	1,650.00
Due County for Added and Omitted Taxes	30,314.74
Due to Federal and State Grant Fund	51,362.43
Due to Water-Sewer Utility Operating Fund	897.43
Reserve for Master Plan	18,568.25
Reserve for Revaluation	6,805.45

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8,795,836.64

Reserve for Receivables and Other Assets	3,771,225.15
Fund Balance	9,929,607.84

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22,496,669.63

## Federal and State Grant Fund:

Reserve for Encumbrances	8,764.82
Reserve for Federal and State Grants--Unappropriated	1,097,973.14
Reserve for Federal and State Grants--Appropriated	1,613,036.81

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2,719,774.77

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\$ 25,216,444.40

See Independent Accountant's Compilation Report and selected notes.

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

<b>Revenue and Other Income Realized:</b>	
Fund Balance Utilized	\$ 3,109,000.00
Miscellaneous Revenues Anticipated	10,038,992.19
Receipts from Delinquent Taxes	996,501.61
Receipts from Current Taxes	75,114,087.74
Non-Budget Revenues	1,475,397.02
<b>Other Credits to Income:</b>	
Unexpended Balance of Appropriation Reserves	3,205,804.15
Statutory Excess - Animal Control Fund	854.95
Federal and State Grants Appropriated Canceled	156,973.89
<b>Total Income</b>	<b>94,097,611.55</b>
<b>Expenditures:</b>	
<b>Budget Appropriations Within "CAPS"</b>	
Salaries and Wages	9,268,156.29
Other Expenses	10,011,794.03
Deferred Charges and Statutory Expenditures	2,734,021.00
<b>Budget Appropriations Excluded from "CAP"</b>	
Salaries and Wages	1,961,733.71
Other Expenses	2,992,140.18
Capital Improvements	500,000.00
Municipal Debt Service	9,251,086.72
Deferred Charges	47,976.00
Judgments	
County Taxes	16,487,489.97
Due County for Added and Omitted Taxes	30,314.74
Local School Taxes	35,867,913.00
Open Space Taxes	110,730.75
Due State of New Jersey--Senior Citizens' Deductions	
Disallowed by the Tax Collector--Prior Year Taxes	3,083.29
Federal and State Grants Receivable Canceled	207,086.32
Refund of a Prior Year Revenue	7,489.31
Interfund Created	2,487.58
<b>Total Expenditures</b>	<b>89,483,502.89</b>
<b>Excess in Revenues</b>	<b>4,614,108.66</b>
<b>Fund Balance January 1</b>	<b>8,424,499.18</b>
	<b>13,038,607.84</b>
<b>Decreased by:</b>	
Utilization as Anticipated Revenue	3,109,000.00
<b>Fund Balance December 31</b>	<b>\$ 9,929,607.84</b>

See Independent Accountant's Compilation Report and selected notes.

**TOWNSHIP OF WEST DEPTFORD**  
**TRUST FUND**  
Statement of Assets, Liabilities and Reserves--Regulatory Basis  
As of December 31, 2021

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ASSETS

## Animal Control Fund:

Cash		\$ 7,333.95
		7,333.95

## Other Funds:

Cash		4,035,635.30
		4,035,635.30

## Municipal Open space Trust Fund:

Cash		177,450.86
		177,450.86

## Length of Service Award Program:

Investments - Length of Service Award Program		2,316,368.64
		2,316,368.64
		\$ 6,536,788.75

**TOWNSHIP OF WEST DEPTFORD**  
**TRUST FUND**  
Statement of Assets, Liabilities and Reserves--Regulatory Basis  
As of December 31, 2021

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LIABILITIES AND RESERVES

Animal Control Fund:

Reserve for Animal Control Fund Expenditures	\$	5,994.00
Due State of New Jersey		1.20
Due to Current Fund		1,338.75
		1,338.75
		7,333.95

Other Funds:

Encumbrances Payable		17,647.25
Due Current Fund		7,542.53
Reserve for Street Opening		39,515.75
Reserve for Forfeited Funds		20,861.53
Reserve for Off-Duty Police Fees		21,139.10
Deposits for Redemption of Tax Sale Redemption Certificates		27,095.13
Reserve for Tax Sale Premiums		1,095,300.00
Reserve for Developer's Escrow		382,773.45
Reserve for Public Defender Fees		29,470.00
Reserve for POAA Fees		1,842.17
Reserve for Mayor's Food & Holiday Drive		1,879.00
Reserve for Drainage Basin		77,329.02
Reserve for Affordable Housing		1,759,379.18
Reserve for Unemployment Compensation		218,380.46
Reserve for Storm Recovery		196,966.74
Reserve for Accumulated Absences		25,123.70
Reserve for Recreation		93,521.43
Reserve for Environmental Resources		15,906.74
Reserve for Community Donations - Police		306.62
Reserve for Donations Field of Dreams		1,379.00
Reserve for Donations Dante Finocchi Memorial		1,500.00
Reserve for Donations Adopt a Bench		145.00
Reserve for Uniform Fire Safety		631.50
		4,035,635.30

Municipal Open Space Fund:

Reserve for Open Space		177,450.86
		177,450.86

Length of Service Award Program:

Reserve for Length of Service Award Program		2,316,368.64
		2,316,368.64
		\$ 6,536,788.75

See Independent Accountant's Compilation Report and selected notes.

**TOWNSHIP OF WEST DEPTFORD**  
**GENERAL CAPITAL FUND**  
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis  
As of December 31, 2021

ASSETS

Cash	\$ 4,091,199.82
Deferred Charges to Future Taxation:	
Funded	69,920,062.00
Unfunded	3,710,515.50
	\$ 77,721,777.32

LIABILITIES, RESERVES and FUND BALANCE

Capital Improvement Fund	\$ 892,029.52
Improvement Authorizations:	
Funded	392,448.85
Unfunded	2,092,905.59
Reserve for Encumbrances	648,124.62
Bond Anticipation Notes	3,310,750.00
General Serial Bonds	69,920,062.00
Reserve for Payment of Debt Service - BANS	120,708.42
Reserve for Payment of Debt Service - Bonds	188,427.09
Reserve for Down Payment on Improvements	36,302.00
Fund Balance	120,019.23
	\$ 77,721,777.32

See Independent Accountant's Compilation Report and selected notes.

**TOWNSHIP OF WEST DEPTFORD**  
**WATER AND SEWER UTILITY FUND**  
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis  
As of December 31, 2021

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ASSETS

## Operating Fund:

Cash	\$	6,067,740.42
Due from Current Fund		897.43

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6,068,637.85

## Receivables with Full Reserves:

Consumer Accounts Receivable		1,533,656.22
Utility Liens Receivable		12,789.12

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1,546,445.34

## Total Operating Fund

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7,615,083.19

## Capital Fund:

Cash		1,237,042.31
Due from Utility Operating Fund		600,000.00
Fixed Capital		62,381,935.53
Fixed Capital Authorized and Uncompleted		11,255,000.00

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75,473,977.84

## Total Capital Fund

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\$ 83,089,061.03

**TOWNSHIP OF WEST DEPTFORD**  
**WATER AND SEWER UTILITY FUND**  
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis  
As of December 31, 2021

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund:

Liabilities:

Appropriation Reserves	\$ 1,754,443.31
Overpayments	30,869.05
Reserve for Encumbrances	612,205.27
Accrued Interest on Bonds, Notes, and Loans	92,679.29
Reserve for Engineering Escrow	1,175.00
Due to Utility Capital Fund	600,000.00

3,091,371.92

Reserve for Receivables	1,546,445.34
Fund Balance	2,977,265.93

7,615,083.19

Capital Fund:

Serial Bonds	5,004,938.00
Bond Anticipation Notes	1,605,000.00
NJ Infrastructure Bank Loan Payable	4,200,132.78
Improvement Authorizations:	
Unfunded	6,999,194.85
Reserve for Encumbrances	2,643,204.02
Capital Improvement Fund	613,087.38
Reserve for Debt Service	18,732.63
Reserve for Down Payment on Improvements	16,250.00
Reserve for Amortization	54,324,917.86
Fund Balance	48,520.32

75,473,977.84

\$ 83,089,061.03

See Independent Accountant's Compilation Report and selected notes.



**TOWNSHIP OF WEST DEPTFORD**  
**WATER AND SEWER UTILITY OPERATING FUND**  
Statement of Operations and Changes in Fund Balance--Regulatory Basis  
For the Year Ended December 31, 2021

<hr/>	
Revenue and Other Income Realized:	
Fund Balance Utilized	\$ 1,476,370.00
Rents	11,995,090.67
Miscellaneous	160,158.65
Reserve for Debt Service	600,000.00
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>1,387,521.03</u>
Total Income	<u>15,619,140.35</u>
Expenditures:	
Operating	10,325,600.00
Capital Improvements	1,230,000.00
Debt Service	1,609,333.89
Deferred Charges	600,000.00
Statutory Expenditures	300,270.00
Other Debits to Income:	
Miscellaneous Refunds	<u>6,926.16</u>
Total Expenditures	<u>14,072,130.05</u>
Excess in Revenue	1,547,010.30
Fund Balance January 1	<u>2,906,625.63</u>
	4,453,635.93
Decreased by:	
Utilization as Anticipated Revenue	<u>1,476,370.00</u>
Fund Balance December 31	<u><u>\$ 2,977,265.93</u></u>

See Independent Accountant's Compilation Report and selected notes.

**TOWNSHIP OF WEST DEPTFORD**  
Notes to Financial Statements  
For the Year Ended December 31, 2021

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Township of West Deptford (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on March 1, 1871, from portions of Deptford Township. Portions of the Township were taken to form the boroughs of National Park (April 15, 1902) and Westville (April 7, 1914). The City of Woodbury annexed portions of the Township in May 1907. The Township, located in Gloucester County, New Jersey, has a total area of approximately 17.81 square miles, and is located approximately eight miles from the City of Philadelphia. The Township borders the Townships of Deptford, East Greenwich and Mantua; and the Boroughs of National Park, Paulsboro, Westville, Woodbury and Woodbury Heights; and the Delaware River. According to the 2020 census, the population is 22,197.

The Township is governed under the Township Committee form of government, with a five-member Committee. The Committee is elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis, with one or two seats coming up for election each year. At an annual reorganization meeting, the Committee selects one of its members to serve as Mayor and another as Deputy Mayor. Legislative and executive power is vested in the Committee.

**Component Units** - The financial statements of the component units of the Township are not presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statement, as amended had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Township, the primary government:

West Deptford Free Public Library  
420 Crown Point Road  
West Deptford, New Jersey 08086

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

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)** - In accordance with the *Requirements*, the Township accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$2,000.00. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985, are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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

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

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

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

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

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

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

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

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

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

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

**Library Taxes** - The municipality is responsible for levying, collecting and remitting library taxes for the West Deptford Free Public Library. The amount of the library tax is a separate local levy tax and is remitted to the Library through the municipal budget.

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

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

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

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

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

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

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**FOR THE YEARS ENDED 2020 AND 2019**

**AUDITED FINANCIAL STATEMENTS**

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# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Committee  
Township of West Deptford  
400 Crown Point Road  
West Deptford, NJ 08086

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of West Deptford, as of December 31, 2020 and 2019, the related statement of operations and changes in fund balance - regulatory basis for the year then ended, the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township of West Deptford's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion 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, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the



reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of West Deptford on the basis of the financial reporting provisions 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, to meet the requirements of New Jersey.

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

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

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

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

As described in Note 13 of the financial statements, the Township participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,977,955.82 for 2020, was not audited, and therefore, we express no opinion on the LOSAP program.

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

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2020 and 2019, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2020, in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of West Deptford’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing

procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2021, on our consideration of the Township of West Deptford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of West Deptford's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Registered Municipal Accountant #252

June 14, 2021

**CURRENT FUND**

## COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
<b>Regular Fund</b>			
Cash - Treasurer	A-4	\$ 16,478,658.68	\$ 14,163,065.49
Cash - Change Fund	A-5	1,150.00	1,150.00
		<u>16,479,808.68</u>	<u>14,164,215.49</u>
Due to State of New Jersey - Senior Citizen and Veterans Deductions	A-9	<u>27,236.24</u>	<u>29,736.24</u>
Deferred Charges:			
Special Emergency - 5 Year Master Plan	A-15	32,000.00	40,000.00
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	790,460.87	829,968.32
Tax Title Liens Receivable	A-7	2,217,261.08	2,047,698.80
Property Acquired for Taxes - Assessed Valuation	A-8	887,100.00	887,100.00
Other Municipal Liens		166,949.28	164,001.28
Other Charges Receivable		9,848.69	6,432.57
Revenue Accounts Receivable	A-10	6,408.30	16,593.74
Due from Trust Other	B	6,393.70	14,063.73
Due from Grant			2,154.55
		<u>4,084,421.92</u>	<u>3,968,012.99</u>
		<u>20,623,466.84</u>	<u>18,201,964.72</u>
<b>Federal and State Grant Fund</b>			
Cash	A-4	7,822.70	143,038.39
Grants Receivable	A-16	978,203.44	872,386.57
Due from Current Fund	A	1,250.00	
		<u>987,276.14</u>	<u>1,015,424.96</u>
		<u>\$ 21,610,742.98</u>	<u>\$ 19,217,389.68</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
<b>Regular Fund</b>			
Liabilities:			
Appropriation Reserves	A-3:A-11	\$ 3,780,280.53	\$ 2,651,237.01
Encumbrances Payable	A-12	715,780.85	351,940.18
Accounts Payable			29,869.00
Prepaid Taxes	A-4	710,119.45	599,518.63
Tax Overpayments		103,293.53	32,257.57
Payroll Taxes Payable		6,009.29	24,470.49
Due State - Marriage License Fees		1,350.00	1,525.00
Due State of New Jersey - DCA Fees		10,399.00	26,122.00
Local School Taxes Payable	A-14	2,719,999.85	2,350,554.87
County Tax Payable	A-6	40,689.54	39,681.67
Reserve for Master Plan	A-15	18,568.25	22,326.00
Reserve for Revaluation	A	6,805.45	6,805.45
Due to Utility Operating			1,046.45
Due Grant	A	1,250.00	
		<u>8,114,545.74</u>	<u>6,137,354.32</u>
Reserve for Receivables		4,084,421.92	3,968,012.99
Fund Balance	A-1	8,424,499.18	8,096,597.41
		<u>20,623,466.84</u>	<u>18,201,964.72</u>
<b>Federal and State Grant Fund</b>			
Reserve for Grants - Appropriated	A-17	600,748.25	748,927.86
Reserve for Grants - Unappropriated			64,192.55
Due Current			2,154.55
Encumbrances Payable	A-12	386,527.89	200,150.00
		<u>987,276.14</u>	<u>1,015,424.96</u>
		<u>\$ 21,610,742.98</u>	<u>\$ 19,217,389.68</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE  
CURRENT FUND - REGULATORY BASIS

<b>Revenue and Other Income Realized</b>	Ref.	Year 2020	Year 2019
Fund Balance Utilized	A-2	\$ 2,900,000.00	\$ 1,370,230.00
Miscellaneous Revenue Anticipated	A-2	9,567,543.55	10,602,765.58
Receipts from Delinquent Taxes	A-2	824,670.13	1,034,250.99
Receipts from Current Taxes	A-2	74,652,578.23	72,313,264.08
Non-Budget Revenue	A-2	991,280.15	507,400.31
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-11	1,827,567.69	1,663,058.36
Statutory Excess - Dog		483.80	2,601.85
Grant Reserves Canceled			26,368.09
Encumbrances Payable - Canceled	A-12	33,850.84	11,329.64
Accounts Payable - Canceled	A-13	29,869.00	7,098.56
Prior Year Payroll Taxes Payable Canceled		24,470.49	
Prior Year DCA Fees Payable		11,293.00	
Interfund Loan Returned		10,308.38	86,592.89
Total Income		<u>90,873,915.26</u>	<u>87,624,960.35</u>
<b>Expenditures</b>			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	8,959,415.97	8,447,721.00
Other Expenses	A-3	9,316,698.36	9,149,240.53
Deferred Charges and Statutory Expenditures	A-3	2,511,050.00	2,541,364.00
Budget Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	1,075,778.36	1,274,980.00
Other Expenses	A-3	2,756,874.28	2,830,770.45
Capital Improvements	A-3	1,210,000.00	500,000.00
Municipal Debt Service	A-3	9,282,497.01	9,440,580.16
Deferred Charges and Statutory Expenditures	A-3	48,553.00	39,977.00
County Taxes	A-6	16,825,441.90	15,314,882.04
Due County for Added Taxes	A-6	40,689.54	39,681.67
Local District School Tax	A-14	35,500,265.00	34,761,375.00
Open Space Tax	A-6	110,639.61	110,000.00
Interfund Loan Advanced		483.80	4,756.90
Prior Year Deductions Disallowed	A-9	6,500.00	
Due County - PILOT			24,213.54
Refund of Prior Year Revenue	A-4	1,126.66	69,713.94
Total Expenditures		<u>87,646,013.49</u>	<u>84,549,256.23</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE  
CURRENT FUND - REGULATORY BASIS

	Ref.	<u>Year 2020</u>	<u>Year 2019</u>
Excess in Revenue		3,227,901.77	3,075,704.12
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year			<u>40,000.00</u>
Statutory Excess to Fund Balance		3,227,901.77	3,115,704.12
<b>Fund Balance</b>			
Balance January 1	A	<u>8,096,597.41</u>	<u>6,351,123.29</u>
		11,324,499.18	9,466,827.41
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>2,900,000.00</u>	<u>1,370,230.00</u>
Balance December 31	A	<u>\$ 8,424,499.18</u>	<u>\$ 8,096,597.41</u>

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special NJSA 40A:4-87		
Fund Balance Anticipated	A-1	\$ 2,900,000.00		\$ 2,900,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-10	20,000.00		20,550.00	\$ 550.00
Fees and Permits	A-10	100,000.00		91,090.40	(8,909.60)
Fines and Costs:					
Municipal Court	A-10	230,000.00		129,827.77	(100,172.23)
Interest and Costs on Taxes	A-10	200,000.00		199,767.06	(232.94)
Interest on Investments and Deposits	A-10	200,000.00		139,591.00	(60,409.00)
Consolidated Municipal Property Tax Relief	A-10				
Energy Receipts Tax	A-10	2,009,241.00		2,009,240.99	(0.01)
Borough of National Park Police	A-10	579,102.00		579,102.00	
City of Woodbury Construction Code Official	A-10	110,000.00		82,500.00	(27,500.00)
Uniform Construction Code Fees	A-10	675,000.00		1,087,538.50	412,538.50
Riverwinds Fees	A-10	1,850,000.00		689,641.06	(1,160,358.94)
Uniform Fire Safety Act	A-10	150,000.00		145,529.74	(4,470.26)
Franchise Fees - Cable Television	A-10	318,863.00		318,863.00	
Host Community Benefit Agreement	A-10	375,000.00		457,854.75	82,854.75
Reserve for Tax Defeasance	A-10	80,000.00		87,386.26	7,386.26
Payment in Lieu of Taxes	A-10	404,000.00		419,140.75	15,140.75
Rental of Buildings & Grounds	A-10	355,000.00		373,771.18	18,771.18
LS Power Pilot	A-10	1,600,000.00		1,661,642.57	61,642.57
School Class 3 Resource Officers	A-10	125,160.00		104,538.23	(20,621.77)
NJMV Resource Officer	A-10	135,720.00		90,480.00	(45,240.00)
NJ Transportation Trust Fund	A-16		\$ 705,908.00	705,908.00	
Clean Communities	A-16		43,137.74	43,137.74	
Municipal Alliance on Alcoholism & Drug Abuse	A-16		6,250.00	6,250.00	
Recycling Tonnage Grant	A-16	64,192.55		64,192.55	
Safe and Secure	A-16	60,000.00		60,000.00	
Total Miscellaneous Revenues		9,641,278.55	755,295.74	9,567,543.55	(829,030.74)
Receipts from Delinquent Taxes	A-2	890,000.00		824,670.13	(65,329.87)
Subtotal General Revenues		13,431,278.55	755,295.74	13,292,213.68	(894,360.61)
Amount to be Raised by Taxation	A-2	22,993,652.05		23,228,918.55	235,266.50
Budget Totals		36,424,930.60	755,295.74	36,521,132.23	\$ (659,094.11)
Non-Budget Revenue	A-2			991,280.15	
	Ref.	A-3	A-3	\$ 37,512,412.38	

The accompanying notes to the financial statements are an integral part of this statement.



STATEMENT OF REVENUES - REGULATORY BASIS

**Analysis of Realized Revenue**

	Ref.	
Allocation of Current Tax Collections:		
Revenue from Collections	A-6	\$ 74,652,578.23
Allocated to:		
Open Space, School and County Taxes	A-6	52,477,036.05
Balance for Support of Municipal Budget Appropriations		<u>22,175,542.18</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	1,053,376.37
	A-2	<u><u>\$ 23,228,918.55</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-6	\$ 795,642.08
Tax Title Liens	A-7	29,028.05
	A-2	<u><u>\$ 824,670.13</u></u>

**Analysis of Non-Budget Revenue**

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Insurance Refunds	A-10	\$ 47,060.81
Fuel Purchases	A-10	22,125.88
Off Duty Administrative Fees	A-10	45,049.79
Senior Citizen Administrative Fee	A-10	3,785.00
Vacant Property Fees	A-10	84,250.00
Rivergate Parking	A-10	19,832.00
Shared Services - Mantua Zoning	A-10	14,731.50
Shared Services - Wenonah Leaves	A-10	3,040.00
Tax Abatements	A-10	560,726.41
Dumpster Fees	A-10	11,500.00
Tax Collector Fees & Penalties	A-10	9,025.94
Property Maintenance Liens	A-10	6,256.35
Miscellaneous	A-10	163,896.47
	A-2	<u><u>\$ 991,280.15</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT</b>						
General Administration						
Salaries & Wages	\$ 120,000.00	\$ 120,000.00	\$ 110,122.29		\$ 9,877.71	
Other Expenses	61,500.00	61,500.00	33,951.56	\$ 1,411.98	26,136.46	
Division of Central Services						
Other Expenses	118,000.00	118,000.00	49,624.33	690.09	67,685.58	
Mayor and Township Council						
Salaries & Wages	22,500.00	22,500.00	22,500.00			
Other Expenses	2,550.00	2,550.00	610.00		1,940.00	
Municipal Clerk						
Salaries & Wages	79,000.00	79,000.00	65,421.26		13,578.74	
Other Expenses	93,800.00	93,800.00	63,767.57	5,745.35	24,287.08	
Financial Administration						
Salaries & Wages	200,100.00	200,100.00	175,816.69		24,283.31	
Other Expenses	97,750.00	97,750.00	46,932.03	2,444.98	48,372.99	
Audit Services						
Other Expenses	60,000.00	60,000.00	28,533.75		31,466.25	
Computerized Data Processing						
Other Expenses	1.00	1.00			1.00	
Revenue Administration (Tax Collection)						
Salaries & Wages	152,000.00	152,000.00	143,758.04		8,241.96	
Other Expenses	44,150.00	44,150.00	12,587.82	76.91	31,485.27	
Legal Services & Costs						
Other Expenses	475,000.00	475,000.00	203,447.07	24,660.14	246,892.79	
Engineering Services & Costs						
Salaries & Wages	1.00	1.00			1.00	
Other Expenses	300,000.00	300,000.00	264,706.78		35,293.22	
<b>LAND USE ADMINISTRATION</b>						
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board						
Salaries & Wages	2,300.00	2,300.00	1,325.11		974.89	
Other Expenses	52,300.00	52,300.00	31,798.00	230.50	20,271.50	
Zoning Board and Board of Adjustment						
Salaries & Wages	40,000.00	40,000.00	32,076.94		7,923.06	
Other Expenses	2,900.00	2,900.00	1,095.75		1,804.25	
Rental Control Commission						
Other Expenses	4,000.00	4,000.00			4,000.00	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>INSURANCE</b>						
Liability Insurance	240,000.00	240,000.00	224,694.49		15,305.51	
Workmen's Compensation Insurance	415,000.00	415,000.00	360,368.80		54,631.20	
Group Plans for Employees	2,397,000.00	2,397,000.00	1,946,372.57	2,418.00	248,209.43	\$ 200,000.00
<b>PUBLIC SAFETY FUNCTIONS</b>						
Police						
Salaries & Wages	4,641,258.00	4,641,258.00	4,380,108.30		261,149.70	
Other Expenses	350,371.00	350,371.00	132,354.60	135,641.09	82,375.31	
Emergency Management Services						
Salaries & Wages	15,000.00	15,000.00	13,893.56		1,106.44	
Aid to Volunteer Fire Companies						
Other Expenses	241,000.00	241,000.00	120,765.04	51,474.82	68,760.14	
Fire Department						
Salaries & Wages	352,193.33	352,193.33	107,646.86		94,546.47	150,000.00
Other Expenses	24,115.00	24,115.00	1,960.58	1,276.00	20,878.42	
Prosecutor						
Other Expenses	32,000.00	32,000.00	24,562.51		7,437.49	
<b>PUBLIC WORKS FUNCTIONS</b>						
Road Repairs & Maintenance						
Salaries & Wages	497,000.00	497,000.00	476,623.07		20,376.93	
Other Expenses	327,500.00	327,500.00	224,527.27	38,992.15	63,980.58	
Snow Removal						
Salaries & Wages	50,000.00	50,000.00	10,555.23		39,444.77	
Other Expenses	83,500.00	83,500.00			83,500.00	
Other Public Works Functions (Leaf Collection)						
Salaries & Wages	35,000.00	35,000.00	24,385.97		10,614.03	
Other Expenses	8,000.00	8,000.00			8,000.00	
Solid Waste Collection						
Salaries & Wages	1,140,500.00	1,140,500.00	1,086,312.02		54,187.98	
Other Expenses	361,500.00	361,500.00	280,277.06	15,347.90	65,875.04	
Public Buildings & Grounds						
Salaries & Wages	140,000.00	140,000.00	129,071.73		10,928.27	
Other Expenses	200,000.00	250,000.00	117,784.24	96,930.98	35,284.78	
Vehicle Maintenance						
Other Expenses	387,000.00	387,000.00	278,177.52	42,401.70	66,420.78	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>HEALTH AND HUMAN SERVICES</b>						
Public Health Services (Board of Health)						
Other Expenses	5,000.00	5,000.00	3,098.30	1,886.00	15.70	
Environmental Commission (40:56A et seq.)						
Other Expenses	4,400.00	4,400.00	422.91		3,977.09	
Animal Control Services						
Salaries & Wages	5,600.00	5,600.00	5,439.20		160.80	
Commission of Disabled						
Other Expenses	3,400.00	3,400.00	2,960.15		439.85	
<b>RECREATION FUNCTIONS</b>						
Recreation Services & Programs						
Salaries & Wages	543,000.00	543,000.00	378,931.22		164,068.78	
Other Expenses	345,100.00	345,100.00	210,294.58	20,377.93	114,427.49	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Electricity	265,000.00	265,000.00	143,420.71	16,004.07	105,575.22	
Street Lighting	260,000.00	260,000.00	217,489.18	21,241.31	21,269.51	
Telephone	80,000.00	80,000.00	61,488.89	6,082.01	12,429.10	
Fuel Oil	20,000.00	20,000.00	9,648.84	2,753.30	7,597.86	
Telecommunications	2,800.00	2,800.00	1,250.00		1,550.00	
Gasoline	210,000.00	210,000.00	106,638.24	11,706.44	91,655.32	
<b>LANDFILL AND SOLID WASTE DISPOSAL COSTS</b>						
Landfill/Solid Waste Disposal Costs						
Other Expenses	1,460,000.00	1,460,000.00	984,691.31		475,308.69	
<b>MUNICIPAL COURT FUNCTIONS</b>						
Municipal Court						
Salaries & Wages	228,000.00	228,000.00	187,718.56		40,281.44	
Other Expenses	28,500.00	28,500.00	7,071.13	1,605.78	19,823.09	
Public Defender						
Other Expenses	23,000.00	23,000.00	22,200.00		800.00	
<b>OTHER COMMON OPERATING FUNCTIONS</b>						
Riverwinds						
Salaries & Wages	311,000.00	311,000.00	311,000.00			
Other Expenses	264,025.00	214,025.00	214,025.00			

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>UNIFORM CONSTRUCTION CODE -</b>						
<b>APPROPRIATIONS OFFSET BY DEDICATED</b>						
<b>REVENUES (NJAC 5:23-4.17)</b>						
State Uniform Construction Code						
Construction Official						
Salaries & Wages	386,963.64	386,963.64	326,102.02		60,861.62	
Other Expenses	89,536.36	89,536.36		25,779.00	63,757.36	
Plumbing Sub-Code Official						
Salaries & Wages	37,000.00	37,000.00	35,707.28		1,292.72	
Electrical Sub-Code Official						
Salaries & Wages	63,000.00	63,000.00	42,531.12		20,468.88	
Housing Official						
Salaries & Wages	48,000.00	48,000.00	43,245.08		4,754.92	
Other Expenses	127,000.00	127,000.00	11,255.00	200.00	65,545.00	50,000.00
<b>Total Operations Within "CAPS"</b>	<b>18,676,114.33</b>	<b>18,676,114.33</b>	<b>14,555,145.13</b>	<b>527,378.43</b>	<b>3,193,590.77</b>	<b>400,000.00</b>
Detail:						
Salaries & Wages	9,109,415.97	9,109,415.97	8,110,291.55		849,124.42	150,000.00
Other Expenses	9,566,698.36	9,566,698.36	6,444,853.58	527,378.43	2,344,466.35	250,000.00
<b>DEFERRED CHARGES</b>						
Overexpenditure of Appropriation						
<b>STATUTORY EXPENDITURES</b>						
Contribution to:						
Public Employees' Retirement System	493,730.00	493,730.00	443,566.12		50,163.88	
Social Security System (OASI)	780,000.00	780,000.00	674,315.46		105,684.54	
Police and Firemen's Retirement System of NJ	1,219,819.00	1,219,819.00	1,219,819.00			
Unemployment Compensation Insurance	1.00	1.00			1.00	
New Jersey Disability Insurance	7,500.00	7,500.00	2,268.40		5,231.60	
Defined Compensation Retirement System	10,000.00	10,000.00	564.87		9,435.13	
<b>Total Deferred Charges &amp; Statutory</b>						
Expenditures - Municipal Within "CAPS"	2,511,050.00	2,511,050.00	2,340,533.85		170,516.15	
<b>Total General Appropriations for</b>						
Municipal Purposes Within "CAPS"	21,187,164.33	21,187,164.33	16,895,678.98	527,378.43	3,364,106.92	400,000.00

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>PUBLIC SAFETY FUNCTIONS</b>						
Length of Service Awards Program (P.L. 1997, c. 388)	70,000.00	70,000.00			70,000.00	
<b>EDUCATION FUNCTIONS</b>						
Maintenance of Free Public Library Other Expenses	799,778.35	799,778.35	724,813.79	74,964.56		
<b>SHARED SERVICE AGREEMENTS</b>						
City of Woodbury Construction Code Official						
Salaries and Wages	80,036.36	80,036.36	80,036.36			
Other Expenses	29,963.64	29,963.64	27,264.80		2,698.84	
Borough of National Park Police						
Salaries and Wages	135,742.00	135,742.00	135,742.00			
Other Expenses	121,605.00	121,605.00	121,605.00			
West Deptford Board of Education (IT Services)						
Other Expenses	131,039.00	131,039.00	131,039.00			
Township of Mantua						
Other Expenses	85,000.00	85,000.00	42,298.82	28,317.65	14,383.53	
<b>ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES</b>						
Riverwinds						
Salaries and Wages	1,000,000.00	1,000,000.00	658,061.66		141,938.34	200,000.00
Other Expenses	850,000.00	850,000.00	427,726.89	85,120.21	187,152.90	150,000.00
Total Other Operations - Excluded from "CAPS"	3,303,164.35	3,303,164.35	2,348,588.32	188,402.42	416,173.61	350,000.00
<b>PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES</b>						
Municipal Alliance		6,250.00	6,250.00			
Clean Communities		43,137.74	43,137.74			
Safe and Secure	60,000.00	60,000.00	60,000.00			
Recycling Tonnage Grant	64,192.55	64,192.55	64,192.55			
NJ Transportation Trust Fund Authority		705,908.00	705,908.00			
Total Operations Excluded from "CAPS"	3,427,356.90	4,182,652.64	3,228,076.61	\$ 188,402.42	\$ 416,173.61	\$ 350,000.00
Detail:						
Salaries and Wages	1,275,778.36	1,275,778.36	933,840.02		141,938.34	200,000.00
Other Expenses	2,151,578.54	2,906,874.28	2,294,236.59	188,402.42	274,235.27	150,000.00

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>						
Capital Improvement Fund	1,210,000.00	1,210,000.00	1,210,000.00			
Total Capital Improvements Excluded from "CAPS"	1,210,000.00	1,210,000.00	1,210,000.00			
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>						
Payment of Bond Principal	6,083,480.00	6,083,480.00	6,083,478.20			1.80
Interest on Bonds	3,415,000.00	3,415,000.00	3,199,018.81			215,981.19
Total Municipal Debt Service Excluded from "CAPS"	9,498,480.00	9,498,480.00	9,282,497.01			215,982.99
<b>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM CAPS</b>						
Deferred Charges to Future Taxation - Unfunded						
Special Emergency Authorization (5 Years N.J.S.A. 40A:4-55)	8,000.00	8,000.00	8,000.00			
Ordinance 2012-07	39,976.00	39,976.00	39,976.00			
Ordinance 2008-09	576.06	576.06	576.06			
Ordinance 2009-13	0.94	0.94	0.94			
Total Deferred Charges Excluded from "CAPS"	48,553.00	48,553.00	48,553.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	14,184,389.90	14,939,685.64	13,769,126.62	188,402.42	416,173.61	565,982.99
Subtotal General Appropriations	35,371,554.23	36,126,849.97	30,664,805.60	715,780.85	3,780,280.53	965,982.99
<b>RESERVE FOR UNCOLLECTED TAXES</b>	1,053,376.37	1,053,376.37	1,053,376.37			
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 36,424,930.60</b>	<b>\$ 37,180,226.34</b>	<b>\$ 31,718,181.97</b>	<b>\$ 715,780.85</b>	<b>\$ 3,780,280.53</b>	<b>\$ 965,982.99</b>
Ref.	A-2			A-12	A	
Budget	Ref. A-3	\$ 36,424,930.60				
Appropriations by 40A:4-87	A-2	755,295.74				
		<u>\$ 37,180,226.34</u>				
Reserve for Federal and State Grants	Ref. A-17	\$ 879,488.29				
Reserve for Uncollected Taxes	A-2	1,053,376.37				
Due Grant Fund		1,250.00				
Reserve for Master Plan	A-19	8,000.00				
Disbursed	A-4	29,776,067.31				
		<u>\$ 31,718,181.97</u>				

The accompanying notes to the financial statements are an integral part of this statement.

## TRUST FUND



## EXHIBIT B

## COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
<b>ASSETS</b>			
<b>Trust Fund</b>			
Cash - Treasurer	B-1	\$ 3,617,483.85	\$ 3,432,018.39
Due from Current Fund			0.50
Due Street Opening Trust			2,685.00
Off Duty Police Receivables			36,222.57
		3,617,483.85	3,470,926.46
<b>LOSAP (Unaudited)</b>			
Investment		1,977,955.82	1,638,018.09
		\$ 5,595,439.67	\$ 5,108,944.55

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B  
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
<b>Trust Fund</b>			
Encumbrances Payable	B-4	\$ 163,677.09	\$ 30,372.83
Due State of New Jersey		25.80	4.20
Due Current Fund	A	6,393.70	14,064.23
Due Escrow Trust			2,685.00
Reserve for Dog Fund Expenditures	B-2	6,396.20	6,420.20
Reserve for Street Opening	B-3	46,749.75	40,026.50
Reserve for Forfeited Funds	B-3	19,512.71	9,711.06
Reserve for Off-Duty Police Fees			52,682.40
Deposits for Redemption of Tax Sale Certificates	B-3	26,791.37	28,982.53
Reserve for Tax Sale Premiums	B-3	576,700.00	547,100.00
Reserve for Developers Escrow	B-3	339,411.08	365,229.39
Reserve for Public Defender Fees	B-3	29,170.00	26,202.00
Reserve for POAA Fees	B-3	1,836.17	1,828.17
Reserve for Mayor Food & Holiday Drive	B-3	1,879.00	1,879.00
Reserve for Drainage Basin	B-3	77,329.02	77,329.02
Reserve for Municipal Open Space	B-3	176,422.32	270,045.39
Reserve for Affordable Housing	B-3	1,752,766.13	1,692,797.20
Reserve for Unemployment Compensation	B-3	142,322.74	143,257.42
Reserve for Storm Recovery	B-3	86,250.68	41,684.10
Reserve for Accumulated Absences	B-3	46,000.00	46,000.00
Reserve for Recreation	B-3	96,999.07	53,619.07
Reserve for Environmental Resources	B-3	10,904.65	9,312.00
Reserve for Community Donations - Police	B-3	306.62	
Reserve for Donations Field of Dreams	B-3	1,379.00	1,379.00
Reserve for Donations Flag Pole	B-3	5,000.00	5,000.00
Reserve for Donations Dante Finocchi Memorial	B-3	1,500.00	1,500.00
Reserve for Donations Adopt a Bench	B-3	145.00	200.00
Reserve for Uniform Fire Safety	B-3	1,615.75	1,615.75
		<u>3,617,483.85</u>	<u>3,470,926.46</u>
<b>LOSAP (Unaudited)</b>			
Reserve for LOSAP Benefits		1,977,955.82	1,638,018.09
		<u>\$ 5,595,439.67</u>	<u>\$ 5,108,944.55</u>

The accompanying notes to the financial statements are an integral part of this statement.

## **GENERAL CAPITAL FUND**

EXHIBIT C

COMPARATIVE BALANCE SHEET - GENERAL CAPITAL FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
Cash	C-2	\$ 2,015,365.56	\$ 1,928,756.83
Deferred Charges to Future Taxation:			
Funded	C-4	76,249,564.00	83,743,042.00
Unfunded	C-5	1,111,391.50	1,151,944.50
		<u>\$ 79,376,321.06</u>	<u>\$ 86,823,743.33</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
Serial Bonds Payable	C-8	\$ 76,249,564.00	\$ 83,743,042.00
Encumbrances Payable	C-10	813,327.37	420,863.43
Capital Improvement Fund	C-6	530,929.52	205,929.52
Reserve for Payment of Debt Services - BANS	C-12	95,447.40	95,447.40
Reserve for Payment of Debt Services - Bonds	C-13	188,427.09	178,500.86
Reserve for Down Payment on Improvements	C-11	36,302.00	36,302.00
Improvement Authorizations:			
Funded	C-7	1,190,384.08	1,527,696.24
Unfunded	C-7	151,920.37	534,101.00
Fund Balance	C-1	120,019.23	81,860.88
		<u>\$ 79,376,321.06</u>	<u>\$ 86,823,743.33</u>

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF FUND BALANCE - REGULATORY BASIS

Balance December 31, 2019	Ref. C	\$ 81,860.88
Increased by:		
Cancel Ordinances Funded Via Capital Surplus	C-7	<u>38,158.35</u>
Balance December 31, 2020	C	<u><u>\$ 120,019.23</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**WATER AND SEWER UTILITY FUND**

COMPARATIVE BALANCE SHEET - WATER AND SEWER  
UTILITY FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
Operating Fund			
Cash - Treasurer	D-5	\$ 4,845,872.86	\$ 3,262,545.15
Due from Current Fund			1,046.45
		<u>4,845,872.86</u>	<u>3,263,591.60</u>
Receivables with Full Reserves			
Consumer Accounts Receivable	D-7	1,375,194.52	1,720,099.29
Water & Sewer Liens	D-8	13,686.55	12,691.84
		<u>1,388,881.07</u>	<u>1,732,791.13</u>
Deferred Charges			
Overexpenditure of Appropriation Reserves	D-11		1,015.81
Total Operating Fund		<u>6,234,753.93</u>	<u>4,997,398.54</u>
Capital Fund			
Cash - Treasurer	D-5	390,007.06	
Note Receivable	D-21	193,304.00	479,902.00
Fixed Capital	D-9	60,573,713.05	59,549,304.85
Fixed Capital Authorized and Uncompleted	D-10	8,950,000.00	9,694,117.40
Total Capital Fund		<u>70,107,024.11</u>	<u>69,723,324.25</u>
		<u>\$ 76,341,778.04</u>	<u>\$ 74,720,722.79</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT D  
(Continued)

COMPARATIVE BALANCE SHEET - WATER AND SEWER  
UTILITY FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
<b>Operating Fund</b>			
Liabilities:			
Appropriation Reserves	D-4:D-11	\$ 1,508,125.61	\$ 1,334,763.00
Encumbrances Payable	D-12	299,771.33	79,441.04
Accounts Payable			1,789.00
Accrued Interest on Bonds & Notes	D-13	102,798.49	117,524.29
Utility Rent Overpayments	D-5	27,376.80	24,183.22
Reserve for Engineering Escrow		1,175.00	1,175.00
		<u>1,939,247.23</u>	<u>1,558,875.55</u>
Reserve for Receivables		1,388,881.07	1,732,791.13
Fund Balance	D-1	2,906,625.63	1,705,731.86
		<u>6,234,753.93</u>	<u>4,997,398.54</u>
<b>Capital Fund</b>			
Cash Deficit - Treasurer			394,883.31
Serial Bonds Payable	D-17	5,635,436.00	6,237,958.00
New Jersey Wastewater Loan Payable	D-18	3,782,963.42	4,540,918.19
Note Payable	D-22	1,400,000.00	1,400,000.00
Improvement Authorizations:			
Funded	D-16	43,329.10	76,244.84
Unfunded	D-16	6,316,266.16	6,485,267.97
Encumbrances Payable	D-12	421,975.43	888,325.55
Capital Improvement Fund	D-14	613,087.38	13,087.38
Reserve for Debt Service	D-19	600,556.67	33,996.63
Reserve for Down Payment on Improvements	D-20	16,250.00	16,250.00
Reserve for Amortization	D-15	51,235,313.63	49,594,546.06
Fund Balance	D-2	41,846.32	41,846.32
		<u>70,107,024.11</u>	<u>69,723,324.25</u>
		<u>\$ 76,341,778.04</u>	<u>\$ 74,720,722.79</u>

The accompanying notes to the financial statements are an integral part of this statement.



COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND  
BALANCE - WATER AND SEWER UTILITY FUND - REGULATORY BASIS

	Ref.	Year 2020	Year 2019
<b>Revenue and Other Income Realized</b>			
Fund Balance Utilized	D-3	\$ 1,390,402.81	\$ 548,121.68
Rents	D-3	12,538,823.34	11,271,967.64
Reserve to Pay Debt Service			131,551.77
Miscellaneous	D-3	166,062.11	150,979.54
Other Credits to Income:			
Accounts Payable Cancelled	D	1,789.00	
Unexpended Balance of Appropriation Reserves	D-11	1,185,525.44	516,980.39
<b>Total Income</b>		<u>15,282,602.70</u>	<u>12,619,601.02</u>
<b>Expenditures</b>			
Operating	D-4	9,830,950.00	9,968,000.00
Capital Improvements	D-4	1,000,000.00	50,000.00
Debt Service	D-4	1,592,030.44	1,857,130.98
Deferred Charges	D-4	1,015.81	
Statutory Expenditures	D-4	265,915.00	287,250.00
Other Expenditures:			50.00
Miscellaneous Refunds	D-5	1,394.87	509.95
Refund of Prior Year Revenue			1,789.00
<b>Total Expenditures</b>		<u>12,691,306.12</u>	<u>12,164,729.93</u>
Statutory Excess to Fund Balance		2,591,296.58	454,871.09
<b>Fund Balance</b>			
Balance January 1	D	1,705,731.86	1,798,982.45
		4,297,028.44	2,253,853.54
Decreased by:			
Utilization as Anticipated Revenue	D-1	1,390,402.81	548,121.68
<b>Balance December 31</b>	D	<u>\$ 2,906,625.63</u>	<u>\$ 1,705,731.86</u>

The accompanying notes to the financial statements are an integral part of this statement.

## EXHIBIT D-2

STATEMENT OF FUND BALANCE - WATER AND SEWER  
CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2019	Ref. D	\$ 41,846.32
Balance December 31, 2020	D	\$ 41,846.32

## EXHIBIT D-3

## STATEMENT OF REVENUES - WATER AND SEWER UTILITY FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Operating Surplus Anticipated	D-1	\$ 1,390,402.81	\$ 1,390,402.81	
Rents	D-3	11,270,000.00	12,538,823.34	\$ 1,268,823.34
Miscellaneous	D-3	150,000.00	166,062.11	16,062.11
		<u>\$ 12,810,402.81</u>	<u>\$ 14,095,288.26</u>	<u>\$ 1,284,885.45</u>
	Ref. D-4			

**Analysis of Realized Revenue**

Rents:	Ref.	
Consumer Accounts Receivable:		
Collected	D-7	\$ 12,514,640.12
Overpayments Applied	D-7	24,183.22
	D-3	<u>\$ 12,538,823.34</u>
Miscellaneous:		
Water and Sewer Interest		\$ 79,598.49
National Park Wheeling Fee		13,376.00
Fire Hydrant Receipts		615.84
Water Permits		18,700.00
Sewer Permits		23,800.00
Miscellaneous		1,310.07
Interest on Investments		28,661.71
	D-3:D-5	<u>\$ 166,062.11</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - WATER AND SEWER UTILITY FUND - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 1,445,000.00	\$ 1,445,000.00	\$ 1,183,596.79		\$ 261,403.21	
Other Expenses	8,385,950.00	8,385,950.00	6,945,346.76	\$ 295,374.03	1,145,229.21	
Capital Improvements:						
Capital Improvement Fund	600,000.00	600,000.00	600,000.00			
Capital Outlay	400,000.00	400,000.00	316,209.74	4,397.30	79,392.96	
Debt Service:						
Payment of Bond Principal	602,522.00	602,522.00	602,522.00			
Interest on Bonds	200,000.00	200,000.00	190,420.50			\$ 9,579.50
Interest on Notes	30,000.00	30,000.00				30,000.00
Loan Principal and Interest	880,000.00	880,000.00	799,087.94			80,912.06
Deferred Charge						
Overexpenditure of Appropriation	1,015.81	1,015.81	1,015.81			
Statutory Expenditures:						
Public Employees' Retirement System	155,915.00	155,915.00	155,907.00		8.00	
Social Security System (OASI)	110,000.00	110,000.00	87,907.77		22,092.23	
	<u>\$ 12,810,402.81</u>	<u>\$ 12,810,402.81</u>	<u>\$ 10,882,014.31</u>	<u>\$ 299,771.33</u>	<u>\$ 1,508,125.61</u>	<u>\$ 120,491.56</u>
Ref.	D-3	D-4		D-12	D	
Interest on Bonds and Notes		Ref. D-13	\$ 231,553.67			
Deferred Charge			1,015.81			
Disbursed		D-5	10,649,444.83			
			<u>\$ 10,882,014.31</u>			

The accompanying notes to the financial statements are an integral part of this statement.

**GENERAL FIXED ASSETS ACCOUNT GROUP**

## EXHIBIT E

## STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

	Balance Dec 31, 2020	Balance Dec 31, 2019
Buildings & Grounds	\$ 43,803,414.00	\$ 43,803,414.00
Land	28,060,000.00	28,155,400.00
Furniture & Equipment	6,161,155.09	5,761,058.92
Vehicles	5,715,366.26	5,762,431.26
	<u>\$ 83,739,935.35</u>	<u>\$ 83,482,304.18</u>
Investment in General Fixed Assets	<u>\$ 83,739,935.35</u>	<u>\$ 83,482,304.18</u>

The accompanying notes to the financial statements are an integral part of this statement.

**NOTES TO FINANCIAL STATEMENTS**  
**(Regulatory Basis)**

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Except as noted below, the financial statements of the Township of West Deptford included every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of West Deptford, as required by NJSA 40A:5-5.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of the taxes. The Township's component units are listed below:

West Deptford Free Public Library

**B. Description of Funds and Account Groups**

The accounting policies of the Township of West Deptford 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. 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 of West Deptford accounts for its transactions through the following separate funds and accounts as presented below. This presentation differs from the funds required by GAAP.

**Current Fund** - Resources and expenditures for governmental operations of a general nature, including Federal and State Grant Funds.

**Trust Fund** - Receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

**General Capital Fund** - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

**Water & Sewer Operating and Capital Funds** - Account for the operations and acquisition of capital facilities of the municipally-owned Water & Sewer Utility.

**Payroll/Payroll Agency Account** - Receipt and disbursement of funds to meet obligations to employees and payroll tax liabilities.

**General Fixed Assets** - To account for fixed assets used in governmental operations.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities in the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant accounting principles are as follows:

**Revenues** - are recorded when received in cash, except for certain amounts which are due from other governmental units. Receipts from federal and state grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. Fund balance utilized to balance the budget is recorded as revenue and budgeted transfers from other funds are also recorded as revenue when anticipated in the budget. This method of revenue recognition differs from accounting principles generally accepted in the United States of America which recognizes revenue in the accounting period in which it is earned net of allowances for doubtful accounts.

**Expenditures** - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods and services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash 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. 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. Grant appropriations are charged upon budget adoption to create separate spending reserves. Budgeted transfers to other funds are recorded as expenditures when the budget is adopted, to the extent permitted or required by law. 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. This method differs from accounting principles generally accepted in the United States of America which requires that expenditures be recorded when services are rendered or goods are received. Under accounting principles generally accepted in the United States of America, appropriation reserves do not exist and encumbrances do not constitute expenditures.

**Property Taxes** - The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by the 11<sup>th</sup> day of the 11<sup>th</sup> month, in the year levied, are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et seq.



TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Property Taxes (Continued)** - The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county. The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from those taxes not paid. The minimum amount of the reserve is determined by the percentage of collections experienced in the preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. Under accounting principles generally accepted in the United States of America, a "Reserve for Uncollected Taxes" would not be an appropriation.

**Interest on Delinquent Taxes** - It is the policy of the Township to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31<sup>st</sup>, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

**Foreclosed Property** - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Under accounting principles generally accepted in the United States of America, foreclosed property would be recorded at historical cost and no reserve would be provided.

**Interfunds** - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. Under accounting principles generally accepted in the United States of America, inter-funds are not reserved.

**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 balance sheets. Under accounting principles generally accepted in the United States of America, inventory would be recorded as an asset on the balance sheet.

**Insurance** - Cost of insurance for all funds are recorded as expenditures at the time of payment. Under accounting principles generally accepted in the United States of America, insurance costs chargeable to future periods would be recorded as prepayments on the balance sheet.

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Township has developed a fixed assets accounting and reporting system.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**General Fixed Assets (Continued)** - 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 recorded at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value on the date of acquisition. The Township capitalizes fixed assets with an original cost in excess of \$2,000.00.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

No depreciation has been provided for in the financial statements.

Fixed assets acquired through grants in aid or contributed capital, have not been accounted for separately.

Property and equipment purchased by the Water & Sewer Utility Fund is recorded in the respective capital account at cost and are adjusted for dispositions and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balances in Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represent charges to operations for the costs of acquisition of property, equipment, and improvements. The utility does not record depreciation on fixed assets.

**Proprietary Fund - Cash Flows Statement** - In accordance with the reporting requirements of the Division of Local Government Services, the utility fund's financial statements do not include a statement of cash flows.

**General Long-Term Debt** - General Long-Term Debt is accounted for in the General Capital and Utility Capital Fund. Accounting principles generally accepted in the United States of America require General Long-Term Debt to be accounted for in the General Long-Term Debt Account Group.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Capitalization of Interest** - It is the policy of the Township to capitalize interest in the Utility Capital Fund on projects during the construction phase.

**Tax Appeals and Other Contingent Losses** - Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Comparative Data**

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Township's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

**E. Accounting Pronouncements Adopted**

Statement No. 83, "Certain Asset Retirement Obligations." This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). This Statement, originally effective for period's beginning after June 15, 2018, was postponed until June 15, 2019. This statement did not have any significant impact on the financial reporting.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." This Statement, originally effective for periods beginning after June 15, 2018, was postponed until June 15, 2019. This statement did not have any significant impact on the financial reporting.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61." This Statement, originally effective for periods beginning after December 15, 2018, was postponed until December 15, 2019. This statement did not have any significant impact on the financial reporting.

**F. Recent Effective Accounting Pronouncements Postponed by Statement No. 95**

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. As a result of GASB 95, the effective dates of the following statements are postponed by one year:

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020." This Statement, originally effective for periods beginning after December 15, 2020 is postponed until December 15, 2021. Management has not yet determined the impact of this Statement on the financial Statements

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rate." This Statement, except for paragraph 11b originally effective for periods beginning after June 15, 2020, is postponed until June 15, 2021. The requirement in paragraph 11b originally effective for periods beginning after December 31, 2021, is postponed until December 31, 2022. Management has not yet determined the impact of this Statement on the financial statements

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Recent Accounting Pronouncements Not Yet Effective**

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by Governments. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until June 15, 2021, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until December 15, 2020, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements." This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84 and supersession of GASB Statement No. 32." The primary objectives of this Statement are to increase consistency and comparability related to the reporting of fiduciary component. This Statement is effective for periods beginning after June 15, 2021. Management does not expect this Statement will have a significant impact on the financial statements.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 2: BUDGETARY INFORMATION**

The Township must adopt an annual budget in accordance with NJSA 40A:4 et seq. This budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. This protects the Township from taxes not paid currently. Once approved, the Township may make emergency appropriations for a purpose which is not foreseen at the time the budget is adopted per NJSA 40A:4-46 and 54. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety or welfare prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. Budget transfers between appropriation accounts are prohibited until the last two months of the year. Budget transfers during the year were not significant. After approval from the Director, the Township can also make amendments for any special item of revenue made available by any public or private funding source as per NJSA 40A:4-87.

The Township amended the budget during the year by the insertion of Special Items of Revenue in the amount of \$755,295.74 for various grants as detailed on Exhibit A-2.

**NOTE 3: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk – Deposits**

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be able to recover the value of its deposits or investments. Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The municipality's policy is based on New Jersey Statutes requiring cash to be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 40A:5-15.1(a) that are treated as cash equivalents.

At December 31, 2020 and 2019, the carrying amount of the Township's deposits was \$27,356,360.71 and \$22,535,690.94, respectively. As of December 31, 2020 and 2019, \$0 of the municipality's bank balance of \$27,615,814.79 and \$23,397,315.02, respectively, was exposed to Custodial Credit Risk.

**NOTE 4: INVESTMENTS**

As of December 31, 2020 and 2019, the Township did not have any investments other than for LOSAP.

**Interest Rate Risk** - The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, NJSA 40A:5-15.1(a) limits the length of time for most investments to 397 days.

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 4: INVESTMENTS (CONTINUED)**

**Credit Risk** - NJSA 40A:5-15.1(a) limits municipal investments to those specified in the statutes. The type of allowable investments are Bonds or other obligations of the United States or obligations guaranteed by the United States, Bonds or other obligations of the Township or Bonds or other obligations of the Township school district, Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units, government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk** - The Township places no limit on the amount the Township may invest in any one issuer.

**Unaudited Investments** - As more fully described in Note 13, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et seq. except that all investments are retained in the name of the Township. All investments are valued at contract value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the accounts on December 31, 2020 and 2019, amounted to \$1,977,955.82 and \$1,638,018.09, respectively. The information on 5% or more invested with Variable Annual Life Insurance Company is not yet available.

**NOTE 5: FUND BALANCES APPROPRIATED**

	Year	Balance December 31	Utilized in Budget of Succeeding Year
Current Fund	2020	\$ 8,424,499.18	\$ 3,109,000.00
	2019	8,096,597.41	2,900,000.00
	2018	6,351,123.29	1,370,230.00
	2017	5,111,673.86	767,045.26
	2016	2,612,974.18	734,176.37
Utility Fund	2020	2,906,625.63	1,476,370.00
	2019	1,705,731.86	1,390,402.81
	2018	1,798,982.45	548,121.68
	2017	843,222.46	313,681.02
	2016	854,841.67	266,102.80

**NOTE 6: RISK MANAGEMENT**

The Township is exposed to various risks or loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Township maintains commercial insurance coverage for property, liability, and surety bonds. Any potential liability of the Township with respect to loss claims would be equal to the deductibles associated with policies and an event, which may exceed coverage limits. There have not been any significant reductions in insurance coverage amounts.

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 6: RISK MANAGEMENT (CONTINUED)**

**New Jersey Unemployment Compensation Insurance**

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township's Trust Fund for the current and previous two years:

Year	Contributions	Amount Reimbursed	Transfer from/to Current	Balance Dec. 31
2020	\$ 99,329.21	\$ 100,263.89		\$ 142,322.74
2019	2,079.85	13,521.71	\$ (0.50)	143,257.42
2018	16,704.97	13,834.00	40,624.02	154,699.78

**NOTE 7: FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group for the year ending December 31, 2020:

	Balance Dec. 31, 2019	Additions	Deletions	Balance Dec. 31, 2020
Buildings and Grounds	\$ 43,803,414.00			\$ 43,803,414.00
Land	28,155,400.00		\$ 95,400.00	28,060,000.00
Furniture and Equipment	5,761,058.92	\$ 400,096.17		6,161,155.09
Vehicles	5,762,431.26		47,065.00	5,715,366.26
	<u>\$ 83,482,304.18</u>	<u>\$ 400,096.17</u>	<u>\$ 142,465.00</u>	<u>\$ 83,739,935.35</u>

**NOTE 8: ACCUMULATED ABSENCE BENEFITS**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. The liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Township and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Township and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Employees of the Township are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. Employees are represented by a number of labor unions, and each contract contains different provisions for employee-compensated absences.

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 8: ACCUMULATED ABSENCE BENEFITS (CONTINUED)**

The total value of compensated absences owed to employees as of December 31, 2020 and 2019, was \$704,802.96 and \$558,814.54, respectively. The Township has not appropriated in the 2020 adopted budget to fund a reserve for accumulated absences. The accumulated absence trust has a reserve balance as of December 31, 2020, of \$46,000.00.

**NOTE 9: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. The following is a comparison of the liability for the current and previous year:

	Balance Dec. 31, 2020	Balance Dec. 31, 2019
Prepaid Taxes - Cash Liability	\$ 812,303.26	\$ 599,518.63

**NOTE 10: ECONOMIC DEPENDENCY**

The Township of West Deptford is not economically dependent on any one business or industry within the Township.

**NOTE 11: INTERFUND RECEIVABLES AND PAYABLES**

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2020:

	Due From	Due To
Current Fund		
Trust Other	\$ 6,393.70	
Grant Fund		\$ 1,250.00
Federal and State Grant Fund		
Current Fund	1,250.00	
Trust Other		
Current Fund		6,393.70
	\$ 7,643.70	\$ 7,643.70

The purpose of these interfunds are short-term borrowings.

**NOTE 12: DEFERRED COMPENSATION PLAN**

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salary and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency.



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**NOTE 12: DEFERRED COMPENSATION PLAN (CONTINUED)**

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the Township has an obligation of due care in selecting third party administrators. The independent administrators are Nationwide Retirement Systems, Equitable, and Annuity Life Insurance Company.

**NOTE 13: LENGTH OF SERVICE AWARD PROGRAM**

During the year 2001, the voters of the Township of West Deptford approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan was approved by voters of the Township of West Deptford by referendum at the general election on November 6, 2001. This plan is made available to all bona fide eligible volunteers who are performing qualified services which are defined as firefighting services pursuant to section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP, as enacted into federal law in 1997. The establishment of this LOSAP also complies with New Jersey Public Law of 1997, Chapter 338, and the LOSAP document. The balance is subject to the general creditors of the Township.

Contributions by the Township for qualified participants were \$42,550.00 and \$50,600.00 for 2020 and 2019, respectively. These payments are made in the subsequent year for participants who met the required qualifications. The assets of the plan are held by an independent administrator, Lincoln Financial Group.

**NOTE 14: PENSION FUNDS**

**Description of Plans** - All eligible employees of the Township are covered by either the Public Employees' Retirement System, (PERS) or the Police and Firemen's Retirement System (PFRS), a cost-sharing, multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the PERS and PFRS. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 43:15A to provide retirement, death, disability, and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan. Membership is generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system or other state or local jurisdiction.

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 14: PENSION FUNDS (CONTINUED)**

**Police and Firemen's Retirement System (PFRS)** - The Police and Firemen's Retirement System was established in July 1944, under the provisions of NJSA 43:16A, to provide coverage to substantially all full-time county or municipal police and fire-fighters and State fire-fighters appointed after June 30, 1944. Enrollment is required for permanent, full-time employees appointed to positions of law enforcement or firefighting in the State of New Jersey.

**Defined Contribution Retirement Program (DCRP)** - The Township established Defined Contribution Retirement Program by ordinance on December 4, 2008, as required by Chapter 92 of the Laws of 2007 and NJSA 43:15C-1 et seq. DCRP provides for employee contributions of 5 1/2% of employees' annual base salary. Employers are required to contribute 3% of the employees' base salary.

**Funding Policy** - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS provide for employee contributions of 7.50% of employees' annual compensation. The PFRS provides for employee contributions of 10% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in the PERS and PFRS. The PERS and PFRS rates in effect for 2020 are 13.69% and 29.80%, respectively, of covered payroll, as reported on June 30, 2018. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The Township's contributions to the PERS for the years ending December 31, 2020, 2019, and 2018, were \$649,637.00, \$749,806.00, and \$665,756.00, respectively, equal to the required contributions for each year. The Township's contributions to the PFRS for the years ending December 31, 2020, 2019, and 2018, were \$1,219,819.00, \$1,204,004.00, and \$1,079,776.00, respectively, equal to the required contributions for each year. The Township's contributions to DCRP for the years ending December 31, 2020, 2019, and 2018, were \$564.87, \$2,222.36, and \$3,376.27, respectively, equal to the required contributions for each year.

**Significant Legislation** - Chapter 78, P.L. 2011, effective June 28, 2011, made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operates and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011, (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011, (Tier 3 members), will be 60% instead of 65% of the member's final compensation, plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 14: PENSION FUNDS (CONTINUED)**

**Significant Legislation (Continued)**

- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of the PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of the PERS to 1/60th from 1/55th and it provided that new members of the PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of the PERS will no longer receive pension service credit from more than one employer.

Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for Social Security and requires the pension to be calculated using a three-year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined at 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program (DCRP).

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006, report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

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**NOTE 15: POSTEMPLOYMENT BENEFITS**

**State Health Benefits**

**Plan Description** - The Township of West Deptford contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State 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. The SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

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 2015, the Township of West Deptford authorized participation in the SHBP's post-retirement benefit program through resolution number R-2015-89. All employees who were part of a state administered pension system and have at least 25 years of government service are eligible to participate in the program.

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: [www.state.nj.us/treasury/pensions/hb-employers.shtml](http://www.state.nj.us/treasury/pensions/hb-employers.shtml).

**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 of West Deptford on a monthly basis.

The Township of West Deptford's contributions to the SHBP for the period January 1 through December 31, 2020, was \$2,462,018.85 for active employees and \$1,061,492.05 for retired employees, which equaled the required contributions for retirees for the year.

**MetLife**

**Plan Description** - Township of West Deptford, New Jersey Postemployment Healthcare Plan is a single-employer defined benefit healthcare plan administered by MetLife. They provide dental coverage to eligible retirees.

**Funding Policy** - The contribution requirements of the Township healthcare plan are established by negotiated labor contracts and the Township employee manual. The required contribution is based on projected pay-as-you-go financing requirements. For calendar year 2020, the Township contributed \$82,300.00 to the plan for current premiums. Plan members receiving benefits are not required to make contributions.

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**NOTE 15: POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Annual OPEB Cost and Net OPEB Obligation** - The Township's annual Other Postemployment Benefit (OPEB) cost (expense) is calculated based on the Entry Age Normal (EAN) cost method as required by GASB Statement 75. The EAN actuarial cost method requires a salary scale assumption.

The discount rate used to determine the liabilities under GASB 75 is based on an index rate for 20-year tax exempt General Obligation Municipal Bonds with an average rating of AA/Aa or higher. This rate was 1.93% as of December 31, 2020.

Future medical care cost increase rates unpredictable and could be volatile. They will depend upon the economy, future health care delivery systems, and emerging technologies.

**Total OPEB Liability**

Service Cost	\$ 68,095
Interest	108,124
Difference Between Expected and Actual Experience	174,230
Change in Assumptions	321,569
Benefit Payments	<u>(82,300)</u>
Net Change in OPEB Liability	589,718
Total OPEB Liability - Beginning	<u>3,357,822</u>
Total OPEB Liability - Ending	<u><u>\$ 3,947,540</u></u>

**Plan Fiduciary Net Position**

Contributions - Employer	\$ 82,300
Benefit Payments	<u>(82,300)</u>
Net Change in Plan Fiduciary Position	
Plan Fiduciary Net Position - Beginning	<u>None</u>
Plan Fiduciary Net Position - Ending	<u><u>None</u></u>
Net OPEB Liability Ending	<u><u>\$ 3,947,540</u></u>

There were no changes in benefit terms during the year.

Sensitivity of the total net OPEB liability to changes in the discount rate. The following represents the total net OPEB liability of the Township, as well as what the Township's total net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

	1% Decrease 0.93%	Current Rate 1.93%	1% Increase 2.93%
Net OPEB Liability	<u>\$ 4,461,923</u>	<u>\$ 3,947,540</u>	<u>\$ 3,433,157</u>

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**NOTE 15: POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Annual OPEB Cost and Net OPEB Obligation (Continued)**

Sensitivity of the total net OPEB liability to changes in the healthcare cost trend rates. The following represents the total net OPEB liability of the Township, as well as what the Township's total net OPEB liability would be if it were calculated using a healthcare cost trend rates that is 1% lower or 1% higher than the current healthcare cost trend rate.

	Health Care Costs		
	1% Decrease	Trend Rate	1% Increase
Net OPEB Liability	\$ 3,384,947	\$ 3,947,540	\$ 4,604,830

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2020, the Township's OPEB expense would have been \$243,596 if New Jersey municipalities followed GAAP accounting principles. The Township's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to OPEB are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 458,938	
Difference Between Expected and Actual Experience	166,089	\$ 144,290
	\$ 625,027	\$ 144,290

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognize in OPEB expense as follows:

Year Ending	
2021	\$ 67,377
2022	67,377
2023	67,377
2024	67,377
2025	67,377
2026-2029	143,852
	\$ 480,737

**NOTE 16: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS**

New Jersey municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, NJAC 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 & GASB 71 information in the Notes to the Financial Statements. The following

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**NOTE 16: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

disclosures meet the requirements of GASB 68 & GASB 71 for the PERS and PFRS retirement systems.

**Public Employee's Retirement System** - At December 31, 2020, the Township's proportionate share of net pension liability was \$11,290,865. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020 and 2019, the Township's allocation percentage was 0.0692377442% and 0.0628903651%, respectively.

For the year ended December 31, 2020, the Township's pension expense would have been (\$1,255,109) if New Jersey municipalities followed GAAP accounting principles. The Township's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to the PERS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		\$ 4,343,940
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 244,451	
Changes in Proportion and Differences Between the Township's Contributions and Proportionate Share of Contributions	1,620,349	
Difference Between Expected and Actual Experience		120,532
	\$ 1,864,800	\$ 4,464,472

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:

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**NOTE 16: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Public Employee's Retirement System (Continued)**

Year Ended December 31,	Amount
2021	\$ (1,272,057)
2022	(991,364)
2023	(431,687)
2024	88,539
2025	6,897
	<u>\$ (2,599,672)</u>

Additional information – Collective balances at June 30, 2020 and 2019, are as follows:

	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	<u>16,307,384,832</u>	<u>18,018,482,972</u>
Township's Proportion	0.0692377442%	0.0628903651%

**Contributions** - The contribution policy for the PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The Township's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

**Actuarial Assumptions**

The 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, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% Based on Age
Thereafter	3.00 – 7.00% Based on Age
Investment Rate of Return	7.00%

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



TOWNSHIP OF WEST DEPTFORD  
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**NOTE 16: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

**Police and Firemen's Retirement System** - At December 31, 2020, the Township's proportionate share of net pension liability for Police was \$14,510,458. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Township's proportion was 0.1122985795% compared to 0.1153778611% at June 30, 2019.

For the year ended December 31, 2020, the Township's pension expense would have been \$(260,369) if New Jersey municipalities followed GAAP accounting principles. The Township's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to the PFRS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		\$ 3,313,130
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 426,533	
Changes in Proportion and Differences Between the Township's Contributions and Proportionate Share of Contributions		773,699
Difference Between Expected and Actual Experience	114,021	
	\$ 540,554	\$ 4,086,829

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 16: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Police and Firemen’s Retirement System (Continued)**

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:

Year Ended December 31,	Amount
2021	\$ (1,614,635)
2022	(1,077,171)
2023	(620,431)
2024	(178,536)
2025	(55,502)
	<u>\$ (3,546,275)</u>

Additional information – Collective balances at June 30, 2020 and 2019, are as follows:

	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 1,601,195,680	\$ 1,198,936,924
Collective Deferred Inflows of Resources	4,191,274,402	4,874,748,912
Collective Net Pension Liability	<u>12,921,318,904</u>	<u>12,237,818,793</u>
Township's Proportion	0.1122985795%	0.1153778611%

**Contributions**

The contribution policy for the PFRS is set by NJSA 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The Township’s contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

**Actuarial Assumptions**

The 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. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 16: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

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

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

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

A special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993, and Chapter 201, P.L. 2001. The June 30, 2020 and June 30, 2019, special funding situation net pension liability amounts of \$2,251,957 and \$2,229,533 for Police are the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date.

**NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS**

New Jersey municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net other postemployment benefit (OPEB) liability as a liability on their balance sheets. However, NJAC 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 75 information in the Notes to the Financial Statements. The following OPEB liability note information is reported at the State's level and is not specific to the municipality. The following disclosures meet the requirements of GASB 75 for the PERS and PFRS retirement systems.

**Actuarial Assumptions**

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:

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**NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

Inflation Rate	2.50%
Salary Increases (PERS):	
Through 2026	2.00 – 6.00% Based on Age
Thereafter	3.00 – 7.00% Based on Age
Salary Increases (PFRS):	
All Future Years	3.25 – 15.25% Based on Age
Discount Rate	3.50%

Pre-retirement mortality rates were based on the (PERS): PUB-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019 and (PFRS): PUB-2010 “Safety” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019.

Post-retirement health mortality rates were based on (Chapter 330 Retirees): PUB-2010 “Safety” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019. Other Retirees: PUB-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019.

Disability mortality was based on the PUB-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019 for PERS Future Disabled Retirees and Other Current Retirees. PFRS Future Disabled Retirees and Chapter 330 Current Retirees was based on PUB-2010 “Safety” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019.

Certain actuarial assumptions used in the June 30, 2018, valuation were based on the results of the pension plans’ experience studies for which the members are eligible for coverage under this Plan – The Police and Firemen Retirement System (PFRS) and the Public Employees Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

Detailed information about the pension plan’s fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Changes in the Total Net OPEB Liability reported by the State of New Jersey:

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**NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

**Total OPEB Liability**

Service Cost	\$ 666,574,660
Interest	636,082,461
Changes of Benefit Terms	(1903958)
Differences Between Expected and Actual Experience	(1,399,921,930)
Changes in Assumptions or Other Inputs	(1,635,760,217)
Benefit Payments	(470,179,613)
Contributions - Members	43,249,952
Net Change in OPEB Liability	<u>(2,161,858,645)</u>
Total OPEB Liability Beginning	15,981,103,227
Total OPEB Liability Ending	<u><u>\$ 13,819,244,582</u></u>

**Plan Fiduciary Net Position**

Contributions - Employer	\$ 346,415,056
Contributions - Non-Employer Contributing Entities	43,854,500
Contributions - Members	43,249,952
Net Investment Income	4,826,936
Benefit Payments	(470,179,613)
Administrative Expense	(9,478,435)
Net Change in Plan Fiduciary Net Position	<u>(41,311,604)</u>
Plan Fiduciary Net Position Beginning	314,485,086
Plan Fiduciary Net Position Ending	<u><u>\$ 273,173,482</u></u>

Net OPEB Liability Ending	<u><u>\$ 13,546,071,100</u></u>
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There were no changes in benefit terms during the year.

Differences Between Expected and Actual Experiences: The decrease in the liability from June 30, 2018 to June 30, 2019, is due to changes in the census, claims, and premiums experience.

Changes in Assumptions: The decrease in the liability from June 30, 2018 to June 30, 2019, is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019, and changes in the trend, excise tax, updated decrements, PPO/HMO future retiree elections, salary scale, and mortality assumptions.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate: The following represents 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 were calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current rate.

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**NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

	1% Decrease 2.50%	Current Rate 3.50%	1% Increase 4.50%
Net OPEB Liability	\$ 15,662,704,137	\$ 13,546,071,100	\$ 11,826,026,995

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate: The following presents the net OPEB liability as of June 30, 2019, as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Health Care Costs Trend Rate	1% Increase
Net OPEB Liability	\$ 11,431,214,644	\$ 13,546,071,100	\$ 16,243,926,531

**OPEB Liability, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At December 31, 2019, the Township would have reported a liability of \$23,135,741 for its proportionate share of the net OPEB liability if New Jersey municipalities followed GAAP accounting principles. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Township's proportion of the net OPEB liability was based on a projection of the Township's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2019, the Township's proportion was .170793 percent.

For the year ended December 31, 2019, the Township would have recognized net OPEB expense of (\$786,685) if New Jersey municipalities followed GAAP accounting principles. The Township's deferred outflows of resources and deferred inflows of resources (which are not recorded) are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience		\$ 6,765,793
Differences Between Projected and Actual Investment Earnings	\$ 19,057	
Changes in Assumptions		8,198,792
Changes in Proportions		3,148,699
	<u>\$ 19,057</u>	<u>\$ 18,113,284</u>

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

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**OPEB Liability, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Year Ending		
2020	\$	(3,016,998)
2021		(3,016,998)
2022		(3,018,532)
2023		(3,021,019)
2024		(3,023,151)
Thereafter		(2,997,529)
	\$	(18,094,227)

**Special Funding Situation**

A special funding situation exists for some local employers of the Police and Firefighters Retirement System who do not pay for health benefits coverage for their retired employees. Under Chapter 330, P.L. 1997, certain retired local police officers and firefighters are eligible for enrollment in the State Health Benefits Program with part of the cost paid by the State. 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. The State is treated as a nonemployer contributing entity. Since the local participating employer does not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report. The Township's proportionate share of the State's collective net OPEB liability is \$105,646.

**NOTE 18: LABOR CONTRACTS**

As of December 31, 2020, the Township's employees are organized in the following collective bargaining units:

- Public Works Committee - Term of contract is January 1, 2017 through December 31, 2020.
- PBA Local #122 - Term of contract is January 1, 2019 through December 31, 2023.
- PBA Superior Officers - Term of contract is January 1, 2019 through December 31, 2024.

**NOTE 19: SCHOOL TAXES**

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the School District. In the Township's case, the amount of \$17,750,132.50 would be the maximum amount permitted to be deferred as of December 31, 2020, under these regulations. The Township has elected to defer school taxes as stated below.

Local School District Tax has been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 19: SCHOOL TAXES (CONTINUED)**

	Balance Dec. 31, 2020	Balance Dec. 31, 2019
Local School Taxes:		
Balance of Tax	\$ 16,260,017.53	\$ 15,890,572.55
Deferred	13,540,017.68	13,540,017.68
Tax Payable	<u>\$ 2,719,999.85</u>	<u>\$ 2,350,554.87</u>

**NOTE 20: LONG-TERM DEBT**

**Summary of Municipal Debt Service**

Long-term debt as of December 31, 2020, consisted of the following:

	Year 2020	Year 2019	Year 2018
Bonds, Notes, and Loans Issued	\$ 87,067,963.42	\$ 95,921,918.19	\$ 102,880,250.47
Bonds and Notes Authorized But Not Issued	8,581,391.50	8,621,944.50	519,694.50
Net Bonds, Notes, and Loans Issued and Authorized But Not Issued	<u>\$ 95,649,354.92</u>	<u>\$ 104,543,862.69</u>	<u>\$ 103,399,944.97</u>

	Balance 12/31/2019	Increased	Retired/ Reduction	Balance 12/31/2020	Balance Due in One Year
Issued:					
General:					
Serial Bonds Payable	\$ 83,743,042.00	\$ 9,390,000.00	\$ 16,883,478.00	\$ 76,249,564.00	\$ 6,329,502.00
Utility:					
Serial Bonds Payable	6,237,958.00		602,522.00	5,635,436.00	630,498.00
Loans	4,540,918.19		757,954.77	3,782,963.42	762,515.07
Project Note Payable	1,400,000.00			1,400,000.00	
Authorized But Not Issued:					
General:					
Bonds and Notes	1,151,944.50		40,553.00	1,111,391.50	
Utility:					
Bonds and Notes	7,470,000.00			7,470,000.00	
	<u>\$ 104,543,862.69</u>	<u>\$ 9,390,000.00</u>	<u>\$ 18,284,507.77</u>	<u>\$ 95,649,354.92</u>	<u>\$ 7,722,515.07</u>

Permanently Funded Debt as of December 31, 2020, consisted of the following:



TOWNSHIP OF WEST DEPTFORD  
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YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 20: LONG-TERM DEBT (CONTINUED)**

**Summary of Municipal Debt Service (Continued)**

\$9,945,000.00 General Obligation Bonds dated October 2001, payable in annual installments through October 2027. Interest is paid semi-annually at a rate of 3.25% per annum. The balance remaining at December 31, 2020, was \$4,235,000.00.

\$8,298,673.00 General Obligation Refunding Bonds dated November 2012, payable in annual installments through September 2028. Interest is paid semi-annually at a rate of 2.00% - 4.00% per annum. The balance remaining at December 31, 2020, was \$3,831,000.00.

\$5,986,327.00 Utility Obligation Refunding Bonds dated November 2012, payable in annual installments through September 2028. Interest is paid semi-annually at a rate of 2.00% - 4.00% per annum. The balance remaining at December 31, 2020, was \$2,754,000.00.

\$50,776,834.00 General Obligation Refunding Bonds dated November 2014, payable in annual installments through September 2030. Interest is paid semi-annually at a rate of 3.00% - 5.00% per annum. The balance remaining at December 31, 2020, was \$38,315,104.00.

\$3,008,166.00 Utility Obligation Refunding Bonds dated November 2014, payable in annual installments through September 2030. Interest is paid semi-annually at a rate of 3.00% - 5.00% per annum. The balance remaining at December 31, 2020, was \$2,269,896.00.

\$14,040,223.00 General Obligation Refunding Bonds dated May 2017, payable in annual installments through July 2027. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2020, was \$11,568,460.00.

\$174,777.00 Utility Obligation Refunding Bonds dated May 2017, payable in annual installments through July 2022. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2020, was \$71,540.00.

\$690,000.00 NJ Environmental Infrastructure Loan dated November 2004, payable in annual installments through August 2024. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2020, was \$200,000.00.

\$711,288.00 NJ Environmental Infrastructure Loan dated November 2004, payable in semi-annual installments through August 2024. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2020, was \$146,611.31.

\$9,368,000.00 General Obligation Bonds dated March 2019, payable in annual installments through February 2032. Interest is paid semi-annually at a rate of 2.00% - 3.00% per annum. The balance remaining at December 31, 2020, was \$8,910,000.00.

\$568,000.00 Utility Obligation Bonds dated March 2019, payable in annual installments through February 2032. Interest is paid semi-annually at a rate of 2.00% - 3.00% per annum. The balance remaining at December 31, 2020, was \$540,000.00.

\$1,840,000.00 NJ Environmental Infrastructure Loan dated November 2004, payable in annual installments through August 2024. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2020, was \$395,000.00.

TOWNSHIP OF WEST DEPTFORD  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 20: LONG-TERM DEBT (CONTINUED)**

**Summary of Municipal Debt Service (Continued)**

\$2,672,058.00 NJ Environmental Infrastructure Loan dated November 2004, payable in semi-annual installments through August 2024. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2020, was \$196,539.45.

\$410,000.00 NJ Environmental Infrastructure Loan dated November 2007, payable in annual installments through August 2027. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2020, was \$190,000.00.

\$401,631.00 NJ Environmental Infrastructure Loan dated November 2007, payable in semi-annual installments through August 2027. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2020, was \$143,012.72.

\$3,045,000.00 NJ Environmental Infrastructure Loan dated November 2007, payable in annual installments through August 2027. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2020, was \$1,425,000.00.

\$9,390,000.00 General Obligation Refunding Bonds dated May 2020, payable in annual installments through July 2032. Interest is paid semi-annually at a rate of 3.00% - 4.00% per annum. The balance remaining at December 31, 2020, was \$9,390,000.00.

\$3,023,500.00 NJ Environmental Infrastructure Loan dated November 2007, payable in semi-annual installments through August 2027. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2020, was \$1,086,799.94.

**Schedule of Annual Debt Service for Principal and Interest For Bonded  
 Debt Issued and Outstanding**

Year Ended	Principal	Interest	Total
2021	7,722,515.07	3,198,361.26	\$ 10,920,876.33
2022	7,898,348.08	2,911,236.26	10,809,584.34
2023	7,786,116.52	2,571,248.76	10,357,365.28
2024	8,038,431.17	2,250,106.26	10,288,537.43
2025	8,238,690.57	1,913,206.25	10,151,896.82
2026-2030	40,083,862.01	4,995,418.75	45,079,280.76
2031-2032	5,900,000.00	299,775.00	6,199,775.00
	<u>\$ 85,667,963.42</u>	<u>\$ 18,139,352.54</u>	<u>\$ 103,807,315.96</u>

**SUMMARY OF STATUTORY DEBT CONDITION**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.401%.

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 20: LONG-TERM DEBT (CONTINUED)**

**Summary of Municipal Debt Service (Continued)**

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 11,720,000.00	\$ 11,720,000.00	
Water & Sewer Debt	18,288,399.42	18,288,399.42	
General Debt	77,360,954.37	20,725,188.90	\$ 56,635,765.47
	<u>\$ 107,369,353.79</u>	<u>\$ 50,733,588.32</u>	<u>\$ 56,635,765.47</u>

Net Debt \$56,635,765.47/Equalized Valuation Basis per NJSA 40A:2-2 as amended \$2,359,079,066.67 = 2.401%.

**Borrowing Power Under NJSA 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 82,567,767.33
Net Debt	<u>56,635,765.47</u>
Remaining Borrowing Power	<u>\$ 25,932,001.86</u>

**Calculation of “Self-Liquidating Purpose” Water & Sewer Utility per NJSA 40:2-45.**

Cash Receipts from Fees, Rents, or Other Charges		\$ 14,095,288.26
Deductions:		
Operating and Maintenance Costs	\$ 10,097,880.81	
Debt Service per Water and Sewer Account	<u>1,592,030.44</u>	
		<u>11,689,911.25</u>
Deficit in Revenue		<u>\$ 2,405,377.01</u>

**NOTE 21: PROJECT NOTE PAYABLE**

During the year 2018, the Township passed a Resolution authorizing the submission of application to the New Jersey Infrastructure Trust to fund a project to construct, renovate, or replace Pump Stations. The application was reviewed and approved by the Trust. In anticipation of permanent financing, the Trust issued a short-term, interest free, subordinate project note in the amount of \$1,400,000.00 to temporarily finance the cost of the project. This note is expected to be permanently financed when the project is completed.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 22: OPERATING LEASES**

The Township has a commitment to lease one copier with a term of 48 months. The monthly lease payment is \$272.09.

Future lease payments are as follows:

Year Ended December 31,	Payments
2021	<u>\$ 544.18</u>

**NOTE 23: TAX ABATEMENT PROGRAMS**

The Township entered into long-term tax abatement agreements (in excess of 5 year term) under the provisions of the New Jersey statutes as described below to promote and stimulate redevelopment and rehabilitation.

NJSA 40A:12A-1 et seq. "The Local Redevelopment and Housing Law" (LRHL), which designates "areas in need of redevelopment" as defined in the statute.

NJSA 40A:20-1 et seq. "Long Term Tax Exemption Law," which provides for long-term tax exemption for the LRHL designated areas.

The statutes were utilized by the Township to attract redevelopers. Additionally, in many, but not all of the agreements, the Township retained ownership of the land and charged a ground lease that mitigated the impact of the tax abatement.

For the fiscal year ended December 31, 2020, the Township abated property taxes totaling \$356,715.71, offset by ground leases in the amount of \$54,802.00, for a net effective tax abatement of \$356,715.71. The following agreements were in effect as of December 31, 2020, under the provisions of the aforementioned statutes:

- A 60.24% abatement (no ground lease) to a developer for construction and operation of an affordable housing project. The abatement amounted to \$62,914.61.
- An 86.50% abatement (no ground lease) to a developer for construction and operation of a low to moderate income 76-unit apartment complex for elderly residents and one resident manager. The abatement amounted to \$293,801.10.

**NOTE 24: CONTINGENCIES**

The Township participates in federal and state assisted grant programs. The Township is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

It is the Township of West Deptford Counsel's opinion that there exists no litigation or contingent liability that may be pending against the Township of West Deptford that would have an adverse effect on the financial position in the future.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 25: JOINT VENTURES/SHARED SERVICES**

On September 17, 2015, the Township of West Deptford entered into a joint venture agreement with the Borough of National Park to provide police services effective January 1, 2016.

On December 16, 2015, the Township of West Deptford entered into a joint venture agreement with the City of Woodbury to provide construction code enforcement services.

On December 7, 2016, the Township of West Deptford entered into a joint venture agreement with the West Deptford Board of Education to provide IT services effective December 7, 2016.

In 2019, the Township of West Deptford entered into a joint venture agreement with the Mantua Township to provide vehicle maintenance services effective January 1, 2019.

On May 4, 2020, the Township of West Deptford entered into a joint venture agreement with the Mantua Township to provide land use coordinator services effective May 4, 2020.

**NOTE 26: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2020 and June 14, 2021, the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the collection of certain anticipated revenues, such as licenses, fees and permits, and municipal court fees. Other financial impact could occur though such potential impact is unknown at this time.

**APPENDIX C**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

## **CONTINUING DISCLOSURE CERTIFICATE**

**THIS CONTINUING DISCLOSURE CERTIFICATE** is made as of August 1, 2022 by the Township of West Deptford, New Jersey, a political subdivision duly organized under the laws of the State of New Jersey (the “Issuer”).

### **WITNESSETH:**

**WHEREAS**, the Issuer is issuing its General Obligation Bonds, Series 2022, dated their date of delivery in the aggregate principal amount of \$ \_\_\_\_\_ (the “Bonds”) on the date hereof; and

**WHEREAS**, the Bonds are being issued pursuant to bond ordinances and a resolution adopted by the Issuer and a certificate signed by the Issuer on August 24, 2022; and

**WHEREAS**, the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified on the date hereof at 15 U.S.C. 77 et seq.) (the “Securities Exchange Act”) has adopted amendments to its Rule 15c2-12 (codified at 17 C.F.R. § 240.15c2-12) effective July 3, 1995 which generally prohibit a broker, dealer, or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board, as the same may be amended or officially interpreted from time to time (“Rule 15c2-12”); and

**WHEREAS**, the Issuer represented in its Notice of Sale dated August 17, 2022 (the “Notice of Sale”) that it would deliver on the closing date for the Bonds a “Continuing Disclosure Certificate” pursuant to which the Issuer will agree to provide certain financial and operating data, and timely notice of certain enumerated events required to be disclosed on a continual basis pursuant to Rule 15c2-12; and

**WHEREAS**, on August 24, 2022, the Issuer accepted the bid of \_\_\_\_\_, on behalf of itself and each of the original underwriters for the Bonds (each, a “Participating Underwriter”) for the purchase of the Bonds; and

**WHEREAS**, the execution and delivery of this Certificate has been duly authorized by the Issuer and all conditions, acts and things necessary and required to exist, to have happened, or to have been performed precedent to and in the execution and delivery of this Certificate, do exist, have happened and have been performed in regular form, time and manner; and

**WHEREAS**, the Issuer is executing this Certificate for the benefit of the Holders of the Bonds.

**NOW, THEREFORE,** for and in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the Issuer, its successors and assigns, do mutually promise, covenant and agree as follows:

**ARTICLE I  
DEFINITIONS**

Section 1.1 Terms Defined in Recitals. The following terms shall have the meanings set forth in the recitals hereto:

Bonds	Rule 15c2-12
Issuer	SEC
Notice of Sale	Securities Exchange Act
Participating Underwriter	

Section 1.2 Additional Definitions. The following additional terms shall have the meanings specified below:

“Annual Report” means Financial Statements and Operating Data provided at least annually.

“Bondholder” or “holder” or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, including holders of beneficial interests in the Bonds.

“Business Day” means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York or in Newark, New Jersey are authorized or required by law to close or (c) a day on which the New York Stock Exchange is closed.

“Disclosure Event” means any event described in subsection 2.1(d) of this Certificate.

“Disclosure Event Notice” means the notice to the MSRB as provided in subsection 2.4(a).

“Disclosure Representative” means the Chief Financial Officer of the Issuer or his or her designee, or such other officer or employee as the Issuer shall designate from time to time.

“Dissemination Agent” means an entity acting in such capacity under this Certificate or any other successor entity designated in writing by the Issuer and which has filed a written acceptance of such designation.

“Final Official Statement” means the final Official Statement of the Issuer dated August 24, 2022 pertaining to the Bonds.



“Financial Statements” means the audited financial statements of the Issuer for each Fiscal Year and includes balance sheets, statements of changes in fund balances and statements of current funds, revenues, expenditures and other charges or statements which convey similar information.

“Fiscal Year” means the fiscal year of the Issuer. As of the date of this Certificate, the Fiscal Year of the Issuer begins on January 1 and closes on December 31 of each calendar year.

“GAAS” means generally accepted auditing standards as in effect from time to time, consistently applied.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Operating Data” means the financial and statistical information of the Issuer of the type included in the Final Official Statement as Appendix A under the headings “Ten Largest Real Estate Taxpayers,” “Trend of Township Real Property Valuations,” “Classification of Real Property Utilized in Determining Assessed Valuations,” “Real Estate Tax Collection Record,” “Analysis of Real Estate Tax Levy,” “Tax Title Liens and Delinquent Taxes,” “Direct and Indirect Debt Statement,” “Capital Debt Ratio” and “Existing Long-Term Debt Service Requirements.”

“State” means the State of New Jersey.

Section 1.3 Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Certificate. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Certificate, refer to this Certificate as a whole unless otherwise expressly stated.

As the context shall require, the disjunctive term “or” shall be interpreted conjunctively as required to insure that the Issuer performs any obligations, mentioned in the passage in which such term appears.

The headings of this Certificate are for convenience only and shall not defined or limit the provisions hereof.

**ARTICLE II**  
**CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS**

Section 2.1 Continuing Disclosure Covenants of the Issuer. The Issuer agrees that it will provide, or shall cause the Dissemination Agent to provide:

(a) Not later than October 1 of each Fiscal Year, commencing after the Fiscal Year of the Issuer ending December 31, 2022, an Annual Report to the MSRB; Notwithstanding the foregoing, if the fiscal year is not a calendar year then the Issuer shall provide the Annual Report by not later than the first day of the tenth month of each fiscal year;

(b) Not later than fifteen (15) days prior to the date of each year specified in subsection 2.1(a), a copy of the Annual Report to the Dissemination Agent, if the Issuer has appointed or engaged a Dissemination Agent;

(c) If audited Financial Statements are not submitted as part of the filing as set forth in subsection 2.1(a), the Issuer will submit unaudited financial statements with such filing, and will subsequently submit audited Financial Statements when and if available, to the MSRB;

(d) In a timely manner not in excess of ten business days following the occurrence of any of the Disclosure Events (hereinafter defined), to the MSRB, notice of any of the following events with respect to the Bonds (each, a “Disclosure Event”);

- (i) principal and interest delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders; if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;

- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a financial obligation (as defined in Rule 15c2-12) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(e) In a timely manner, to the MSRB, notice of a failure by the Issuer to provide the Annual Report within the period described in subsection 2.1(a) hereof.

Section 2.2 Continuing Disclosure Representations. The Issuer represents and warrants that:

(a) Financial Statements shall be prepared according to principles prescribed by the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey Pursuant to Chapter 5 of Title 40 of the New Jersey Statutes as in effect from time to time.

(b) Financial Statements prepared annually shall be audited in accordance with GAAS.

Section 2.3 Form of Annual Report.

(a) The Annual Report may be submitted as a single document or as separate documents comprising a package.

(b) Any or all of the items which must be included in the Annual Report may be incorporated by reference from other documents, including official statements of the Issuer or related public entities which have been submitted the MSRB or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(c) The audited Financial Statements of the Issuer, if any, may be submitted separately from the balance of the Annual Report.

Section 2.4 Responsibilities, Duties, Immunities and Liabilities of the Dissemination Agent.

(a) If the Issuer or the Dissemination Agent (if one has been appointed or engaged by the Issuer) has determined it necessary to report the occurrence of a Disclosure Event, the Issuer or Dissemination Agent (if one has been appointed or engaged by the Issuer) shall file a notice of such occurrence with the MSRB (the “Disclosure Event Notice”) in the form provided by the Issuer.

(b) The Issuer and/or the Dissemination Agent (if one has been appointed or engaged by the Issuer) shall file a written report with the Issuer certifying that the Annual Report has been provided pursuant to this Certificate and stating the date it was provided.

Section 2.5 Appointment, Removal and Resignation of the Dissemination Agent.

(a) The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

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

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the Issuer. Such resignation shall take effect on the date specified in such notice.

**ARTICLE III  
DISCLOSURE DEFAULT AND REMEDIES**

Section 3.1 Disclosure Default. The occurrence and continuation of a failure or refusal by the Issuer to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Certificate and such failure or refusal shall remain uncured for a period of thirty (30) days shall constitute a Disclosure Default hereunder.

Section 3.2 Remedies on Default.

(a) Any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may take whatever action at law or in equity against the Issuer and of the officers, agents and employees of the Issuer which is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Issuer under this Certificate and may compel the Issuer or any such officers, agents, or employees, except of the Dissemination Agent, to perform and carry out their duties under this Certificate; provided, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case any Bondholder shall have proceeded to enforce its rights under this Certificate and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to any Bondholder, then and in every such case the Issuer and any Bondholder shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Issuer and any Bondholder shall continue as though no such proceeding had been taken.

(c) A default under this Certificate shall not be deemed a default under the Bonds, and the sole remedy under this Certificate in the event of any failure or refusal by the Issuer to comply with this Certificate shall be as set forth in subsection 3.2(a) of this Certificate.

**ARTICLE IV  
MISCELLANEOUS**

Section 4.1 Purposes of the Continuing Disclosure Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2 Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from (a) disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or (b) including any other information in any Annual Report or any Disclosure Event Notice, in addition to that which is required by this Certificate. If the Issuer chooses to include information in any Annual Report or any Disclosure Event Notice in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate, the Issuer shall have no

obligation under this Certificate to update such information or include it in any future Annual Report or any future Disclosure Event Notice.

Section 4.3 Notices. All notices required to be given or authorized shall be in writing and shall be sent by registered or certified mail to the Issuer, 400 Crown Point Road, West Deptford, New Jersey 08086, Attention: Chief Financial Officer .

Section 4.4 Severability. If any provision of this Certificate shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 4.5 Amendments, Changes and Modifications.

(a) Without the consent of any Bondholders, the Issuer at any time and from time to time may enter into any amendments or modifications to this Certificate for any of the following purposes:

(i) to add to covenants and agreements of the Issuer hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the Issuer by this Certificate;

(ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting the Issuer; provided that any such modification shall comply with the requirements of Rule 15c2-12 as then in effect at the time of such modification; or

(iii) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to include any other provisions with respect to matters or questions arising under this Certificate which, in each case, comply with Rule 15c2-12 as then in effect at the time of such modification.

provided, that prior to approving any such amendment or modification, the Issuer determines that such amendment or modifications does not adversely affect the interests of the Holders of the Bonds in any material respect.

(b) Upon entering into any amendment or modification required or permitted by this Certificate, the Issuer shall deliver, or cause the dissemination Agent to deliver, to the MSRB written notice of any such amendment or modification.

(c) The Issuer shall be entitled to rely exclusively upon an opinion of counsel nationally recognized as expert in federal securities law acceptable to the Issuer to the effect that such amendments or modifications comply with the conditions and provisions of this Section 4.5.

Section 4.6 Amendments Required by Rule 15c2-12. The Issuer recognizes that the provisions of this Certificate are intended to enable the participating Underwriters to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Certificate shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery by any Participating Underwriter of an opinion of counsel nationally recognized as expert in federal securities law acceptable to the Issuer to the effect that such amendment shall be permitted or necessary to assure continued compliance by the Participating Underwriter with Rule 15c2-12 as so amended or interpreted, then the Issuer shall amend this Certificate to comply with and be bound by any such amendment to this Certificate to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and provide the written notice of such amendment as required by subsection 4.5(b) hereof.

Section 4.7 Governing Law. This Certificate shall be governed exclusively by and construed in accordance with the applicable laws of the State of New Jersey.

Section 4.8 Termination of Issuer's Continuing Disclosure Obligations. The continuing obligation of the Issuer under Section 2.1 hereof to provide the Annual Report and any Disclosure Event Notice and to comply with the other requirements of said Section shall terminate if and when either (a) the Bonds are no longer outstanding or (b) the Issuer no longer remains an "obligated person" (as defined in Rule 15c2-12(f)(10) with respect to the Bonds in either event, only after the Issuer delivers, or causes the Dissemination Agent to deliver, to the MSRB written notice to such effect. This Certificate shall be in full force and effect from the date hereof and shall continue in effect so long as any Bonds are Outstanding.

Section 4.9 Binding Effect. This Certificate shall inure to the benefit of and shall be binding upon the Issuer and its successors and assigns.

**IN WITNESS WHEREOF, THE TOWNSHIP OF WEST DEPTFORD, NEW JERSEY** has caused this Certificate to be executed in its name and its corporate seal to be hereunto affixed and attested by its duly authorized officers, all as of the date first above written.

**[SEAL]**

**TOWNSHIP OF WEST DEPTFORD, NEW JERSEY**

**ATTEST:**

**By: \_\_\_\_\_  
Michael T. Kwasizur, Chief Financial Officer**



**APPENDIX D**

**OPINION OF GIBBONS P.C., BOND COUNSEL**

August \_\_, 2022

Mayor and Township Committee  
Township of West Deptford  
400 Crown Point Road  
West Deptford, New Jersey 08086

Dear Mayor and Committee Members:

We have examined certified copies of the proceedings of the Committee of the Township of West Deptford, in the County of Gloucester, State of New Jersey (the “Township”), including ordinances, affidavits and certificates delivered by officials of the Township, and other proofs submitted to us relative to the issuance and sale by the Township of its \$ \_\_\_\_\_ General Obligation Bonds, Series 2022, consisting of \$ \_\_\_\_\_ General Improvement Bonds, Series 2022 (the “Series 2022A Bonds”), and \$ \_\_\_\_\_ Water and Sewer Utility Bonds, Series 2022 (the “Series 2022B Bonds”, and together with the Series 2022A Bonds, the “Bonds”), dated their date of delivery.

The Bonds are issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended (the “Local Bond Law”), a resolution of the Township adopted on August 17, 2022 and various bond ordinances of the Township in all respects duly adopted by the Committee of the Township.

Each of the Bonds is dated the date of delivery, bears interest at the interest rate set forth on the face of the Bonds and matures on April 1 in the years and principal amounts as set forth below:

<u>Year</u>	<u>Series 2022A Bonds</u>	<u>Series 2022B Bonds</u>
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		

2038  
2039  
2040  
2041  
2042

The Bonds are subject to redemption prior to their stated maturities.

We have examined the Local Bond Law and such other laws and originals (or copies certified or otherwise identified to our satisfaction) of such instruments, certificates and documents as we deem necessary to render the opinions set forth herein. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the Local Bond Law, and other applicable provisions of law, and that the Bonds have been duly authorized, executed and delivered and are a valid and legally binding obligation of the Township.

2. The Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

3. Under existing law, interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. We express no opinion regarding any other Federal income tax consequences arising with respect to the Bonds.

4. Under existing law, interest on the Bonds and net gains from the sale of the Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

With respect to our federal income tax opinion, we note that the Code imposes certain requirements that must be met on the date of issuance and on a continuing basis subsequent to the issuance of the Bonds in order for interest on the Bonds to be excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code. The Township has made certain representations and covenants in its tax certificate, which is executed on the date of issuance of the Bonds, as to various tax requirements. In addition, the Township has covenanted to comply with the provisions of the Code applicable to the Bonds and has covenanted not to take any action or fail to take any action to be taken which would cause the interest on the Bonds to lose the exclusion from gross income for Federal income tax purposes under Section 103 of

the Code or cause interest on the Bonds to be treated as an item of tax preference under Section 57 of the Code. With your permission, we have relied upon the representations made in the tax certificate and have assumed continuing compliance by the Township with the above covenants in rendering our federal tax opinion with respect to the exclusion of interest on the Bonds from gross income for Federal income tax purposes and with respect to interest on the Bonds not constituting an item of tax preference.

Attention is called to the fact that for purposes of this letter we have not been requested to examine and have not examined any documents or information relating to the Township other than the certified copies of the proceedings and proofs referred to hereinabove, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of said Bonds.

Our opinion concerning the enforceability of the Bonds is subject to federal and state laws regarding bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and remedies generally (including, without limitation, laws relating to fraudulent conveyance, and by general principles of law and equity (regardless of whether enforcement is considered or sought in proceedings at law or in equity) and by limitation on remedial rights under applicable law). Their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The opinions expressed herein are based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions, or laws or judicial decisions hereafter enacted or rendered. Our engagement by the Township with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of laws or judicial decisions hereafter enacted or rendered which impact on this opinion letter.

This opinion letter is rendered to you in connection with the above described transaction. This opinion letter may not be relied upon by you for any other purpose, or relied upon by, or furnished to, any other person, firm or corporation without our prior written consent. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

Very truly yours,

Gibbons P.C.