

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 6, 2022

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the Township (as defined herein) with certain tax covenants described herein, under existing law, interest on the Notes (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Notes 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 Notes is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. Based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

NEW ISSUE

**TOWNSHIP OF CHERRY HILL
County of Camden, New Jersey**

\$34,298,785 BOND ANTICIPATION NOTES, SERIES 2022

**Consisting of a
\$26,100,434 General Capital Bond Anticipation Note and a
\$8,198,351 Sewer Capital Bond Anticipation Note
(Noncallable)**

**Dated: October 24, 2022
Maturing: October 23, 2023
Rate of Interest: _____% per annum
Re-offering Yield: _____%**

The \$34,298,785 Bond Anticipation Notes, Series 2022, consisting of a \$26,100,434 General Capital Bond Anticipation Note and a \$8,198,351 Sewer Capital Bond Anticipation Note (collectively, the "Notes") of the Township of Cherry Hill, in the County of Camden, New Jersey (the "Township"), will be issued in the form of one certificate for the aggregate principal amount of each sub-series listed above and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Notes. Individual purchases of beneficial ownership interests in the Notes will be made in book-entry form (without certificates) on the records of DTC and Participants (as defined herein) in the principal amount of \$5,000 or any integral multiple of \$1,000 (or such odd lot amount) in excess thereof. Beneficial owners of the Notes will not receive certificates representing their ownership interests in the Notes. As long as Cede & Co. is the registered owner of the Notes, as nominee for DTC, reference in this Official Statement to the registered owner shall mean Cede & Co., and not the beneficial owners of the Notes. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of the close of business on October 22, 2023 (the "Record Date"). See "THE NOTES - Book-Entry-Only System" herein.

The principal of and interest on the Notes will be paid on October 23, 2023 to DTC by the Township who will act as Paying Agent.

The Notes are valid and legally binding obligations of the Township and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable property within the Township for the payment of the Notes and the interest thereon without limitation as to rate or amount.

The Notes are not subject to redemption prior to maturity.

The Notes are offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by Bond Counsel to the Township, McManimon, Scotland & Baumann, LLC, Roseland, New Jersey. Acacia Financial Group, Inc., Mount Laurel, New Jersey has served as Municipal Advisor in connection with the issuance of the Notes. Certain legal matters will be passed upon by the Township by its solicitor, and delivery of the Notes is further subject to certain other conditions set forth herein. *Delivery is anticipated to be through the facilities of DTC in New York, New York, on or about October 24, 2022.*

**BIDS WILL BE RECEIVED IN ACCORDANCE WITH THE TERMS OF THE NOTICE OF SALE
UNTIL 11:00 A.M. ON THURSDAY, OCTOBER 13, 2022
ELECTRONICALLY VIA THE PARITY ELECTRONIC BID SUBMISSION SYSTEM
("PARITY") OF i-DEAL LLC ("i-DEAL") OR BY ELECTRONIC MAIL TO
ADICIURCIO@ACACIAFIN.COM, AS FURTHER SET FORTH IN THE NOTICE OF SALE**

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.

TOWNSHIP OF CHERRY HILL

Mayor and Township Council

Susan Shin Angulo, Mayor
David Fleisher, Council President
Brian Bauerle, Council Vice-President
Carole Roskoph
Sangeeta Doshi
Michele Golkow
Jennifer Apell
William Carter

Chief Financial Officer

Michelle Samalonis

Township Clerk

Patricia Chacker

Auditor

Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel

McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

Municipal Advisor

Acacia Financial Group, Inc.
Mount Laurel, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representation other than as contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Township. 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 Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Township and other sources that are deemed to be reliable.

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or holders of any Notes.

All quotations from summaries and explanations of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. This information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Notes shall under any circumstances create any implication that there has been no change in the affairs of the Township since the date hereof.

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OFFICIAL STATEMENT

RELATING TO

**TOWNSHIP OF CHERRY HILL
County of Camden, New Jersey**

**\$34,298,785 BOND ANTICIPATION NOTES, SERIES 2022
Consisting of a
\$26,100,434 General Capital Bond Anticipation Note and a
\$8,198,351 Sewer Capital Bond Anticipation Note**

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, has been prepared to provide information with respect to the issuance of \$34,298,785 Bond Anticipation Notes, Series 2022, consisting of a \$26,100,434 General Capital Bond Anticipation Note (the "General Capital Note") and a \$8,198,351 Sewer Capital Bond Anticipation Note (the "Sewer Capital Note" and, together with the General Capital Note, the "Notes") of the Township of Cherry Hill, County of Camden, State of New Jersey (the "Township"). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Notes. This Official Statement is "deemed final," as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

PURPOSE OF THE NOTES

Proceeds from the sale and issuance of the General Capital Note will be used by the Township to (i) provide new money to temporarily finance the costs of various general capital improvements described below in the amount of \$6,453,000, (ii) currently refund \$19,647,434 of the Township's \$20,337,015 General Capital Bond Anticipation Note, dated and issued on October 26, 2021 and maturing on October 25, 2022 (together with \$689,581 in principal reduction payments from the current budget) (the "Prior General Capital Note"), and (iii) provide for the costs associated with the authorization, sale and issuance of the General Capital Note.

Proceeds from the sale and issuance of the Sewer Capital Note will be used by the Township to (i) provide new money to temporarily finance various sewer utility capital improvements described below in the amount of \$2,873,990, (ii) currently refund \$5,324,361 of the Township's \$5,391,254 Sewer Capital Bond Anticipation Note, dated and issued on October 26, 2021 and maturing on October 25, 2022 (together with \$66,893 in principal reduction payments from the sewer budget) (the "Prior Sewer Capital Note"), and (iii) provide for the costs associated with the authorization, sale and issuance of the Sewer Capital Note.

The improvements to be financed from the proceeds of the General Capital Note include the following:

General Capital:

<u>Ordinance Number</u>	<u>Description</u>	<u>Refunding Amount</u>	<u>New Money</u>	<u>Total</u>
2011-27	Equipment and Vehicle Purchases, Various Improvements to Parks, Recreation Sites and Buildings	\$ 68,566.50		\$ 68,566.50
2011-28	Road and Sidewalk Improvements, Storm Drainage and Bank Stabilization Projects	24,370.50		24,370.50
2012-26	Road and Sidewalk Improvements, Storm Drainage Project	92,103.00		92,103.00

General Capital (Cont'd):

<u>Ordinance Number</u>	<u>Description</u>	<u>Refunding Amount</u>	<u>New Money</u>	<u>Total</u>
2012-27	Equipment and Vehicle Purchases, Various Improvements to Parks, Recreation Sites and Buildings	89,569.00		89,569.00
2013-28	Road, Sidewalk and Trail Improvements	169,526.00		169,526.00
2013-29	Equipment and Vehicle Purchases, Various Improvements to Parks, Recreation Sites and Buildings	511,499.00	8,800.00	520,299.00
2014-17	Equipment and Vehicle Purchases, Various Improvements to Parks, Recreation Sites and Buildings	612,916.00	26,500.00	639,416.00
2014-18	Road and Sidewalk Improvements, Storm Drainage Projects	455,523.00	92,300.00	547,823.00
2015-18	Equipment and Various Improvements to Parks, Recreation Sites and Buildings, and Improvements to Various Municipally-Owned Buildings	573,719.00	161,700.00	735,419.00
2015-19	Road Improvements, Sidewalk Improvements, Traffic Signal Upgrades and Storm Drainage Projects	896,669.00	279,000.00	1,175,669.00
2016-15	Equipment and Various Improvements to Parks, Recreation Sites and Buildings, and Improvements to Various Municipally-Owned Buildings	1,445,206.00	90,500.00	1,535,706.00
2016-16	Road Improvements, Sidewalk Improvements, Traffic Signal Upgrades and Storm Drainage Projects	702,057.00	92,850.00	794,907.00
2017-09	Public Safety Communications Project	471,103.00	3,675.00	474,778.00
2017-15	Equipment and Various Improvements to Parks, Recreation Sites and Buildings, and Improvements to Various Municipally-Owned Buildings	426,399.00	320,625.00	747,024.00
2017-16	Road Improvements, Sidewalk Improvements, Traffic Signal Upgrades and Storm Drainage Projects	2,285,483.00	256,500.00	2,541,983.00
2018-12	Equipment and Various Improvements to Parks, Recreation Sites and Buildings, and Improvements to Various Municipally-Owned Buildings	1,565,344.00	151,600.00	1,716,944.00
2018-13	Road Improvements, Sidewalk Improvements, Traffic Signal Upgrades and Storm Drainage Projects	2,954,381.00	20,500.00	2,974,881.00
2019-10	Township Equipment, IT Equipment, Various Improvements to Parks, Recreation Sites and Buildings and Improvements to Various Municipally-Owned Buildings in the Township	1,228,000.00	584,700.00	1,812,700.00

General Capital (Cont'd):

<u>Ordinance Number</u>	<u>Description</u>	<u>Refunding Amount</u>	<u>New Money</u>	<u>Total</u>
2019-11	Road Improvements, Sidewalk Improvements, Traffic Signal Upgrades and Storm Drainage Projects	3,070,000.00	70,700.00	3,140,700.00
2020-03	Township Equipment, Information Technology Equipment, Various Improvements to Parks, Recreation Sites and Buildings	294,000.00	254,700.00	548,700.00
2020-04	Road Improvements, Sidewalk Improvements, Traffic Signal Upgrades and Storm Drainage Projects	1,711,000.00	819,600.00	2,530,600.00
2021-16	Township Equipment, Information Technology Equipment, Various Improvements to Parks, Recreation Sites and Buildings		172,000.00	172,000.00
2021-17	Road Improvements, Sidewalk Improvements, Traffic Signal Upgrades and Storm Drainage Projects		3,046,750.00	3,046,750.00
		<u>\$19,647,434.00</u>	<u>\$6,453,000.00</u>	<u>\$26,100,434.00</u>

The improvements to be financed from the proceeds of the Sewer Capital Note include the following:

Sewer Capital:

<u>Ordinance Number</u>	<u>Description</u>	<u>Refunding Amount</u>	<u>New Money</u>	<u>Total</u>
2008-04	Various Sanitary Sewer Improvements and Equipment Purchases	\$ 46,164.00	\$ 21,152.00	\$ 67,316.00
2009-08	Various Sanitary Sewer Improvements and Equipment Purchases	194,450.00	22,281.00	216,731.00
2010-07	Various Sanitary Sewer Improvements and Equipment Purchases	59,341.00	24,455.00	83,796.00
2011-07	Various Sanitary Sewer Improvements and Equipment Purchases	341,634.00	17,452.00	359,086.00
2011-29	Various Sanitary Sewer Improvements and Equipment Purchases	608,913.00	210,600.00	819,513.00
2012-28	Various Sanitary Sewer Improvements and Equipment Purchases	571,375.00	124,250.00	695,625.00
2013-30	Various Sanitary Sewer Improvements and Equipment Purchases	596,351.00	506,450.00	1,102,801.00
2015-20	Misc. Sanitary Sewer Improvements	241,598.00	1,014,300.00	1,255,898.00
2016-17	Misc. Sanitary Sewer Improvements	1,264,917.00	41,000.00	1,305,917.00
2017-18	Misc. Sanitary Sewer Improvements	246,918.00	266,000.00	512,918.00
2018-14	Misc. Sanitary Sewer Improvements	295,700.00	59,300.00	355,000.00
2019-12	Misc. Sanitary Sewer Improvements and Equipment Upgrades and Purchases	857,000.00	12,750.00	869,750.00

Sewer Capital (Cont'd):

<u>Ordinance Number</u>	<u>Description</u>	<u>Refunding Amount</u>	<u>New Money</u>	<u>Total</u>
2020-06	Misc. Sanitary Sewer Improvements and Equipment Upgrades and Purchases		175,300.00	175,300.00
2021-18	Misc. Sanitary Sewer Improvements and Equipment Upgrades and Purchases		378,700.00	378,700.00
		<u>\$5,324,361.00</u>	<u>\$2,873,990.00</u>	<u>\$8,198,351.00</u>

AUTHORIZATION FOR THE NOTES

The Township is authorized to issue the Notes pursuant to the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented (the "Local Bond Law") and the bond ordinances of the Township set forth above, each in all respects duly approved and published in accordance with the Local Bond Law.

THE NOTES

General Description

The Notes comprise an issue in the aggregate principal amount of \$34,298,785, will be dated October 24, 2022, will mature October 23, 2023, and will bear interest, calculated on the basis of a 360-day year of twelve 30-day months, at the rate per annum set forth on the cover page hereof. The Notes may be purchased in book-entry only form in the amount of \$5,000 or any integral multiple of \$1,000 (or a necessary odd lot amount) in excess thereof through book entries made on the books of The Depository Trust Company ("DTC"), New York, New York, and its participants. So long as DTC, or its nominee Cede & Co. (or any successor or assign) is the registered owner of the Notes, payments of principal of and interest on the Notes will be made by the Township directly to Cede & Co. (or any successor or assign) as the nominee of DTC. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of the close of business on October 22, 2023 (the "Record Date" for the payment of interest on the Notes).

Redemption Provisions

The Notes are not subject to redemption prior to their stated maturity.

Book-Entry-Only System¹

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

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as

¹ Source: The Depository Trust Company

may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity of each series of the Notes, each in the aggregate principal amount of such issue, and will be deposited with DTC.

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

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, if applicable, and distributions on the Notes 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, if applicable, and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township, 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 Notes at any time by giving reasonable notice to the Township. Under such circumstances, in the event that a successor securities depository is not obtained, Note 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, Note certificates will be printed and delivered to DTC.

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

THE TOWNSHIP WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

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

INFECTIOUS DISEASE OUTBREAK – COVID-19

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, 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 of New Jersey declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which has spread throughout the State and to all counties within the State. The Governor has also instituted mandatory measures via various executive orders to contain the spread of the virus. These measures, which alter the behavior of businesses and people, have had and may continue to have impacts on regional, state and local economies. Throughout the COVID-19 pandemic, the Governor has signed multiple executive orders instituting

mitigation protocols limiting certain activities as well as permitting the resumption of certain activities, based on the evolution of the COVID-19 pandemic within this State. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that date by the Governor. The declaration of the state of emergency remains in effect as of the date hereof.

As of June 30, 2021, the Township's finances and operations had certain reduced revenue streams due to the COVID-19 pandemic; however, the overall finances and operations of the Township have not been materially and adversely affected due to the COVID-19 outbreak. The finances and operations of the Township may be materially and adversely affected going forward as a result of the COVID-19 pandemic through reduced or delayed revenue streams, which include the collection of property taxes, which is the Township's primary revenue source for supporting its budget. The Township cannot predict 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 Township operations. The degree of any such impact to the Township's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 pandemic, including uncertainties relating to its (i) duration and (ii) severity, as well as with regard to what additional actions may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

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.

The Township already received \$11,361,785.00 from the Plan. The first installment of \$5,680,892.50 was received by the Township on June 24, 2021 and an equal amount was received on June 30, 2022. The deadline to spend the funds is December 31, 2024. Generally, according to the Plan, the allowable use of the funds distributed under the Plan include the following categories: (a) to respond to the public health emergency with respect to COVID-19 or its negative economic impacts; (b) to respond to workers performing essential work during the COVID-19 public health emergency; (c) for the provision of government services to the extent permitted by the Plan; and (d) to make necessary investments in water, sewer or broadband infrastructure.

SECURITY FOR THE NOTES

The Notes are valid and legally binding obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal of and the interest due on the Notes. The Township is required by law to levy *ad valorem* taxes upon all the property taxable within the Township for the payment of the principal of and the interest due on the Notes without limitation as to rate or amount.

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements 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 expenditures for municipal purposes. All bonds and notes issued by the Township are general full faith and credit obligations.

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating. The Township has not exceeded its statutory debt limit.

The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The Township may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the bond ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit's bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the bond anticipation notes' maturity to the end of the tenth fiscal year in which the notes mature plus 4 months (November 1) in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of bond anticipation notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

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 cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division (the "Director") prior to final adoption. 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 Township is authorized to issue Emergency Notes and Special Emergency Notes pursuant to the Local Budget Law.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may 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 determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the local unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by June 30 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget. The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparation drainage map preparation for flood control purposes and contractually required severance liabilities, which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Under legislation enacted in 2020 to address the COVID-19 pandemic, P.L. 2020, c. 60 (A4175), a municipality may adopt an emergency appropriation to fund certain deficits resulting from COVID-19 with approval of the Director and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten years. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to COVID-19. Also, local units may be able to issue refunding bonds with Local Finance Board approval to repay a Federal Management Agency Community Disaster Loan for which it executed a promissory note in 2013.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three (3) months of the year, to the previous year's budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAPS" appropriations nor can transfers be made between excluded from "CAP" appropriations.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the index rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years' tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

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

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. 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 the three years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Sewer Utility Budget

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

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The Chief Financial Officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed Registered Municipal Accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended June 30, 2021 for the Township is on file with the Clerk and is available for review during business hours.

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. The last complete revaluation of property within the Township was for the year 2013. Cherry Hill Township's present assessment ratio is 83.30%

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

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

Tax Appeals

The State Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the County Board of Taxation ("Tax Board") on or before the first day of April of the current tax year for review. The Tax Board has the authority, after a hearing, to decrease, increase or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Tax Board, appeal may be made to the State Tax Court. State Tax Court appeals tend to take several years prior to settlement and any losses in tax collection from prior years are charged directly to operations.

INFORMATION REGARDING THE TOWNSHIP

General

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

Financial

Appendix "B" to this Official Statement contains compiled financial statements for the fiscal year ended June 30, 2022 and audited financial statements of the Township for the fiscal years ended June 30, 2021, 2020, 2019 and 2018. Copies of the complete Reports of Audit may be obtained upon request to the office of the Township Clerk and are available on the Township's website www.cherryhill-nj.com.

LITIGATION

Upon delivery of the Notes, the Township shall furnish an opinion of its solicitor, dated the date of delivery of the Notes, to the effect that there is no litigation of any nature pending, to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes. In addition such opinion is subject to exceptions, if any, and shall state that, to the solicitor's knowledge and information, there is no litigation of any nature now pending by or against the Township wherein an adverse judgment or ruling could have a material and adverse impact on the financial condition of the Township or adversely affect the power to levy, collect and enforce the collection of taxes and other revenues for the payment of the Notes. In so doing, legal opinions of the Township solicitor or a former Township solicitor may be relied upon.

TAX MATTERS

Exclusion of Interest on the Notes from Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Notes in order to assure that interest on the Notes will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Notes to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Notes. The Township will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the Notes, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Notes and has covenanted not to take any action or fail to take any action that would cause interest on the Notes to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel will rely upon the representations made in the Arbitrage and Tax Certificate and will assume 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 Notes from gross income for federal income tax purposes and with respect to the treatment of interest on the Notes for the purposes of alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

Assuming the Township observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC, Bond Counsel to the Township, is of the opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

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

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

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

Original Issue Premium

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

Bank-Qualification

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

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of 100% of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues that are eligible to be designated, and that are designated, by the issuer as qualified under Section 265 of the Code, 80% of such interest may be deducted as a business expense by such institutions

Additional Federal Income Tax Consequences of Holding the Notes

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

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

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

Changes in Federal Tax Law Regarding the Notes

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

State Taxation

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

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

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 401, et seq., as amended by Public Law 94-260, approved April 8, 1976, the Bankruptcy Reform Act of 1978, effective October 1, 1979, Public Law 100-597, effective November 3, 1988, the Bankruptcy Reform Act of 1994, effective October 22, 1994, and other bankruptcy laws affecting creditor's rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors.

Reference should also be made to N.J.S.A. 52:27-40 et seq. which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance

Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

SECONDARY MARKET DISCLOSURE

The Township has covenanted for the benefit of the Noteholders and the beneficial owners of the Notes to provide certain secondary market disclosure information pursuant to the Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"). Specifically, for so long as the Notes remain outstanding (unless the Notes have been wholly defeased), the Township will provide in a timely manner not in excess of ten business days after the occurrence of the event, to the Municipal Securities Rulemaking Board (the "MSRB"), notice of any of the following events with respect to the Notes (herein "Material Events"):

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes or other material events affecting the tax status of the Notes;
- (7) Modifications to rights of Noteholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Township (the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Township in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Township, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Township);
- (13) The consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

The term "Financial Obligation" as used in subparagraphs (15) and (16) above means a (i) debt obligation, (ii) derivative instrument entered into connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guaranteed of (i) or (ii); provided, however, that the term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

If the Township fails to comply with the above-described undertaking, any Noteholder or beneficial owner of the Notes may pursue an action for specific performance to enforce the rights of all Noteholders and beneficial owners with respect to such undertaking; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Notes or any liability by the Township for monetary damages. All actions shall be instituted, had and maintained in the manner provided in the paragraph for the benefit of all Noteholders and beneficial owners of the Notes.

The Township reserves the right to terminate its obligation to provide notice of the events as set forth above if and when the Township no longer remains an "obligated person" with respect to the Notes within the meaning of Rule 15c2-12.

The undertaking may be amended by the Township from time to time, without the consent of the Noteholders or the beneficial owners of the Notes, in order to make modifications required in connection with a change in legal requirements, a change in law or a change in identity, nature, type of operation or status of the Township, which in the opinion of nationally recognized bond counsel complies with Rule 15c2-12 and does not, in such bond counsel's opinion, materially impair the interests of the Noteholders and the beneficial owners of the Notes.

The Township has implemented internal control policies and procedures to ensure compliance with Rule 15c2-12 (including Material Events 15 and 16 enumerated above), including the appointment of a Disclosure Dissemination Agent. The Township Administration, in conjunction with the Township's Disclosure Dissemination Agent and Auditor, will follow such internal control policies and procedures in regards to posting any information required to be filed pursuant to the Township's undertakings pursuant to Rule 15c2-12.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Notes are subject to the approval of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Township, whose approving legal opinion will be delivered with the Notes substantially in the form set forth as Appendix C. Certain legal matters will be passed on for the Township by its solicitor.

NO DEFAULT

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

UNDERWRITING

The Notes have been purchased from the Township at a public sale by _____, _____, _____ (the "Underwriter") at a purchase price of \$_____, consisting of the par amount of the Notes, plus original issue premium in the amount of \$_____, less an underwriter's discount of \$_____. The Underwriter has purchased the Notes in accordance with the Notice of Sale. The Notes are being offered to the public at the yield set forth on the cover page of this Official Statement, which yield may be changed from time to time by the Underwriter without notice.

The Notes may be offered and sold to dealers, including the Underwriter and dealers acquiring the Notes for their own account or any account managed by them, at prices lower than the public offering price.

MUNICIPAL ADVISOR

Acacia Financial Group, Inc., Mount Laurel, New Jersey, served as Municipal Advisor to the Township (the "Municipal Advisor") with respect to the issuance of the Notes. Certain information set forth herein has been obtained from the Township and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized. The Municipal Advisor is a financial advisory firm and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instrument.

RATING

Moody's Investors Service, Inc. (the "Rating Agency"), has assigned a rating of "MIG 1" to the Notes, based upon the creditworthiness of the Township.

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

PREPARATION OF OFFICIAL STATEMENT

The Township hereby states that the descriptions and statements herein with respect to the Township, including financial statements, are true and correct in all material respects and it will confirm same to the purchasers of the Notes, by certificates signed by various Township officials.

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

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

Acacia Financial Group, Inc. has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto.

Bowman & Company LLP, Voorhees, New Jersey, compiled this Official Statement from information obtained from Township management and other various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information. Bowman & Company LLP does take responsibility for the financial statements, appearing in Appendix "B" hereto, to the extent specified in the Independent Accountant's Compilation Report.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement may be directed to Ms. Michelle Samalonis, Chief Financial Officer of the Township of Cherry Hill at 609-220-6145.

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

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

This Official Statement has been duly executed and delivered by the Township.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers of holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

TOWNSHIP OF CHERRY HILL, NEW JERSEY

By: _____
MICHELLE SAMALONIS, Chief Financial Officer

Dated: October __, 2022

APPENDIX A

**CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION
REGARDING THE TOWNSHIP**

GENERAL INFORMATION ON THE TOWNSHIP

History

The Township of Cherry Hill (the “Township” or “Cherry Hill”) was originally part of Waterford Township until 1844 when it was incorporated as Delaware Township. A description of the Township in 1886 depicted a “prosperous agricultural community” composed chiefly of gristmills and carriage-making shops. The agricultural nature of the community remained virtually unchanged until the 1920’s when the area began to feel its first growing pains.

After 1950, the building “boom” resulted in housing developments replacing farms and forests with a corresponding increase in population from 10,358 in 1950 to 74,553 in 2020.

In 1961, the Township’s name was changed to Cherry Hill, a remembrance of the landmark Cherry Hill Farm. The past 55 years have seen continued growth and development with attractive residential areas, shopping centers, extensive recreational facilities and executive office complexes.

In 2006, Money Magazine and CNN Money listed Cherry Hill Township as “One of the Top 50 Best Places to Live in the Country.” They also named Cherry Hill Township the 8th safest place among comparable size municipalities.

In 2011, New Jersey Monthly ranked Cherry Hill as the top large town in New Jersey.

In 2014, the Township was designated as a New Jersey Healthy Town. “Healthy Town” status is the top designation given to municipalities every year by the New Jersey Mayors Wellness Campaign. Cherry Hill became the 16th municipality in New Jersey to receive the designation since 2007, and is one of just two towns to be given the honor this year. The Township is the only “Healthy Town” in South Jersey.

In 2014, Sustainable New Jersey re-designated the Township as “Silver;” presently the highest rank for a municipality. Cherry Hill was also the recipient of Sustainable Jersey’s Sustainability Champion Award.

On September 19, 2016, Cherry Hill was named No. 26 in Money Magazine’s annual list of the Top 50 Best Places to Live.

In 2020, Niche.com awarded Cherry Hill Township an “A+” grade for “being one of the best places to live in New Jersey.”

In 2021, the Township was recertified by Sustainable New Jersey with its “Silver” Certification. Cherry Hill is one of 67 municipalities to hold this designation out of the 465 participating in the program.

Local Government

The Township government is based on the Mayor-Council form of government. The Mayor of the Township is elected directly by the voters for a four-year term and serves as the Chief Executive Officer. The Township Council is the legislative branch of the government, setting policy through the enactment of Township ordinances and resolutions. Members of the Council serve four-year terms, staggered to provide continuity in the government.

The Township administration operates through the Departments of Administration, Law, Police, Public Works, Community Development, Engineering and Recreation. All financial matters are administered under the direction of the Business Administrator.

Financial Management

The Township actively manages its staff and operating expenses for cost containment, operational efficiency and improved productivity.

The Township utilizes a competitive purchasing process for its purchases of products and services. The Township also aggressively negotiates with insurance carriers to receive lower premium and additional savings. In addition, the Township participates in co-operative purchasing agreements with other local governmental entities, as well as national co-operative entities to secure the advantages of price savings.

The Township strives to reduce expenses associated with the use of outside vendors and has been successful in hiring staff with the capacity to undertake specific building renovation projects. The Township has established a comprehensive risk management process to minimize its liabilities. An Accredited Risk Manager is on staff.

The Township's goal has been to create a government that works better, costs less, and gets results residents care about; Cherry Hill's e-government services have become critical to that mission. The Township recently redesigned its website with the goal of encouraging and streamlining its interaction and engagement with the community. The new website has created a "virtual Town Hall" that connects users with government services and information that is accessible 24 hours a day, 7 days a week, across all platforms and devices.

Making information available at the resident's fingertips is a main initiative of the Administration. The Township has an award winning website, which offers residents a portal to key information. The Township's recently revamped homepage is transactional based instead of informative based. In today's times, people come to the Township's website to conduct business vs collecting information for a research paper. The Township utilized the current website analytics to determine what features should be present on the homepage.

In addition to the website, the Township utilizes a GIS based software solution called Spatial Data Logic (SDL) to breakdown departmental silos and offer real time data to employees and customers. SDL also allows the Township to go mobile with data. Residents can access and communicate information from the web or mobile devices. Township inspectors utilize the system in the field on mobile devices. The flow of real time information increases efficiency, while at the same time ensuring accuracy.

Utilizing SDL, departments are able to offer full online submissions for permits, application, inspections requests and much more. Not only are customers able to submit their information, they can check the status and even make payment, all from the comfort of their home. The Township has imbedded many of these requests directly into the corresponding departmental website pages.

Benefits of adding these progressive e-government services include reduced staff time and resources required to complete tasks; less time off from work for residents looking to do business with the Township during traditional business hours; more efficient and effective planning of capital improvements and other projects; expedited permit processing and inspections, resulting in greater economic development; and a reduction in our Town's carbon footprint by reducing vehicular traffic to and from Town Hall by visitors, staff and inspectors, as well as less paper used for printing forms and other services now available online. The result has been a more informed and engaged citizenry, and greater efficiency in the business of local government in Cherry Hill.

User fees for Township services have increased and new user fees have been instituted as well as implementing new recurring revenues in FY 23, such as tree removal permits, business licenses, and lead base paint inspections. The Township has an aggressive tax collection program and, under the provisions of Chapter 99 of the Laws of New Jersey of 1997, the Township holds annual tax sales.

The tax collection rate for Fiscal Year 2022 was ninety-nine and sixty-two hundredths percent (99.62%).

Library

The Township constructed a modern, state-of-the-art, 70,000 square-foot library in 2004. Vacant land (4.39 acres) was acquired adjacent to the former library site of 2.99 acres on North Kings Highway. With over 30,000 active cardholders and more than 560,000 visitors each year, the Cherry Hill Public Library (CHPL) is a place of knowledge and inspiration for members of the community. CHPL provides a variety of library materials and services, access to innovative technologies and a wide-range of programs to meet the informational, educational and cultural interests of residents and visitors of all ages.

Fire Protection & Emergency Medical Services

The Cherry Hill Fire Department (the “Fire Department”) is a full service fire and rescue organization committed to the safety of the Township’s residents and visitors. The Board of Fire Commissioners is an elected body responsible for planning and executing fire and life safety services in Cherry Hill Township. As of August 2016, the Cherry Hill Fire Department became an Accredited Agency meeting the requirements set forth by the Commission on Fire Accreditation International. The accreditation recognition was renewed for another 5-year period from 2022 to 2026.

Fire protection in Cherry Hill Township is provided by four (4) Engine Companies, two (2) Ladder Companies, and one (1) Fire Battalion Chief, serving as the on-duty Shift Supervisor and principal Incident Commander at major emergencies. The Department responds to over 5,000 fire and hazardous condition calls for service annually with career firefighters. In addition, one (1) Volunteer Fire Police Unit and one (1) Volunteer Rehabilitation Unit support the Fire Department.

The Fire Department provides Emergency Medical Services (EMS) responding to over 12,000 emergency calls annually. The Department staffs three (3) EMS units 24 hours per day and two (2) demand units staffed during peak call periods in addition to an on-duty EMS shift supervisor. The EMS Division consists of some career personnel and predominately per diem employees.

First responder companies responding from neighborhood Fire Stations support the EMS response system. All Fire Department personnel are certified at the EMT or Paramedic level and respond to critical EMS incidents and life-threatening emergencies.

The Fire Department achieved the Insurance Services Organizations Classification of a “Class 2” Fire Department, out of a scale of 1 to 10, which became effective November 1, 2022.

The Fire Department hosts the Township Emergency Operations Center at Fire Headquarters on Markkress Road and serves as a partner in the Emergency Management function.

The Fire Department maintains a Hazardous Materials Response Team with specially trained firefighters assigned to the unit. They are prepared to handle situations involving chemical, biological, radiological and explosive events. This unit is recognized at the State and National levels for its capabilities and has received many thousands of dollars in grant awards for equipment and training.

There is also an Urban Search & Rescue Team with specially trained firefighters. These firefighters are prepared to handle complicated vehicle extrication, water rescue, high angle rescue, confined space rescue, structural collapse and trench rescue. All firefighters in the Fire Department are trained to support both of these special disciplines. Firefighters also train daily on any possible emergency that may take place in Cherry Hill Township.

Community Education on fire and medical safety is critical to improving the quality of life for residents, merchants, business owners and visitors of the Township. The mission of the Department is

to make a positive difference by educating the residents and visitors of Cherry Hill Township. Through community education, our department utilizes the following risk reduction programs: babysitting classes, child car seat safety inspections/installation, fire and EMS safety presentations, home safety walk through, school safety programs, Vial of Life Program, and residential smoke detector inspections/installations. Our risk reduction programs target all stakeholders and audiences that represent our community.

The Training Division is a critical component to the organization, ensuring that all members are prepared to handle the emergencies they may face. They coordinate and deliver all types and levels of training to the Fire Department's personnel. The Department's training facility, located at Markkress Road, is a registered New Jersey Division of Fire Safety and NJOEMS training site.

The Office of the Fire Chief and the Chief Financial Officer provide oversight and direction to guarantee the mission of the Fire Department is met through the responsible management of taxes and personnel. The Fire Department has been successful in acquiring FEMA (Federal Emergency Management Agency) Grants, in addition to numerous Department of Justice and State Grants. In 2015, the Department received an AA1 bond rating from Moody's Investors Services.

The Management Support Division is staffed with a N.J. Qualified Purchasing Officer and participates in the N.J. Contract Program, Surplus Property Program, and Joint Purchases with other Township Entities. The Department has also taken the necessary steps to utilize the Camden County Cooperative Purchasing Program.

The Motor Maintenance Division maintains the Department's fleet of fire apparatus, EMS units and light duty vehicles.

The Fire Prevention division works to reduce the number of fire occurrences, as well as reduce the severity of fires within the Township. The Fire Prevention division conducts roughly 3,500 routine fire safety inspections of buildings within the Township in accordance with the N.J. Uniform Fire Code, as well as our Township Ordinance. Additional activities include permit inspections, plan review for construction projects, and safety reviews for events. Additionally, the division completes approximately 1,400 inspections on homes that are sold within the Township each year. The Fire Prevention Division is also responsible for investigating all incidents involving fire and or explosions within the Township in an effort to prevent future fires. This division is also the host agency for Camden County's FireWatch program. This program is modeled throughout our region, focusing on educating, evaluating, and coordinating interventions of juveniles that are at risk for starting fires.

Police

The Police Department ("Department") is located in the municipal building at 820 Mercer Street and consists of four (4) divisions. The Operations Division is the largest division within the Department and is responsible for the performance of all primary police tasks. The Special Operations Group is a part of the Operations Division, which consists of a Tactical Response Team and a Critical Incident Negotiating Team and may be activated for any extraordinary police operation. The Investigative Division conducts follow-up investigations, proactively conducts special investigations, and provides technical services such as crime scene processing, fingerprint identification, and evidence classification. The Administrative Division supports Department operations, while the Office of Professional Standards and Development investigates any allegations of police impropriety and provides the citizenry with public records and assistance.

The Department has a complement of one hundred thirty-six (136) sworn members, thirteen (13) special law enforcement officers (SLEO), ten (10) dispatchers, twenty-one (21) civilian employees and employs approximately fifty (50) civilian school crossing guards.

The Department requires all police officers to earn the minimum of a Baccalaureate Degree as a condition of employment.

The Cherry Hill Police Operations Center is a state-of-the-art facility with a recently furnished Communications Center and completely upgraded radio system, which allows interoperability with public safety users in neighboring jurisdictions. The Operations Center includes computers, digital mug shots, and digital fingerprint scanning equipment connected to the FBI and software applications that provide computerized detective case management. The system is funded by grants and features the latest technologies. The CAD/RMS and 911 systems are continuously upgraded to make sure all personnel have the latest public safety technology.

The entire patrol fleet is equipped with in-car cameras, mobile computers, as well “E ticketing” or electronic motor vehicle summons. E ticketing has drastically reduced the time officers spend on motor vehicle stops. It also eliminates redundant data entry between the police and courts. The car fleet uses LTE/Wi-Fi cloud managed routers that increase VPN network speed and reduces maintenance time. These will be upgraded this fiscal year bringing 5G technology to the patrol cars. These technologies increase officer efficiency and keeps them out of the office and on the street. The Department has five mobile (5) automated license plate readers (ALPR). A current project is underway to deploy ten (10) fixed ALPR units. Next year the in-car cameras will be upgraded to the newest model that will bring ALPR technology to every patrol vehicle. The license plate readers aid the department with the enforcement of motor vehicle laws, security for the public, and can aid in Homeland Security.

One hundred and seven (107) police officers have been certified and trained in the use of Conducted Energy Devices (CED) or more commonly referred to as a “Taser”. Being equipped with this additional equipment significantly reduces the risk of injuries to civilians and police officers alike. The Department has three handheld thermal imaging devices that help locate missing or wanted persons by giving off a heat signature in the dark. The department is equipped with two (2) small Unmanned Aircraft Systems (drones), one of which is also equipped with thermal imaging to help with search and seizure operations. There are currently seventeen (17) trained and certified pilots.

The Department implemented body worn cameras approximately six years ago, which were purchased for every member of the department as a supplement to its robust in-car camera recording policies. Recently the Department has started to deploy Axon Signal Sidearm devices. These devices activate all nearby body cameras if an officer removes their firearm from its holster. When implemented correctly, body cameras can help strengthen the policing profession by promoting agency accountability and transparency. They can also be useful tools in increasing officer professionalism, improving officer training, preserving evidence, and documenting encounters with the public.

The Department has been the recipient of County, State and Federal grant awards that have made possible additional crime prevention initiatives as well as the expansion of the Community Policing Unit, which is focused on direct interaction with community stakeholders. The Department engages in drug awareness and education programs and hosted six (6) Junior Police Academies to increase positive interactions with the youth in our community. The Department runs a Police Club at both of the High Schools and also hosts a Citizen’s Police Academy. The Department also launched a Restorative Practice program, which is an initiative to identify at-risk youth and removing them from the punitive detention model to a positive program of yoga and fitness designed to change behavior. The department manages the Municipal Alliance program which aids the education of children in the harms of drug and alcohol usage.

Grant funding also supports advances in technology that enhance the delivery of basic and supplemental services to the people who live, work and visit the Township. The Cherry Hill Police Department has launched a Strategic Intelligence and Analysis Unit. This unit has a full-time Crime Analyst and a Social Justice Analyst to identify crime trends and patterns. This new operational initiative uses leading edge statistical analysis and geographic software to aid in the effective and efficient deployment of police resources. The initiative, called Data-Driven Approaches to Crime and Traffic Safety (DDACTS) was developed by the National Highway Traffic Safety Administration. It uses geographic mapping to locate crime and traffic hot spots and targets these areas using temporal and spatial analysis. The correlation of crash and crime occurring within close proximity allows police an opportunity for addressing both challenges with a singular tactic. Once a hot spot is identified, the area

is saturated with highly visible traffic enforcement strategies in order to reduce social harms associated with incidences of crime, traffic crashes and traffic violations. DDACTS was created as a nationwide initiative to help local communities improve public safety by both reducing their crime rates and decreasing their traffic crashes. The concept draws upon the knowledge that crimes often involve the use of a motor vehicle and the offender will recognize an increased likelihood of apprehension due to a highly visible police presence. The application of highly visible traffic enforcement is a proven and effective strategy that addresses both crime and crashes whether they occur simultaneously or independently in time and/or location. This allows personnel to be deployed where and when they are needed for a more efficient and effective use of resources in response to community needs.

The Department is facing today's challenges with dynamic strategies that employ technological resources to solve problems efficiently. Community focused and place based law enforcement practices have emerged as an effective way to reduce social harm and improve public safety. There are no additional costs associated with the implementation of this philosophy, as officers already assigned to patrol have their assignments reallocated to target a defined hotspot. The use of highly visible enforcement sustains a flexible and cost effective method for reducing social harms. By placing more officers in geographic locations based on the statistical frequency, the Department hopes to reduce crime and motor vehicle crashes and improve the quality of life in the community.

Recreation and Public Land

The preservation of the Township's open space and the development of first-class recreational facilities are top priorities of the administration. The Township provides a variety of passive and active recreation activities on open space lands, including playgrounds, picnic areas, tennis, hockey and pickleball courts, fitness and nature trails, athletic facilities and Little Free Libraries. These amenities exist at fifty-seven (57) locations that are maintained by Cherry Hill Township.

The Township is unique in that it owns and maintains two National Register historic properties. Both serve very different, but valuable, functions for our residents. The historic Croft Farm hosts numerous cultural programs, including classical and contemporary music performances, art exhibits, movies and lectures. The site also serves as classroom space for various recreational opportunities to individuals of all ages and abilities. In 2019, the Township invested approximately \$1.5 million to construct (4) stand-alone boutique studios at Croft Farm for multi-use programming by the Department of Recreation. These facilities became available to the public in the spring 2020.

The Barclay Farmstead is maintained as a living history museum. The main house and outbuildings are interpreted as an 1816 Quaker Farmstead, reflecting Cherry Hill's rich agrarian heritage. The farmhouse and grounds are open to the public for tours on a designated, seasonal schedule. In addition to tours, events and programs, the Barclay Farmstead also hosts an award-winning school tour program, which offers Cherry Hill 5th graders and many out-of-district students a hands-on lesson in our regional history and heritage. The surrounding 32-acres include community gardens, playground, stream and nature trails, a portion of which are handicapped accessible. The main farmhouse is ADA accessible for in-person viewing. The Township has also taken the effort to create a virtual tour of the entire property so that visitors of all abilities can experience the complete setting. Portions of the surrounding trails are also ADA accessible.

The Township continues to invest in preservation efforts at both Croft Farm and Barclay Farmstead so that the community can enjoy them for years to come. In 2017, three Croft Farm Outbuildings were restored: the Smoke House, Ice House and Spring House. All three structures are contributing buildings on the Croft Farm National Historic Register application. Additional preservation work is planned for interior and exterior of the Kay-Evans house at Croft Farm, the centerpiece of the property. Similarly, the Township is directing exterior preservation efforts at the Barclay Farmstead that include the main house, spring house and forge barn. Both properties are a valuable teaching tool for all members of the community.

A full-time professional Director works with a full and part-time staff in conducting an extensive year-round program for sports and fitness, dramatics, dance, and many other special interests for participants of all ages, including an adult education series. The Township has earned much recognition for success in providing programs based on the concept of Universal Design, which focuses on creating programming that is inherently accessible to people of all abilities. Schools enhance the Township's recreational activity schedule by providing a wide variety of programs for the enjoyment of residents.

The Township has 1,373 acres of open space, with approximately half of the acreage developed with athletic fields, basketball courts, roller hockey courts, fitness trails, picnic areas, and tot lots. For example, Township has forty-one (41) tennis courts located at sixteen (16) separate facilities (of which eleven (11) are lighted), as well as nine (9) soccer fields, eight (8) roller hockey courts and nine (9) pickleball courts. On a yearly basis, the Township secures significant capital funding for upgrading various active recreation amenities.

The Township currently owns and maintains (3) artificial surface multi-sport fields and associated sports lighting. These fields service soccer and lacrosse clubs with a membership of close to 3,500 players ranging from youth to high school ages. Two of the fields are located at the DeCou Sports Complex and the third field is at the Chapel Avenue Park. In 2018, the Township invested new artificial turf surfaces at all three locations.

In 2016, Cherry Hill Township entered into a similar Shared Service Agreement with the Board of Education to convert the football fields at East and West High Schools to Synthetic Turf Fields and make improvements to the surrounding tracks. This shared service agreement also provides for community use.

The Township offers a variety of wooded, soft-surface trails, totaling approximately 13 miles, located throughout the Township to explore. The ten distinct trails systems provide unique opportunities to connect with nature, find solitude and inspiration, promote good health through hiking, trail running or mountain biking and to expand our education and understanding of the vital role open space provides to our quality of life and the overall health of the environment. The Barclay Farmstead Trails and the Croft Farm Trails have received the distinction of being named National Recreation Trails through the National Park System. These trails contribute to the health, conservation, and recreation goals of the United States. 2020 marked the 10-year anniversary of the Cherry Hill Township Trail System.

In August 2021, Cherry Hill Township opened the first Dog Park facility in Cherry Hill. The one-acre fenced facility includes an ADA covered pavilion with seating, water fountains for animal and human visitors and separate areas for small and large dogs to play off-leash.

Open Space

In November 2000, Cherry Hill voters underscored their commitment to open space preservation with overwhelming approval of a referendum to establish a Township Open Space, Recreation, Farmland and Historic Preservation Trust Fund. Cherry Hill homeowners contribute one (1) cent per \$100 of assessed property value annually to generate funds for open space including the acquisition, protection and maintenance of environmentally sensitive lands, drinking water sources, historical properties and farmland.

Cherry Hill's Trust Fund has been utilized to purchase and preserve many properties since 2001.

Environmental Care and Maintenance

The Public Works Department ("Public Works"), with a work force of approximately seventy (70) employees, maintains parks, trees, sanitary sewers, storm drains, and other municipal property (over 1,200 acres). Public Works collects leaves and conducts snow removal, pothole repairs and street

maintenance and cleaning for more than 260 miles of Township roads. The Engineering Department designs capital improvement projects, including improvements to Township roads, storm drainage and sanitary sewer systems.

The Township contracts for Solid Waste Collection and Recycling and recently took the lead among Cooperative Purchasing members to secure a new five-year contract that began January 1, 2021 for fully automated solid waste collection, automated recycling and disposal.

Recycling consists of curbside collection of glass, cans, newspapers, cardboard, magazines, plastics, white paper, junk mail, leaves, grass, tree limbs, brush and appliances. The Township now has over a ninety percent (90%) recycling participation rate.

Sewer Utility

The Township owns and operates twenty-five (25) pumping stations and a sewerage collection system approximately 320 miles in length. The sanitary sewerage collection system serves approximately ninety-eight percent (98%) of the Township's residents, with the remaining use septic systems.

All wastewater from the Township is treated at the County regional treatment facility located in the City of Camden. The treatment facility is owned and operated by the Camden County Municipal Utilities Authority.

In addition to the Township's annual residential sewer rate of \$95 (with a discount for senior citizens), the County levies an additional \$352 charge yearly, payable in quarterly installments.

The Township's Sewer Utility CIP investment is approximately \$2 million per year for sanitary sewer infrastructure improvements. These include, but are not limited to, pump station replacement, I & I reduction, main replacement, slip lining of mains, manhole restoration, etc. The Township's continued investment provides for a sound wastewater collection system.

Water

The Township receives water from the New Jersey American Water Company and from the Merchantville/Pennsauken Water Commission, both privately-owned companies. Substantial improvements to the infrastructure have been made throughout the years and continue in 2022.

Natural Gas

In 2020 and 2021 PSE&G made and will continue to make significant infrastructure improvements throughout Cherry Hill in 2022 and beyond.

Township Employees

	<u>2022*</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Permanent	324	313	310	315	310	309
Part-time	<u>78</u>	<u>83</u>	<u>94</u>	<u>109</u>	<u>107</u>	<u>93</u>
	<u>402</u>	<u>395</u>	<u>404</u>	<u>424</u>	<u>417</u>	<u>402</u>

* As of September 9, 2022, all other dates are as of December 31st of the respective year.

Employee Collective Bargaining Units

Currently, there are five (5) collective bargaining units in the Township: Police Sergeants, Lieutenants and Captains represented by the Superior Officers Association Local (SOA); Police Officers, Detectives and Investigators represented by the Policeman's Benevolent Association Local 176 (PBA); Dispatchers represented by Teamsters 676; Blue Collar Employees represented by Teamsters 676; and White Collar Employees represented by Teamsters 676. The Superior Officer Association (SOA) contract will expire December 31, 2025. The Policeman's Benevolent Association (PBA) contract expired December 31, 2021 and filed for Arbitration on August 30, 2022. The Dispatchers (Teamsters 676) contract expires December 31, 2022. The Blue Collar Employees (Teamsters 676) contract expires December 31, 2022, negotiations have just begun. The White Collar Employees (Teamsters 676) contract expires December 31, 2023.

Business and Industry/Economic Development

Recently Completed Projects:

Jefferson Health Systems (formerly known as Kennedy University Hospital). Phase I of the Jefferson Health Systems (formerly known as Kennedy University Hospital) redevelopment project was completed and opened in April 2017, transforming their 27-acre campus in the center of Cherry Hill.

In order to ensure that reliance and convenience of a major healthcare facility, the Township Council took a pro-active approach towards the revitalization of this 27-acre healthcare campus by designating the property as an Area in Need of Rehabilitation and prepared a Redevelopment Plan for the a strategic approach to facilitate its transformation into a 21st century healthcare facility. This enabled the revitalization and reinvention of this critical "West-side" community stakeholder, which also provides hospital-based acute and outpatient healthcare to the entire Region.



As noted above, construction has been completed on the new 102,000 SF Medical Office and



Surgical Center, a new indoor 750-car parking structure, a five-story grand atrium lobby and an overall enhanced curb appeal with large green landscaped areas along its street frontage. The project also

includes the reorganization and realignment of critical hospital services. Phase 2 includes a new patient pavilion with all private, in-suite room and support services for patients and their families and friends, as well as new surgical suites and support services. Total build-out will total more than \$220+/- million in investment – fostering its place in the Region as a premiere healthcare provider and as one of the Nation’s leading employers. In August of 2017, Cherry Hill Township Council amended the Kennedy University Hospital Redevelopment Plan to permit a height increase for the new patient pavilion, as well as modifications to permit reduced setbacks, signage and a helipad. In September of 2017, Kennedy University Hospital, received approval from the State of New Jersey to merge with Jefferson Health – creating a 13-hospital network in the region – Phase II, consisting of a seven (7) story patient tower, healing garden and helipad, was completed in November 2020.

Penn Medicine at Cherry Hill. In October of 2016, the University of Pennsylvania Health System opened the completely renovated 152,000 SF Penn Medicine medical office building – located along New Jersey State Highway Route 70, also known as the Township’s – and the Region’s – “Healthcare Highway”. The University of Pennsylvania Health System, a premier healthcare provider in the Philadelphia Region, recently occupied the entirety of a former vacant department retail store, known as Syms. The developer of the project purchased and aggregated lands to provide more meaningful circulation for east-west access to South Jersey’s “Healthcare Highway” in addition to the completely renovating of this former greyfield, which also includes a new 400-car parking structure, signage and various site improvements.

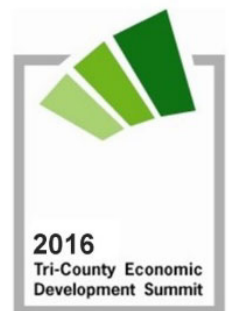


The new facility hosts medical disciplines, such as oncology, radiology, cardiology, ob-gyn, primary care, physical therapy, radiation and chemotherapies, a linear accelerator, and other sophisticated modalities. All within a patient-friendly and natural-light flooded and calming, therapeutic environment.

The project represents nearly an \$80 million investment in Cherry Hill, and expands Cherry Hill’s “healthcare footprint” as a growing epi-center of medical services and first class healthcare delivery in the Region, joining Cooper University Hospital, Virtua Health System and Jefferson Health System, Wills Eye, Patient First and many others within the Township.

Penn Medicine’s presence, investment and growth in Cherry Hill lends itself to a major economic force for the Township – so much to that the Township received an award for Outstanding Achievement in Economic Development at the 11th Annual Tri-County Economic Development Summit for its nurturing of this growth along South Jersey’s “Healthcare Highway”.

In July of 2017, the Penn Medicine redevelopment effort received recognition and was selected as a recipient in the 2017 New Jersey Planning Officials (NJPO) Achievement in Planning Award.



Commerce Center at Garden State Park (Costco Wholesale Warehouse). The Township Planning Board approved an application for a 18.5-acre parcel of the 224-acre tract mixed-use planned unit development known as Garden State Park, for a 160,000+/- SF retail development (Costco) along with 15,000+/- SF of ancillary retail uses.

The site transformed a vacant and fallow former parking area of the former racetrack into a Costco Wholesale Warehouse with an accessory nine (9) multi-product dispensing (MPD) gasoline station. Costco opened during the Fall of 2020, notwithstanding the pandemic.

The site is adjoining other major retail development with the Garden State Park planned unit commercial development (i.e. - Home Depot, Wegman's, Nordstrom Rack, etc.) and planned unit residential development, which at build out will include 1,659 units. Total investment is approximately \$50 million and creates 250+/- jobs.



Cooper University Medical Center. Known as a major regional healthcare provider headquartered in nearby Camden, NJ, Cooper University Hospital has received Planning Board approvals for a 8,000 SF addition – for a total of 96,200 SF – for a medical, multi-specialty service building at the former Lockheed Martin off building located on Route 70 (South Jersey's Healthcare Highway).

The project transformed this former office building and 5-acre site into a state-of-the-art medical resource that overlooks the Township's major natural resource – Cooper River Park. The project included a minor building addition to the front façade, as well as new patient drop-off covered area.

Program elements included imaging, physical and occupation therapies, laboratory services, patient exam for multi-disciplines that include cardiology, nephrology, neurology, orthopedics, endocrinology and general surgery.



In June of 2018, Cooper University Medical Center amended its approvals to include shared, consolidated access with Crowne Plaza Hotel, which integrates a left-hand turn traffic signal into the site in a westbound direction on Route 70. They have also expanded their parking lot onto four (4) adjacent parcels. This parking area provides parking for employees.

Weinberg Commons. In April 2021, Pennrose and the Jewish Federation of Southern New Jersey completed a 160-unit deed-restricted rental housing providing affordable living for seniors and for adults with developmental disabilities, known as "Weinberg Commons." The development is a 15-acre, \$40-million project located at 1721 Springdale Road in Cherry Hill.

The project consists of two, 80-unit, three-story, 85,000-square-foot buildings. The project is designated 100-percent affordable housing, and is targeted at renters earning 30, 50, and 60 percent of area median income. Ten percent (10%) of those units are reserved for adults with developmental disabilities; the remainder will be senior housing for seniors aged 55 and older, deed restrictions that are guaranteed for 45 years.

Developers sought low-income housing tax credits from the New Jersey Housing and Mortgage Finance Agency (NJHMFA) for each phase of the construction. NJHFMA credits are awarded competitively on an annual basis, and could provide as much as 70 percent of the equity for the project. Pennrose Properties will manage the property. Unique to the building designs are its first floor, one-bedroom, quad clusters, which are self-contained but feature separate entries to an indoor common area. These units are reserved for its special-needs residents, and will be tapped for supportive services and community programming, allowing residents to retain their independence within a structured social setting.

In August of 2017, the project was awarded \$1,294,858.00 in Low Income Housing Tax Credits (LIHTC) to finance the project. This was one of six projects awarded LIHTCs for the 2017 allocation statewide.



Audi Dealership. Construction was completed on a new 40,000 SF sales/showroom and repair facility for Audi on a 5-acre site along Route 70, where the construction value was estimated at nearly \$14 million.

Wood Springs Suites Hotel. Formerly known as the Steak 'n Ale restaurant, Wood Springs Suites opened in the Spring of 2017. This new 138-room extended-stay hotel is located immediately off the Route 70 corridor at the I-295 interchange.

Republic Bank. This project was completed and opened in June of 2017. The 3,316 SF bank with drive-thru facility is located at the Libertyview office complex across from Garden State Park and the Commerce Center office complex.

At-Home – The Home Décor Superstore. This regional retailer from Plano, TX transformed the former Pathmark at 949 Church Road – directly across the street from the Cherry Hill Mall. The retailer renovated 91,000 SF of space and relocated an existing Big Lots to an adjoining (vacant) retail space while reinventing the façade of the center. This rejuvenation has provided for enhancements, which is desperately needed to revitalize this edge of the Cherry Hill Mall and its associated frontages.



Tesla. The Township worked with Tesla to develop a dealership within its borders at an existing facility on Route 70 – near to many of the Township's existing car dealerships. While only few Tesla dealerships exist Nationwide, Cherry Hill is excited to be part of one the prospects to be part of the electric carmaker's expansion into dealership sales. As the fourth and last dealership to open in New Jersey, the Cherry Hill location opened in early of 2018. Tesla expanded its presence in Cherry Hill in 2020



with approval for an off-site storage facility located at 1840-1850 Old Cuthbert Road. The site will allow for the storage of up to 145 Tesla vehicles.

Zara's at Cherry Hill Mall. A 5,000 SF expansion at the Cherry Hill Mall was completed to create a 30,000 SF retail space for an international clothing retailer, known as Zara. With more than 2,100 stores worldwide, Zara is the flagship brand of the Inditex Group. Zara is renowned for its ability to develop a new product and get it to stores within two weeks, while other retailers take six months. Zara added 77 stores in 2015, including the first stores in Australia last year, as well as a number of U.S. cities like Los Angeles, New York, San Diego, Houston and Las Vegas. Rosalia Mera, who co-founded Zara with her former husband Amancio Ortega, died in 2013 at the age of 69. She was the wealthiest self-made woman in the world with a fortune estimated at \$6.1 billion at the time of her death. Zara debuted at Cherry Hill Mall on September 28, 2017.

Plaza Grande Age-Restricted Condominiums at Garden State Park. Construction has restarted on this 608-unit age-restricted condominium development on 35 acres in the Garden State Park.



The age-restricted development includes 29 units that are affordable to seniors. The project was stalled in the economic downturn; however, the Township worked with the new developer/purchaser of the project to restart and redesign the units and site plan to respond to the current market. At present, 293 units have been constructed; 10 out of the 20 approved buildings are complete along with the Clubhouse facility, including gym and fitness studio, an indoor and outdoor pool, tennis courts; the remaining ten buildings are currently under construction.

Evans Mill. This project is the transformation of a former lumberyard facility into 152 luxury apartment units with amenities that include a clubhouse and pool. The 9-acre site is currently about 100% impervious; the development will provide over 38% of green space that is adjacent to Township open space and our historic Croft Farm farmstead. Demolition of the existing buildings were completed and construction has commenced in 2017. Construction value is estimated at \$45 million. As of 2018, all Certificates of Occupancy (COs) were issued for the project.



Symphony at Cherry Hill (Memory Care). In 2018, the 64-bed memory care nursing/long-term care facility was completed and is currently operational.

Primrose School of Cherry Hill. Construction commenced the second quarter of 2017, for the development of a 12,069 SF childcare center (Primrose School) with various site and signage improvements. Primrose Schools is a national family of accredited early education and care schools serving infants through kindergarten, after-school children, their families and communities with locations in 29 states. The daycare opened at the end of 2017.

Lidl Grocery This project resulted in the construction of a 29,000+/- SF Lidl grocery store at the Walmart Shopping Center located on Route 38 owned by Urban Edge (also known as Vornado). This highly competitive German grocer, which has taken over Europe – in competition with Aldi markets (which recently acquired Bottom Dollar), has recently begun its US expansion, which now includes Cherry Hill. The chain, which is a cross between Walmart and Trader Joe's, offers deep discounts on groceries, household appliances, clothes, and furniture.



Commerce Center at Garden State Park. Construction was recently completed of additional development along Haddonfield Road on the edge of the property, which included existing 15,000 sq. ft. of bank and retail, and 67,000 SF of retail including a TJ Maxx, a Home Goods, a Trader Joe's, and Shake Shack.



Cherry Hill Partners at Haddonfield Phase II, LLC at Garden State Park. Recently, the vacant Pier One store at the Garden State Park has been redeveloped into "CHOPT," a salad company with a drive-thru (2,300 SF), a pizza restaurant, known as "& Pizza" (1,773 SF), 'Wild Fork' Food Market (3,872 SF), as well as a physical therapy office (3,872 SF).



Wawa. Wawa continues to expand within Cherry Hill's borders. On Haddonfield Road, the conversion of a former auto body shop and strip center is currently a 5,585 SF Super Wawa Food Market (convenience store) with associated site amenities and a fueling station with six (6) multi-product gasoline dispensers (MPDs) and a canopy, as well as a 6,000 SF retail store with associated site improvements. The Wawa has been operational since December of 2019.

American Heritage Federal Credit Union. The Township continues to attract financial firms and banking institutions. As such, the Philadelphia-based credit union (American Heritage) renovated a former AT&T space at the corner of Haddonfield Road and Church Road and has been open since September of 2019.

Dunkin Donuts. Dunkin Donuts has significantly increased their presence in Cherry Hill with three recent installations. The first one constructed is a 3,500 SF Dunkin Donuts at the former Bayard's Chocolates along Route 70 that has been open to the public since late 2019. Additionally, a former bank building was converted to a 2,094 SF Dunkin Donuts at 1402 Brace Road, with a similar conversion in the Woodcrest Shopping Center, located at 1490 Haddonfield-Berlin Road.

Auto Zone & Mach One Car Wash. Auto Zone recently opened a new store at the former Red Eagle Tavern. Mach One Car Wash completed construction just prior to March 2020, but has not yet opened its doors, likely delayed due to impacts from COVID-19.

JPMorgan Chase Bank. The former site of Chili's and Blue20 was demolished to construct a 5,952 SF bank branch for JPMorgan Chase Bank with its signature Private Client services, an employee training facility, a remote ATM and various site improvements and signage. The facility opened to the public in August of 2020.

Hobby Lobby. Hobby Lobby received approvals for 7,000+/- SF addition to the former Babies R' Us located at the Hillview Shopping Center and opened for business in December of 2020.

Chipotle Drive Thru. Construction of a 2,600 +/- SF Chipotle drive-thru next to Virtua Health on the corner of Brace Road and Rt. 70 East was completed and opened for business in March of 2021.

Eagle One Real Estate/Amici Restaurant. A restaurant expanded the building to include a kitchen expansion and outdoor seating area.

JJN Real Estate, LLC Medical Office Building. Ancillary to the large medical facilities in Cherry Hill, modest reinvestment into smaller medical office buildings has been increasing. As such, Advocare Pediatrics on Route 70 purchased and is retrofitting a former daycare (22,000 SF) into a multi-tenant medical office use along with various building and site improvements consisting of major façade renovations, parking, circulation and access improvements, and new signage. The project was completed in November of 2019, though occupancy of the building was delayed due to COVID.

Advanced Recovery Systems (ARS). As part of the Baker Lane Redevelopment Area, a 90-bed inpatient rehabilitation facility is complete, though occupancy has been delayed due to COVID.

Apple. Apple completed construction of a 12,000+/- tenant fit out for their store at the Cherry Hill Mall. It has been open to the public since early 2021.

Easton Coach Company. Completed a renovation of the facility located at 1941 Old Cuthbert Boulevard in March 2020 that houses the fleet for NJ Transit’s Access Link and has relocated a significant number of jobs from Lawnside Borough to Cherry Hill Township.

VR Philly, Inc. Site Plan was granted to convert a vacant computer repair business into an E-Sports Gaming and Indoor Amusement Venue, along with a high-end smart-home technology showroom, on Route 70. The facility opened in July 2021.

202 Park Boulevard Apartment Complex. The luxury apartment complex, consisting of 192 units, ranging from studio to 3-bedroom flats and stacked units is complete. Amenities include an “active courtyard” with pool, bar-b-que and dining areas (and is adjacent to indoor amenities including community gym, business center, lobby and meeting and social rooms), and a “passive courtyard” that is more quiet and social in nature and includes a variety of gathering areas and features such as fire elements and gardens.

The main focus of this project is its frontage along the Cooper River Park system, which is a major recreational and natural resource that includes a world-class, Olympic-distance 2000 meter rowing facility and boathouse. Numerous national and international competitions occur at this venue, and this new project will have a front row seat along the Cooper River! The project is located on a 7.3 acre site and has a construction value of \$75+/- million.



Evans Francis Estates. A 54 family affordable apartment community, consisting of one, two, three bedroom apartments and townhouses has been constructed near Route 70 and Springdale Road, next to the Short Hill Shopping Center, after receiving 2018 Low Income Housing Tax Credits (LIHTC).

CVS. A former jewelry store at the corner of Springdale Road and Route 70 has been redeveloped into a new CVS Pharmacy with a drive-thru along with various other site improvements.

Cooper Health System. Site improvements have been made at the Cooper Health System building located at 1210 Brace Road location, including the expansion of the medical office parking lot with various site, circulation, building façade, sidewalk, and signage improvements.

Lakeview Dental Care of Cherry Hill opened a Cherry Hill office after receiving minor site plan approval, replacing a former vacant building. The dental office has five other locations in the region.

Taco Bell. The 2,772 SF drive-through restaurant, located at 2005 Route 70 E, opened after receiving major site plan approval from the Planning Board.

Economic Development Projects Approved and Currently Under/Pending Construction:

Gateway Redevelopment Plans. The Township designated three (3) areas in the western part of the community as Areas in Need of Redevelopment, and is currently investigating additional potential redevelopment areas that will reinvent the western gateway along New Jersey State Highways Routes 70 and 38, as well as areas along Cuthbert Boulevard (County Route [CR]-636). These major arterials are direct connectors from the Township’s borders to Philadelphia (west) and to points north and south via Interstate-295 and the New Jersey Turnpike. These strategic locations are of critical importance as there are just a few hours of most major metropolitan areas in the Northeast. These Areas in Need of Redevelopment will create a new sense of arrival to the Township and have transformed underutilized sites (such as older motels, a closed bowling alley, a former publishing/printing facility) into attractive and viable uses including medical and multi-family residential communities.

Hampton Road Redevelopment Plan. FMP CH Hampton, LLC received Major Site plan approval to construct 252 luxury multifamily units, inclusive of 45 affordable units, with varying typology of units including 4-unit quads and a mixture of 3-story and 4-story apartment buildings. Amenities include a club house, pool, community green, dog park and garaged parking spaces, along with various site improvements. Construction is anticipated to begin in spring of 2023. This is a particularly exciting project, as it redevelops a 20.3 acre area of former industrial “brownfields,” other work yard, and minor office uses.



Victory Refrigeration Redevelopment Plan was adopted in June of 2018, which promotes the redevelopment of the former Victory Refrigeration Redevelopment site into a mixed-use transit-oriented development (TOD) site, which will include 370 luxury apartments and a variety of TOD complimentary non-residential uses. The site, located at the southeast border of the Township, is within ¼ mile of the Woodcrest PATCO Train Station – a widely used park and ride along the PATCO Speedline. Approvals were granted in the fall of 2018 and construction commenced in the spring of 2021.



GS Racing, LP. The applicant received preliminary and final major site plan to develop a 30,000 SF off-tracking wagering facility, restaurant, and bar with various site improvements on Rt. 70 West next to the Garden State Park.

Dodge/Cherry Hill Triplex. A preliminary and final major site plan was granted to demolish existing residential structures, consolidate three (3) lots (Lots 2, 3 and 4) into the primary lot (Lot 1), and develop seventy-five (75) new employee parking spaces for the Cherry Hill Triplex along with various site improvements.

MiPro Homes, LLC. Preliminary and final approvals were granted in 2019 for sixteen (16) single-family homes on Kresson Road. The applicant has submitted for amended preliminary and final for approval of the homes, which are estimated to be valued between \$600,000.00 to \$850,000.00. Clearing, demolition, and construction of the road have begun.

Town Center at Short Hills Cherry Hill I, LLC - Major site plan approval was recently granted to reconstruct a new building in a portion of the existing shopping center for use as a retail strip center, including a Starbucks with drive-thru, as well as medical office. Additional improvements will include paved parking areas, driveways, utilities, lighting, landscaping, grading and accessory signs.



1250 N. Kings Highway, LLC - Major Site Plan was granted to demolish a former restaurant building and construct a 5,880 SF liquor store along with various site and signage improvements.

Porsche. Major Site Plan approval was recently granted to renovate and expand the existing Porsche showroom and service building, located on the same lot with the Audi dealership and consisting of a 2,020 sf expansion of the front of the Porsche showroom, a 1,153 sf expansion to the side of the Porsche auto service area, and a 1,066 sf expansion to rear of the Porsche building which will house parts for Volkswagen's auto service area, along with various site and circulation improvements.

Land Rover. Similarly, the owners of the Audi and Porsche dealerships own the Land Rover/Range Rover dealership on Haddonfield Road and have received preliminary approvals for a 34,662 SF (with a 9,395 SF mezzanine for a total GFA of 44,027 SF) expansion with associated site improvements.

Scott Holdings, LLC. Received minor site plan approval to convert a vacant site into an attorney's office with new parking and site improvements on Kings Highway.

Chick-fil-A. In December of 2021, an old vacant Friendly's restaurant has been approved for redevelopment as a 5,429 SF Chick-Fil-A restaurant and drive-thru, multilane fulfillment facility on Route 70 and South Cornell Avenue near Garden State Park.

Aspen Dental and Retail Strip Center. A 6,000 SF approved pad site next to Wawa on Haddonfield Road is currently under construction. Aspen Dental is slated for 3,500 SF of the building, with the 2,500 SF balance earmarked for retail.

PSE&G. In March 2022, Public Service Electric & Gas received preliminary and final major site plan and minor subdivision approval to subdivide 10.627 acres for the construction of a new 230 kV electrical substation, to serve needed capacity in the area. An additional substation is needed to help mitigate energy going through the Marlton substation, which has been running over capacity. The substation will serve residents in Cherry Hill and surrounding areas. It is anticipated that the substation will be installed and the site improvements complete in 2024.

Yeshiva Shaar Hatalmud. In July 2022, the former vacant M'Kor Shalom Synagogue located at 850 Evesham Road received Planning Board approval for conversion into a Yeshiva (religious school) with dormitories with up to 120 students.

NFI Real Estate, LLC/ Warehouse In March 2022, NFI received site plan approval to construct a 162,150 SF warehouse with 37 loading docks, and associated site improvements on Woodcrest Road in the Township's Victory Redevelopment Area, known as "Victory East." NFI is part of a national

family-owned warehousing company that developed from a Vineland-area delivery business into one with 16,000 employees and more than \$3 billion in revenue. NFI operates more than 50 million square feet of warehousing space across North America.

Cherry Hill Partners at Village Place, LLC/ Michaels Organization. The developer of Garden State Park recently received amended major site plan and major subdivision approval for Michaels Organization to construct a four (4) story building with 76 rental units that will be 100% affordable to seniors.

Warby Parker. Warby Parker newest location is at the Cherry Hill Mall, its first South Jersey store. This will be Warby Parker's fourth brick-and-mortar store in the Philadelphia region. The company opened its Center City location at 1523 Walnut St. in 2017 and rolled out retail spots at the King of Prussia Mall in 2019 and Suburban Square in Ardmore, Montgomery County last year.

BurgerFi. The fast-casual chain will open in a 2,988 sq. ft. indoor space with an additional 525 sq. ft. of space for outdoor seating. The chain was started in Florida in 2011 with a chef-created menu of natural Angus beef burgers with the company name and logo burned into every bun. BurgerFi also serves the VegeFi, a made-in-house gourmet veggie burger, Wagyu beef hot dogs, cage-free and all-natural chicken tenders and sandwiches, shakes, and frozen custard. Sides include fries and onion rings along with a variety of dipping sauces like truffle aioli, bacon jalapeno ranch, ghost pepper honey, or Fi sauce.

Sugar Factory Restaurant. Set to open Fall of 2022. The new Cherry Hill location will be one of 15 new Sugar Factory locations set to open with trademark extravagant sweets and goblet drinks that have attracted celebrities including Kendall and Kylie Jenner, Britney Spears and Drake. It will be the second location in New Jersey; the first is at the Hard Rock Hotel & Casino in Atlantic City.



Raising Cane's at Garden State Park. In August of 2022, a Raising Cane's chicken finger restaurant received Planning Board approval to develop a pad site in the Market Place section of Garden State Park development at Route 70 and Haddonfield Road. The new building construction with drive-thru is targeting a 2023 opening.



Economic Development Projects in the Pipeline:

Cherry Hill Towne Center Partners. Recently, an amended preliminary and final major site plan was granted to construct a 1,845 SF retail building addition as an extension of Building D and a retail expansion of 14,710 sf for Old Navy (next to DSW at Garden State Park). Moreover, amended preliminary and final major site plan was granted for the extension of Town Center Boulevard through the plaza between buildings B2 and B3, along with a 1,736 SF addition to building B2 and a 1,736 SF addition to building B3. Lastly, amended preliminary approval was granted for the construction of a 140 room 5-story hotel inclusive of a 5,600 SF rooftop bar.

The Plaza at Cherry Hill Redevelopment Plan. Township Council recently designated the area located at 2100 and 2110 Route 38 on Block 285.03, Lots 2 and 3, as an area in need of rehabilitation. Built next to the regional Cherry Hill Mall, the Area consists of 390,450 square feet of leasable space and has over 1,700 parking spaces. The commercial businesses within the Area are highway-oriented with large parking lots, have facades of moderate quality, inconsistent signage, and a

variety of materials in use. There are a few national brands present in the Area, including L.A. Fitness, Raymour & Flanigan, Total Wine & More, and Aldi.

The Redevelopment Plan is still in development, but the project may include construction of over 200 residential units, a senior housing facility, a new movie theater, parking and landscape upgrades, additional commercial pad sites, upgraded façades, and/or reconfiguration of buildings.

Jaguar. In February of 2018, the Jaguar received preliminary and final major site plan approvals for a 2,197 SF showroom addition to expand the existing 34,488 SF dealership building. This approval also includes the recladding of the entire building and the relocation of its driveway along Route 70 to align with Old Orchard Road as the fourth leg of the signalized intersection. They have recently received approvals to extend this site plan approval as they continue to work with NJDOT on the intersection improvements.



KM Hotels, LLC. Final approvals are pending for the development of a 6.30 acre site on Route 70 East across from the new Cooper Health Facility and the Crowne Plaza Hotel which includes two separate hotels, one with 131 guest rooms and the other with 120 guest rooms, as well as a separate unattached 4,136 square foot restaurant facility.

Route 70 West, LLC. A use (d) variance and Preliminary & final major site plan approval with bulk (C) variances was granted to renovate an existing car wash and add a drive-through coffee shop with accessory onsite parking, signage and various site improvements.

Single Family In-fill. Single-family in-fill continues to grow in Cherry Hill – whether it be a new home, a demolition and rebuild, or via subdivision of the oversized lots. Currently, there are upwards of seven (7) new homes slated for approvals and/or construction, as part of the board approval process.

Centura Condominiums. Preliminary approvals were granted in 2018 for an additional 145 for-sale condominiums. An application for an amended preliminary final approval has been submitted for 116 new units, with 32 units being slated as affordable units.

Hortense Associates/Barclay Farm Shopping Center. Pending before the Planning Board is the demolition of several buildings at the Barclay Farm Shopping Center with plans to construct a new 5,500 SF Super Wawa with fuels stations, a new 12,500 SF retail building, a reconfiguration of the existing parking lot, and significant landscaping improvements. This project also includes a multi-million dollar improvement of the nearby intersections on Route 70, which should help improve the levels of service at the intersection for the neighborhoods and shopping centers located around those intersections.

The Center at Cherry Hill, an office complex located on Chapel Avenue, is seeking approval for two new pad sites, which are proposed for a daycare center and a Starbucks with a drive-thru facility.

Cherry Umbrella, LLC (Tesla). The company has filed a major site plan application to convert 34,739 SF of an existing building (formerly the Garden State Discovery Museum) into an automotive collision repair service facility for Tesla with various site and sign improvements.

PJ Land Development, LLC. Tidal Wave Auto Spa is venturing into the northeast market, by seeking major site plan approval to redevelop an existing commercial strip center on Route 70 into a car wash with accessory parking and signage.

Senior Living Facilities at former Holly Ravine Farm. Caddis Acquisition Partners, LLC. has submitted a concept application to construct a 175 unit senior living facility in two (2) four-story buildings near the corner of Evesham and Springdale Roads. At this time, 85 independent living units are proposed in one building, while 66 assisted living units and 24 memory care units are proposed in the other building. A formal application is anticipated soon.

Paramount Newco Realty, LLC. has submitted a concept application to construct a four (4) story self-storage facility (118,200 SF) at 400 Route 38, which sits at the entrance to the Walmart Shopping Center in the western part of the Township.

Boing US Holdo, Inc. Take 5 Car Wash has submitted an application for major site plan approval to demolish the existing oil change facility and convert it into an automated car wash with various site, circulation, and signage improvements.

Woodcrest Country Club is seeking minor site plan approval to construct an addition to the clubhouse along with landscaping, parking, and site improvements. The golf course is located on Evesham Road. Long terms plans include a new two-story clubhouse addition.

Tri-State Ventures, LP has submitted a concept application to construct a 3-story 5,220 SF office building, a 2-story 34,940 SF senior living facility, and a 13,778 SF memory care facility at 2128 Route 38 (Block 285.03, Lot 1). A formal application is expected soon.

Metro Storage, LLC has submitted a concept plan to construct a 3-story, 40,014 SF footprint self-storage facility. A formal application is expected soon.

Weichert/ Medical Office Complex. As noted above, Cherry Hill has experienced an explosion of health system facilities within its borders. Recently, Weichert, one of the nation's leading providers of full-service real estate, has submitted a concept plan to redevelop an existing office complex on Route 70 into a three (3) story medical office building, including a 94,579 SF building footprint expansion and the construction of a 40,605 SF four (4) story parking structure.

Dalfen Industrial Acquisition LLC. A concept plan has been filed proposing a new 169,800 SF warehouse with 24 dock doors, 28 trailer parking spaces, and 126 car parking spaces at the current Cherry Hill Health and Racquet Club.

Assisted Living at the former Vera Bar and Grille Site. A proposed 3-story 100 unit assisted living and memory care facility is pending concept submission at the current Vera Bar and Grille site.

Economic Growth and Expansion

The Township has seen a significant increase in construction activity, compared to prior years. Please see the below data for further growth information:

Construction Activity (Fiscal Year Comparison)						
(July 1, 2016 - June 30, 2017 through July 1, 2021 - June 30, 2022)						
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Permits	4,704	4,523	4,027	3,032	4,001	4,753
Permits by Discipline*	7,635	7,593	7,081	5,760	7,413	8,391
Construction Activity	\$98.9M	\$99.0M	\$189.7M	\$150.0M	\$85.4M	\$159.5M
New/Addition	\$28.6M	\$26.7M	\$132.4M	\$64.7M	\$23.1M	\$77.6M
Renovation	\$68.2M	\$71.3M	\$56.2M	\$84.8M	\$61.4M	\$81.4M
Inspections	14,852	15,266	14,354	11,953	12,768	15,692
Fees	\$2.45M	\$2.49M	\$2.37M	\$2.29M	\$2.47M	\$2.8M

**Building, Plumbing, Electric, Mechanical, Fire, and Elevator*

BUILDING PERMITS		
YEAR	PERMITS	VALUE OF CONSTRUCTION
2022	1535	\$159,527,324
2021	1,411	\$85,473,457
2020	1,225	\$150,299,900
2019	2,788	\$186,256,253
2018	4,006	\$93,678,440
2017	4,838	\$113,340,366
2016	4,107	\$127,216,587
2015	4,149	\$96,687,494
2014	4,162	\$72,279,175
2013	4,011	\$65,838,511
2012	4,231	\$96,000,000

Growth and expansion continues at **Garden State Park**. It was once the center of entertainment and sporting in our metropolitan area when it was the racetrack. Today, the 224-acre site continues to undergo a transformation into a comprehensive development consisting of townhomes, condominiums, luxury apartments and active-adult residences. It has an extensive system of parkways, walkways and streets, linking the residences with a variety of recreational, shopping, dining options, entertainment and work venues.



The focal point is the 800,000 SF Towne Center features many marquee retailers and restaurants, including Barnes & Noble Bookseller, The Cheesecake Factory, Talbot's and Joseph A. Bank clothiers, DSW Shoes, Nordstrom's Rack and other restaurants and commercial leaders such as Farmers Insurance and DeVry University. A 600+ car parking garage is in the center of the retail and office area.

The adjacent 545,000 SF Market Place includes the regional destinations of Wegman's Supermarket (along with their Wine and Liquor store), Best Buy electronics, Dick's Sporting Goods, Bed Bath and Beyond, and the Christmas Tree Shop. The center also includes The Home Depot, Citizens Bank, Houlihans' restaurant, and many more shops, restaurants and service-oriented stores. Both PNC Bank and Pier One have opened stand-alone retail stores along Haddonfield Road.

Work is ongoing in the construction of Edgewood Development's residential component at Garden State Park. This includes development of several products: condominiums, townhouses and apartments. The housing portion of the development will have a total build-out of 1,659 units.

Edgewood properties recently received Preliminary and Final Site Plan approval from the Township's Planning Board to continue construction of the townhouse and condominium portions of the development. This will result in the build-out of 360 residential units: 98 luxury townhouses and 262 condominiums (in 4-story buildings).

Additionally, as mentioned above, the age-restricted (55 years and older) condominium complex, has resumed construction. The new developer has retooled building designs that will respond to today's market to complete the 608 unit age-qualified complex. The Club House, which stalled for several years is now open, and features an indoor pools, tennis courts, meeting and recreation rooms, gym and theatre.

Further north along Haddonfield Road, the **Cherry Hill Mall** continues to enhance their \$225+ million project of building upgrades and additions. Since its transformation it has seen a 66% sales increase with sales topping \$657/sq. ft.

The Mall is a regional draw, and is within the top 40 of enclosed shopping centers in the United States with retail sales of over \$656 per square foot. The Mall includes the tri-state area's only Nordstrom's (138,000 SF), as well as a top-performing Macy's (305,000 SF) and JCPenney's (174,000 SF) department stores. The Mall also includes an Apple store, H&M, Coach, Gap, Victoria's Secret, Hugo Boss, Armani, Lego, Tumi, Mini So, Pottery Barn and Williams-Somona, North Face and more than 200 other retail stores, restaurants and services. Stand-alone buildings on frontage pad sites accommodate Crate and Barrel (34,300 SF) and The Container Store (24,200 SF).

The Cherry Hill Mall attracted 1776 – the Northeast Corridor's largest network of entrepreneurial incubators, driven to accelerated the explosion of startup activity and the transformation of legacy institutions, who serve to assist entrepreneurs succeed and to reach their maximum potential. 1776 occupied the 11,000 SF of space at the Cherry Hill Mall in the Fall of 2018.

1776

The Mall's "Restaurant Row" primarily along its Route 38 frontage includes Maggiano's Little Italy Restaurant, Seasons 52, Capital Grill, and Bahama Breeze.

As a result of these types of investments, properties along the Township's major road corridors are experiencing significant investments. Cherry Hill's Crowne Plaza Hotel is the thirteenth largest meeting and conference facility in New Jersey with over 43,000 square feet of exhibit/banquet space. They recently completed a multi-million dollar upgrade to all their 450+ hotel rooms.

New retail stores have opened along Haddonfield Road (which links both the Mall and Garden State Park) and includes a Beneficial Bank, Chipotle, Turning Point, Zoe's Mediterranean Restaurant, PDQ and other services, restaurants and retail shops. A "Super" Wawa convenience store and retail fuel station opened north of the Mall and south of the Mall on Haddonfield Road.

Several other new project properties along Haddonfield Road have been recently constructed; a new development that includes an entire block for a new retail center, which was just recently completed and includes a Mod Pizza, a Wag & Wash, a Luxe Nail & Spa and Habit Burger. AT&T has relocated a new store to this property, as part of Phase II of this redevelopment.



The 1.8 mile length of the Haddonfield Road corridor from Church Rd to Rt. 70 includes the Cherry Hill Mall, the Garden State Park development and numerous other retail, dining and service businesses. This strip alone results in approximately \$1.1+ billion in retail sales each year.

Every neighborhood and business zone within Cherry Hill is conveniently accessed via major state and regional highways such as Routes 70 and 38 and I-295, with neighboring access to the New Jersey Turnpike, as well. Center City Philadelphia and its center of employment, entertainment and recreation, healthcare, higher-education and cultural institutions is just 15 minutes away and can be easily accessed by car or train.

Cherry Hill is committed to job creation, “Smart Growth” and innovative redevelopment, (including investments in infrastructure and long-term strategic planning); this has resulted in significant private investment. Class “A” office developments such as the Commerce Center (including its approvals for a recent expansion of a fourth building), Woodland Falls Corporate Park, the Liberty View Center, the redevelopment of the Woodcrest Corporate Center and the new development at Garden State Park Office Center demonstrate the success and desirability of the Township as a corporate location. Several mature properties have been before the Township for an array of improvements to the physical plant, mechanicals, signage and landscape to keep these prime properties competitive in today’s market.

At the Executive Campus (located between Routes 38 and 70), property owners have upgraded the campus which was originally built in the mid-1970s and 80s. Various services for Cooper Health Systems, and Campbell’s Soup, Lockheed-Martin, Subaru, regional offices for NJ Department of Transportation and many other large and small companies are located here.

In the Springdale area, the Cherry Hill Business Park is home to Baxter Health Care’s research and development facility, StonHard manufacturing and many other corporations in a continually expanding, high-tech complex, including the Forgotten Boardwalk Brewery, a local craft micro-brewery facility.

Healthcare as a Driving Economic Force

The Township’s economic development initiatives have focused on attracting a wide range of first-class healthcare services, utilizing the latest in medical technology.

As highlighted above, Jefferson Health System operates a modern fully-equipped hospital with 225 in-patient beds and employs a workforce of 1,100 professionals and service staff.

Nemours Children’s Health System and Advocare operate a pediatric health clinic on Route 70 at the former Navient office building – further adding to what is touted as “South Jersey’s Health Care Highway”.



Cherry Hill's outpatient medical facilities portfolio also includes Wills Eye Surgical Center, Independence Rehabilitation Services, Relievis and others including three (3) major regional hospitals, which have opened facilities in the Township: Penn Medicine, Cooper University Healthcare and Virtua Health formally known as Our Lady of Lourdes Healthcare System. As reported above, Cooper Health opened a 98,000 SF specialty care facility on Route 70 in 2020.

Moreover, Virtua Health has opened a 55,000 SF outpatient facility that focuses on Cardiovascular, Orthopedics and Sports Medicine and various support therapies, diagnostic imaging services, and urgent care facilities. Riverside Urgent Care of Cherry Hill, Patient First and several other providers have opened urgent care facilities. Virtua Health recently completed construction and opened a new outpatient, family medicine and imaging facility along Route 70, which included the renovation of a family practice in an adjacent building at an adjoining property.



As highlighted above, the former SYMS department store was transformed into a regional medical center for Penn Medicine. The project was recently completed and included the renovation of a 152,000+ SF to an existing structure, plus the construction of a 400+ car parking structure.

The Township is also home to several assisted living centers including Arden Courts, Brighton Gardens, AristaCare, Cherry Hill Senior Living (formally New Seasons), Cadbury, Silver Care and Spring Hill. Benedict's Place, a 3-story, 74-unit senior apartment building at the St. Mary's long-term care campus, opened in 2014; and 136 units of senior independent living apartments were renovated along with new upgrades and a community center on the same campus. Additionally, a new 37-unit senior housing project completed construction and opened at the beginning of 2016 at the St. Thomas Greek Orthodox Church.

Community Planning

Cherry Hill 74,500+ residents live in approximately 27,600 households that live in single-family detached units, apartment and condominiums, townhouse and senior living residences. Renters occupy approximately 3,642+ units, including the fully rebuilt two (2) towers of Cherry Hill Apartment complex and upgraded Grande apartment towers and newly constructed Evans Mills Apartments.

An effort has been made to locate non-residential development near major highways to assist with site accessibility and to minimize impact and encroachment on existing residential neighborhoods.

The Township has engaged in a Master Plan overhaul in 2017 to examine shifts in economic and growth management trends and focus on areas in need of additional redevelopment and preservation. The focus of the Master Plan is on the Land Use Element, the Economic Development Element, and Plans for Place – area-specific plans for strategic locations within the Township that are in need of attention due to swift changes in use or stagnation in growth and viability. Adoption of these elements occurred in the Fall



of 2018. In 2019, the Township received an Outstanding Plan Award for the Master Plan by the American Planning Association – New Jersey Chapter.

Transportation and Infrastructure Investments

The Township is located between New York City and Washington, D.C. with close proximity to Philadelphia. The Township has access to the following: the NJ Turnpike and I-295, (the primary interstate routes along the New York-Washington corridor), as well as state Routes 38 and 70 which provide access to Philadelphia and throughout southeastern New Jersey and the Jersey Shore points.

New Jersey Transit provides bus transportation and operates a rail station linking Cherry Hill with Philadelphia and Atlantic City. PATCO (Port Authority Transit Company) provides high speed rail line transportation with stations connecting to Philadelphia towards the west, Lindenwold (towards the east with connections to Atlantic City) and all points in between that link the suburbs with Camden (and its centers of higher education such as Rowan and Rutgers' Universities, Camden County College, healthcare providers, and regional entertainment and job sources).

The Township continues its community-wide review of traffic intersections, monitoring turning movements, vehicle flows and accidents. Based on the on-going analysis, many traffic signals have been upgraded to improve their performance, convenience and safety for both motorists and pedestrians.

The Township has adopted a Complete Streets policy designed to make the Township's roads safer and more accessible for everyone. This new initiative will create a comprehensive, integrated multi-modal transportation network by connecting bicycling and walking in all the Township's future street and sidewalk transportation projects.

Complete Streets is a holistic approach to promoting joint use of roadways by all users, including pedestrians, motorists, bicyclists, seniors, children, and those with limited mobility. The program dovetails with the Township's Bicycle and Pedestrian Master Plan and the Mayor's Wellness Campaign to build towards healthier community. The initiative provides the Township with a comprehensive plan to achieve that goal and ultimately make Cherry Hill a safer, healthier and more accessible place for everyone to live, work and play.

The integration of sidewalks and bicycle lanes on road networks and within park facilities such as Springdale Road, Kings Highway South, Park Boulevard, Cooper River Park and Kresson Road (to be completed), has led to recognition and highlighting of Cherry Hill Township's Complete Streets Program by the New Jersey Department of Transportation (NJDOT), the Federal Highway Administration (FHWA), the Rutgers University Voorhees Transportation Center (VTC), the Delaware Valley Regional Planning Commission (DVRPC) and the Cross County Connection Transportation Management Association (CCC TMA).

NJDOT recently began a project to mill, resurface, and reconstruct 8.8 miles of deteriorated pavement along Route 70 from Route 38 to Cooper Avenue and all of NJDOT's jug handles within those project limits. It will upgrade all traffic signals to adaptive technology, upgrade intersections to be compliant with the Americans with Disabilities Act (ADA), address drainage issues, and improve pedestrian safety along the corridor. Details regarding the extent of the project can be found here:

[https://www.state.nj.us/transportation/commuter/roads/rt70corridor/faq.shtm#:~:text=NJDOT%20plans%20to%20begin%20construction,Cooper%20Avenue%20\(MP%208.80\).](https://www.state.nj.us/transportation/commuter/roads/rt70corridor/faq.shtm#:~:text=NJDOT%20plans%20to%20begin%20construction,Cooper%20Avenue%20(MP%208.80).)

Sustainability

Sustainability is meeting the needs of the present without compromising the ability of future generations to meet their own needs. In short, the essence of sustainability is leaving a planet to future generations that will still be able to provide them with sustenance, shelter, and economic opportunities.

The Township is in a unique position to partner with local residents and business owners regarding sustainable development by both incorporating sustainable practices into municipal activities and using the relationship to communicate ways to practice sustainability at home and in business. In 2021 Sustainable New Jersey re-designated the Township as “Silver”. In 2014 Cherry Hill was the recipient of Sustainable Jersey’s Sustainability Champion Award. On May 23, 2016, Cherry Hill Township released and adopted a new municipal Sustainability Plan, the Township’s formal document to guide the community toward a greener future. The 51-page “Roadmap to our Future,” is the product of more than two years of work by the Mayor, Council, Township Administration and Green Team members to develop a sustainable path for the community. It upholds environmental sustainability as a priority for the Township, and outlines objectives and strategies in five key categories: Health and Wellness; Homes, Buildings and Transportation; Leadership, Education and Training; Community Vitality and Ecology; and Empowerment through Arts and Culture. The roadmap is a blueprint that will guide our entire community – our government, businesses and residents alike – to a more sustainable future, and reinforces Cherry Hill’s position as a leader in municipal and community-wide sustainability.

In 2022, Cherry Hill continues to invest its sustainable stewardship. In March of 2022, the township procured the services of a leading sustainability firm, Greener By Design, to assist the township in the following areas; Achieving Sustainable Jersey “Energy Gold” Certification and Update the Township’s Roadmap. Also in 2022, the Township was awarded a Community Energy Plan grant by the Board of Public Utilities to develop and implement an energy plan that will focus on energy resilience, renewable energy and energy efficiencies.

The Township has implemented numerous cost saving and consumption reducing measures. To offset rising utility costs, the Township has installed two solar arrays, totaling 130kW of power. In addition to the energy saving, the Township benefits from the revenue generated from selling the Solar Renewable Energy Certificates (SRECs).

In addition to solar panels, the Township has replaced its aging roof top HVAC units with new energy efficient units. All of the lighting at Town Hall and Department of Public Works has been retrofitted to a more efficient solution. In addition to our main facilities, the Township has retrofitted LED lighting at our auxiliary and recreational facilities. In partnership with PSEG, the Township has retrofitted its parking lot lights with LEDs and is in talks to start exploring a pilot program to retrofit streetlights. With all energy projects completed, the Township should realize substantial reduction in energy consumption. All remaining consumption will be purchased at a reduced rate, as the Township participates in a consortium, which went out to the marketplace to get competitive energy rates via reverse auction. Our purchased power contains a renewable portfolio of nearly 30%.

In everyday operations, Cherry Hill Township makes strives towards becoming more sustainable. This ranges from offering more services and transactional capabilities with the public through our Township portal to renovating its offices with all of the materials being used either meeting or exceeding GREENGUARD standards. The Township’s Police department is piloting a Hybrid fleet conversion for its patrol cars. In 2020 and 2021, the Township procured sixteen (16) hybrid Ford Police Interceptors and will be adding another twelve (12) in the upcoming year. In addition, the Township, in coordination with N.J. Transit, has installed one of the first solar powered bus shelters in the State at the intersection of Rt. 70 and South Cornell Drive.

EDUCATION (1)

As of October 15, 2021, the Cherry Hill Public School System (the "School System") had nineteen (19) operating schools; twelve (12) elementary, three (3) middle, two (2) senior high schools, one (1) early childhood center and one (1) alternate high school program.

In 1999, the Rosa Administration Building was converted to a third middle school which serves as a magnet school for the renowned International Baccalaureate Program. Central Administration and the alternative high school have moved to the Malberg building which was previously the site of the Early Childhood Center. The Early Childhood Center has moved to the Barclay School.

School District Enrollments(1)(2)

<u>Grade</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
PS, IB, PK, K	727	629	819	679	731
1	706	700	632	667	632
2	701	600	672	627	672
3	589	648	625	656	663
4	662	616	656	645	691
5	624	671	652	686	715
6	696	642	704	730	725
7	678	710	744	732	727
8	729	741	760	720	742
9	743	748	716	768	752
10	762	707	800	772	746
11	724	788	782	760	777
12	786	783	756	766	749
Spec. Ed.	<u>1,442</u>	<u>1,455</u>	<u>1,527</u>	<u>1,582</u>	<u>1,631</u>
	<u>10,569</u>	<u>10,438</u>	<u>10,845</u>	<u>10,790</u>	<u>10,953</u>

(1) Source: School District officials

(2) As of October 15 of each year, excluding students in special education programs outside the district.

Present School Facilities, Enrollment and Capacity(1)(2)

<u>Facilities</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Functional Grades</u>	<u>10/15/21 Enrollment</u>	<u>Functional Capacity(3)</u>
Barclay	1958	1999	Preschool-K Preschool Disabled	173	Not Avail.
Barton	1966	1994;2000	K-5; Sp. Ed.	488	649
Cooper	1970	2000	K-5; Sp. Ed.	240	446
Harte	1968	1969;2000	K-5; Sp. Ed.	357	658
Johnson	1966	1994;2000	K-5; Sp. Ed.	453	693
Kilmer	1969	2000	K-5; Sp. Ed.	436	624
Kingston	1955	60/62; 2009	K-5; Sp. Ed.	369	671
Knight	1964	1994;2000	K-5; Sp. Ed.	422	566
Mann	1963	1994;2000	K-5; Sp. Ed.	267	583
Paine	1968	1994;2000	K-5; Sp. Ed.	318	570
Sharp	1965	1968;2000	K-5; Sp. Ed.	422	645
Stockton	1970	1994;2000	K-5; Sp. Ed.	341	633
Woodcrest	1958	1982;2000;2009	K-5; Sp. Ed.	325	491
Beck	1971	1999	6-8; Sp. Ed.	890	1,055
Carusi	1962	1964;1994;2000;2009	6-8; Sp. Ed.	828	1,126
Rosa (Magnet Middle School)	1961	1998;1999;2000;2009	6-8; Sp. Ed.	778	1,000
East	1967	1968;2000;2001;2009	9-12; Sp. Ed.	2,076	3,241
West	1956	60/64;1994;2000; 2009	9-12; Sp. Ed.	1,357	2,140
Malberg	1969	1999	Alt. H.S	<u>32</u>	<u>96</u>
				<u>10,572</u>	<u>15,887</u>

(1) Source: School District officials

(2) As of October 15 of each year, excluding students in special education programs outside the district.

(2) Source: The Board of Education of the Township of Cherry Hill Coordinator/Budget Finance.

(3) Capacity for 2004-2005 taken from the 1996-2001 long range facility plan. Rosa capacity is an estimate.

In addition to an award winning and highly-credentialed school district, the Township also offers many private school options.

HIGHER EDUCATION FACILITIES

Rutgers University-Camden Campus

Rutgers University-Camden ("Rutgers"), a comprehensive, publicly-supported, co-educational four-year institution accredited by the Middle States Association of Colleges and Secondary Schools and funded primarily by the State, was founded in 1950 on a 23.8 acre campus in the City of Camden. For the 2020-2021 school year, there were approximately 5,501 undergraduate students and 1,728 graduate students.

Camden County College

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

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

Camden County Technical Schools

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

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

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

CERTAIN FINANCIAL INFORMATION

LARGEST TAXPAYERS(1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	2022 <u>Assessed</u> <u>Valuation</u>
CHERRY HILL CENTER	Cherry Hill Mall	\$464,810,000
CHERRY HILL RETAIL PTNRS, LLC	Garden State Park	145,927,300
GRAND CHERRY HILL OWNER LLC	The Grand Apartments	72,500,000
BAEV-LASALLE CHERRY HILL MEDICAL CE	Penn Medical Building	59,900,000
GS BURROUGHS MILL PROJECT OWNER LLC	Borough's Mill Apartments	43,000,000
AP MA I CHT OWNER LLC	Cherry Hill Towers Apartments	42,400,000
EAST COAST TOWERS OF WINDSOR PARK	East Coast Towers Apartments	42,335,800
GARDEN STATE PAVILIONS CENTER LLC	Shopping center	32,153,800
FEDERAL REALTY INVESTMENT TRURST	Elysburg Shopping Center	28,900,000
DWELL CHERRY HILL LLC	The Dwell Apartment Complex	26,800,000

CURRENT TAX COLLECTIONS(2)

<u>Fiscal</u> <u>Year</u>	<u>Tax</u> <u>Levy</u>	<u>Current Collections</u>		<u>Balance June 30</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2022 (3)	\$333,830,611	\$332,567,984	99.62%	\$26,739	0.01%
2021	327,424,116	327,001,793	99.87%	21,927	0.01%
2020	322,158,193	319,548,252	99.19%	2,333,055	0.72%
2019	317,503,388	317,132,692	99.88%	35,045	0.01%
2018	312,189,820	311,963,050	99.93%	21,681	0.01%

(1) Source: Township's Tax Assessor

(2) Source: Annual Reports of Audit (as of June 30), unless otherwise noted.

(3) Source: Compiled Financial Statements (as of June 30)

DELINQUENT TAXES(1)

Fiscal Year	Balance July 1	Added	Collected		Transfer to Liens	Other Credits	Balance June 30
			Amount	Percentage			
2022 (2)	\$24,227	-	\$10,735	44.31%	-	\$1,259	\$12,234
2021	2,343,019	-	2,326,930	99.31%	-	13,790	2,300
2020	39,182	\$250	12,560	31.85%	\$10	16,897	9,965
2019	21,681	-	8,437	38.92%	-	9,106	4,137
2018	22,436	-	11,334	50.52%	-	11,102	-

TAX TITLE LIENS(1)

Fiscal Year	Balance July 1	Added by Sales & Transfers	Collections	Balance June 30
2022 (2)	\$596,486	\$18,268	\$100,428	\$514,327
2021	570,860	25,626	-	596,486
2020	553,508	29,327	11,975	570,860
2019	521,353	54,299	22,144	553,508
2018	472,462	74,798	25,907	521,353

FORECLOSED PROPERTY(1)(3)

Fiscal Year	Balance July 1	Transfers from Liens	Adjustment to Assessed Valuation	Balance June 30
2022 (2)	\$2,223,077	-	-	\$2,223,077
2021	2,223,077	-	-	2,223,077
2020	2,223,077	-	-	2,223,077
2019	2,223,077	-	-	2,223,077
2018	2,223,077	-	-	2,223,077

(1) Source: Annual Reports of Audit (as of June 30), unless otherwise noted.

(2) Source: Compiled Financial Statements (as of June 30)

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

CURRENT SEWER UTILITY COLLECTIONS(1)

<u>Fiscal Year</u>	<u>Balance July 1</u>	<u>Total Levy</u>	<u>Current Collections</u>		<u>Balance June 30</u>	
			<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2022 (2)	\$2,066	\$4,265,981	\$4,265,849	99.95%	\$2,111	0.05%
2021	2,617	3,909,356	3,909,733	99.94%	2,066	0.05%
2020	2,740	4,288,484	4,288,431	99.93%	2,617	0.06%
2019	2,349	4,231,576	4,231,011	99.93%	2,740	0.06%
2018	3,579	4,176,430	4,177,310	99.94%	2,349	0.06%

SEWER UTILITY LIENS(1)

<u>Fiscal Year</u>	<u>Balance July 1</u>	<u>Added by Sales & Transfers</u>	<u>Added by Collections</u>	<u>Balance June 30</u>
2022 (2)	\$706	\$88	\$793	-
2021	531	175	-	\$706
2020	356	175	-	531
2019	181	175	-	356
2018	264	356	439	181

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES(3)

<u>Calendar Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate(4)</u>							
		<u>Total</u>	<u>County</u>	<u>School</u>	<u>Municipal</u>	<u>Municipal Open Space</u>	<u>Municipal Library</u>	<u>Fire District</u>	<u>County Open Space</u>
2022	\$8,022,853,581	\$4.086	\$0.878	\$2.299	\$0.537	\$0.010	\$0.040	\$0.298	\$0.024
2021	7,961,383,837	4.099	0.896	2.297	0.537	0.010	0.038	0.298	0.023
2020	7,903,566,393	4.048	0.876	2.271	0.537	0.010	0.036	0.295	0.023
2019	7,810,378,245	4.046	0.887	2.256	0.538	0.010	0.035	0.298	0.022
2018	7,762,771,171	4.036	0.893	2.242	0.537	0.010	0.035	0.297	0.022

(1) Source: Annual Reports of Audit (as of June 30), unless otherwise noted.

(2) Source: Compiled Financial Statements (as of June 30)

(3) Source: Camden County Board of Taxation

(4) Per \$100 of assessed valuation

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

<u>Calendar Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value Per Capita</u>
2022	\$8,005,308,800	83.30%	\$9,610,214,646	\$128,904 (2)
2021	7,943,204,500	86.90%	9,140,626,582	122,606 (2)
2020	7,885,493,400	89.74%	8,787,044,127	117,863 (2)
2019	7,792,534,500	90.14%	8,644,924,007	121,682 (3)
2018	7,744,807,300	92.60%	8,363,722,786	117,724 (3)

REAL PROPERTY CLASSIFICATION(4)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Farm</u>
2022	\$8,005,308,800	\$73,177,400	\$5,424,357,300	\$1,952,324,500	\$165,000,200	\$385,170,200	\$5,279,200
2021	7,943,204,500	79,870,100	5,396,482,400	1,952,395,800	161,369,900	347,807,100	5,279,200
2020	7,885,493,400	90,602,700	5,381,582,500	1,902,967,100	161,469,900	343,694,100	5,177,100
2019	7,792,534,500	78,256,300	5,365,500,700	1,882,202,300	164,038,400	297,359,700	5,177,100
2018	7,744,807,300	78,310,900	5,366,819,100	1,850,064,400	164,762,300	279,672,200	5,178,400

FUND BALANCE--CURRENT FUND(5)

<u>Fiscal Year</u>	<u>Balance June 30,</u>	<u>Utilized in Budget of Succeeding Fiscal Year</u>	<u>Percentage of Fund Balance Used</u>
2022	\$29,268,934 (6)	(7)	(7)
2021	33,044,959	\$17,861,687	54.05%
2020	29,663,945	13,747,165	46.34%
2019	29,307,164	11,867,591	40.49%
2018	27,010,550	8,907,210	32.98%

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

(2) Based upon 2020 Federal Census of 74,553

(3) Based upon 2010 Federal Census of 71,045

(4) Source: Camden County Board of Taxation

(5) Source: Annual Reports of Audit (as of June 30), unless otherwise noted.

(6) Source: Compiled Financial Statements (as of June 30)

(7) Unavailable – FY2023 Budget not introduced as of the date of this report

FUND BALANCE—SEWER UTILITY OPERATING FUND(1)

<u>Fiscal Year</u>	<u>Balance June 30,</u>	<u>Utilized in Budget of Succeeding Fiscal Year</u>	<u>Percentage of Fund Balance Used</u>
2022	\$6,044,167 (2)	(3)	(3)
2021	5,413,351	\$1,351,493	24.97%
2020	5,374,175	1,351,254	25.14%
2019	5,235,220	1,298,357	24.80%
2018	4,888,432	864,404	17.68%

(1) Source: Annual Reports of Audit (as of June 30), unless otherwise noted.

(2) Source: Compiled Financial Statements (as of June 30)

(3) Unavailable – FY2023 not introduced as of the date of this report

**TOWNSHIP OF CHERRY HILL
STATEMENT OF INDEBTEDNESS(1)**

The following table summarizes the direct debt of the Township as of June 30, 2022. The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General and Sewer Utility. Deductions from gross debt to arrive at net debt include Reserves for Payment of Debt, as well as debt considered to be self-liquidating. The resulting net debt of \$102,389,538 represents 1.125% of the average of equalized valuations for the Township for the last three (3) years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	<u>Debt Issued</u>			<u>Debt Authorized but not Issued</u>	<u>Gross Debt</u>	<u>Deductions</u>		<u>Net Debt</u>
	<u>Bonds</u>	<u>Notes</u>	<u>Loans</u>			<u>Self-Liquidating Debt</u>	<u>Reserve for Payment of Debt</u>	
General	\$ 48,583,000	\$ 20,337,015	\$ 2,150,830	\$ 31,693,709	\$ 102,764,553		\$ 375,015	\$ 102,389,538
Sewer	12,522,000	5,391,254		6,301,076	24,214,330	\$ 24,214,330		
	<u>\$ 61,105,000</u>	<u>\$ 25,728,269</u>	<u>\$ 2,150,830</u>	<u>\$ 37,994,785</u>	<u>\$ 126,978,883</u>	<u>\$ 24,214,330</u>	<u>\$ 375,015</u>	<u>\$ 102,389,538</u>

(1) As of June 30, 2022

Source: Annual Debt Statement

DEBT RATIOS AND VALUATIONS(1)(2)

Average of Equalized Valuations of Real Property with Improvements for 2019, 2020 and 2021	\$9,097,777,508
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2019, 2020 and 2021	1.13%
2022 Net Valuation Taxable	\$8,022,853,600
2022 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$9,627,759,427
Gross Debt (3):	
As a percentage of 2022 Net Valuation Taxable	1.58%
As a percentage of 2022 Equalized Valuations	1.32%
Net Debt (3):	
As a percentage of 2022 Net Valuation Taxable	1.28%
As a percentage of 2022 Equalized Valuations	1.06%
Gross Debt Per Capita (4)	\$1,703
Net Debt Per Capita (4)	\$1,373

TOWNSHIP BORROWING CAPACITY(1)(2)

3.5% of Averaged (2019-21) Equalized Valuation of Real Property including Improvements (\$9,097,777,508)	\$318,422,213
Net Debt	<u>102,389,538</u>
Remaining Borrowing Capacity	<u><u>\$216,032,675</u></u>

LOCAL BOARD OF EDUCATION BORROWING CAPACITY(1)(2)

4% of Averaged (2019-21) Equalized Valuation of Real Property including Improvements (\$9,097,777,508)	\$363,911,100
Local School Debt	<u>-</u>
Remaining Borrowing Capacity	<u><u>\$363,911,100</u></u>

-
- (1) As of June 30, 2022
 - (2) Source: Township Auditor
 - (3) Excluding overlapping debt
 - (4) Based on Federal 2020 Census of 74,553

**TOWNSHIP OF CHERRY HILL
OVERLAPPING DEBT AS OF DECEMBER 31, 2021**

	DEBT ISSUED				
<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	<u>Debt Auth. but not Issued</u>	
County of Camden(1):					
General:					
Bonds	\$ 37,050,000	\$ 16,715,177 (2)	\$ 20,334,823	\$ 4,587,536 (4)	\$116,445,099
Notes	10,461,125.00		10,461,125	2,360,030 (4)	
Loan Agreements	345,677,884		345,677,884	77,984,931 (4)	
Bonds Issued by Other Public Bodies Guaranteed by the County	239,049,706	239,049,706 (3)			
	<u>\$ 632,238,715</u>	<u>\$ 255,764,883</u>	<u>\$ 376,473,832</u>	<u>\$ 84,932,496</u>	<u>\$ 116,445,099</u>

(1) Source: County of Camden

(2) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.

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

(4) Such debt is allocated as a proportion of the Issuer's share of the total 2021 Net Valuation on which County taxes are apportioned, which is 22.56%.

Camden County Municipal Utilities Authority

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

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

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

The gross debt as of December 31, 2021 for the CCMUA was \$200,713,993 (unaudited). The County guarantees up to \$685,500,000 of debt issued by the CCMUA.

Camden County Improvement Authority

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

The amount of debt which the County has guaranteed or for which it has a repayment obligation as of December 31, 2021 was \$389,796,303.98.

**TOWNSHIP OF CHERRY HILL
SCHEDULE OF OUTSTANDING DEBT SERVICE
BONDED DEBT ONLY (1)**

Fiscal Year Ended <u>June 30</u>	General			Sewer Utility			Grand Total
	<u>Principal</u>	<u>Interest</u>	<u>Total General Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Sewer Debt Service</u>	
2023	\$ 11,043,000	\$ 1,636,805	\$ 12,679,805	\$ 1,475,000	\$ 497,613	\$ 1,972,613	\$ 14,652,418
2024	11,950,000	1,170,713	13,120,713	1,535,000	431,525	1,966,525	15,087,238
2025	6,830,000	808,050	7,638,050	695,000	383,688	1,078,688	8,716,738
2026	6,935,000	567,650	7,502,650	725,000	353,663	1,078,663	8,581,313
2027	7,035,000	322,200	7,357,200	760,000	322,238	1,082,238	8,439,438
2028	4,790,000	71,850	4,861,850	790,000	289,163	1,079,163	5,941,013
2029				820,000	254,688	1,074,688	1,074,688
2030				860,000	218,738	1,078,738	1,078,738
2031				895,000	180,988	1,075,988	1,075,988
2032				927,000	141,631	1,068,631	1,068,631
2033				380,000	98,800	478,800	478,800
2034				380,000	86,450	466,450	466,450
2035				380,000	73,862	453,862	453,862
2036				380,000	60,800	440,800	440,800
2037				380,000	47,500	427,500	427,500
2038				380,000	34,200	414,200	414,200
2039				380,000	20,662	400,662	400,662
2040				380,000	6,887	386,887	386,887
	<u>\$ 48,583,000</u>	<u>\$ 4,577,268</u>	<u>\$ 53,160,268</u>	<u>\$ 12,522,000</u>	<u>\$ 3,503,092</u>	<u>\$ 16,025,092</u>	<u>\$ 69,185,360</u>

(1) As of June 30, 2022

**SCHEDULE OF OUTSTANDING DEBT SERVICE
LONG TERM LOANS ONLY (1)**

Fiscal Year Ended <u>June 30</u>	General		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 726,067	\$ 31,978	\$ 758,045
2024	320,605	18,595	339,200
2025	326,599	14,143	340,742
2026	330,451	9,480	339,931
2027	226,753	5,325	232,078
2028	220,355	1,775	222,130
	<u>\$ 2,150,830</u>	<u>\$ 81,296</u>	<u>\$ 2,232,126</u>

(1) As of June 30, 2022

**TOWNSHIP OF CHERRY HILL
FISCAL YEAR 2022 MUNICIPAL BUDGET**

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$17,861,687
Local Revenues	4,263,000
State Aid Without Offsetting Appropriations	8,775,844
Dedicated Uniform Construction Code Fees	
Offset With Appropriations	1,500,000
Special Items of Revenue with Consent of DLGS:	
Public and Private Revenues	1,475,253
Other Special Items	1,005,448
Receipts from Delinquent Taxes	10,000
Amount to be Raised from Taxation	45,709,789
Total Anticipated Revenues	<u><u>\$80,601,021</u></u>
Appropriations:	
General Appropriations for Municipal Purposes within "CAPS"	\$54,504,225
Excluded from "CAPS":	
Other Operations	3,353,305
Public and Private Progs Offset by Revs.	1,250,253
Capital Improvements	3,436,600
Municipal Debt Service	16,600,490
Reserve for Uncollected Taxes	1,456,148
Total Appropriations	<u><u>\$80,601,021</u></u>

SEWER UTILITY FUND

Anticipated Revenues:	
Fund Balance	\$1,351,493
Rents	3,800,000
Miscellaneous	25,000
Sewer Connection Fees	50,000
Total Anticipated Revenues	<u><u>\$5,226,493</u></u>
Appropriations:	
Salaries and Wages	\$1,566,293
Other Expenses	1,245,200
Third Party Sewer Authority	36,000
Debt Service	2,073,000
Statutory Expenditures	306,000
Total Appropriations	<u><u>\$5,226,493</u></u>

TOWNSHIP OF CHERRY HILL
CAPITAL BUDGET (1)
Projects Scheduled for the Fiscal Years 2022-2027

<u>Project Title</u>	<u>Estimated Total Cost</u>	SFY 2022	Capital	Grants-In-	<u>Bonds and Notes</u>	
		<u>Budget Appropriations</u>	<u>Improvement Fund</u>	<u>Aid and Other Funds</u>	<u>General</u>	<u>Self- Liquidating</u>
Municipal Projects:						
Road Improvements	\$8,051,500		\$357,075	\$910,000	\$6,784,425	
Public Works Other	1,543,000		77,150		1,465,850	
Parks and Recreation	589,500		29,475		560,025	
Public Works Equipment and Vehicles	291,000		14,550		276,450	
Police Equipment	192,000		9,600		182,400	
IT	675,000		33,750		641,250	
8 Hybrid Police Vehicles	510,000	\$510,000				
Roadway Paving (PSE&G)	1,600,000	1,600,000				
PD Motorcycles	70,000	70,000				
Erlton Parking	500,000	500,000				
Sewer Utility Upgrades:						
DPW Sanitary Sewer Equipment and Upgrades	3,010,000			2,515,000		\$495,000
Sanitary Sewer System Upgrades	1,270,000					1,270,000
TOTAL PROJECTS	\$18,302,000	\$2,680,000	\$521,600	\$3,425,000	\$9,910,400	\$1,765,000

APPENDIX B

**COMPILED AND AUDITED FINANCIAL STATEMENTS OF THE
TOWNSHIP OF CHERRY HILL
FOR THE FISCAL YEARS ENDED
JUNE 30, 2022, 2021, 2020, 2019 AND 2018**



INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the Township Council
of Cherry Hill
Cherry Hill, New Jersey 08002

Management is responsible for the accompanying financial statements of the Township of Cherry Hill, in the County of Camden, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of June 30, 2022 and the related statements of operations and changes in fund balances--regulatory basis for the year then ended, and the related notes to the financial statements 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.

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Cherry Hill on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

The financial statements for the fiscal years ended June 30, 2021, 2020, 2019 and 2018 were audited by us and we expressed adverse opinions under accounting principles generally accepted in the United States of America because of the significance of the matter discussed in the preceding paragraph; and unqualified opinions on the regulatory basis of accounting in our reports for those years. Our most recent report (June 30, 2021) was dated December 29, 2021, but we have not performed any auditing procedures since that date.

Respectfully submitted,

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

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

Voorhees, New Jersey
August 5, 2022

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

	As of June 30,				
	<u>2022(1)</u>	<u>2021(2)</u>	<u>2020(2)</u>	<u>2019(2)</u>	<u>2018(2)</u>
ASSETS					
Cash	\$46,437,845	\$52,465,081	\$45,881,130	\$42,754,085	\$44,665,227
Federal, State and Other Grants Receivable	1,058,466	648,206	491,559	554,344	833,952
Due from State of New Jersey	252,958	251,718	269,313	285,069	303,367
Receivables and other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	38,972	24,227	2,343,019	39,182	21,681
Tax Title Liens Receivable	514,327	596,486	570,860	553,508	521,353
Property Acquired for Taxes-- Assessed Valuation	2,223,077	2,223,077	2,223,077	2,223,077	2,223,077
Revenue Accounts Receivable	26,005	31,238	16,559	64,579	80,184
Interfunds Receivable	79,277	25,588	18,738	363,258	5,943
	<u>\$50,630,926</u>	<u>\$56,265,621</u>	<u>\$51,814,256</u>	<u>\$46,837,102</u>	<u>\$48,654,784</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$4,473,171	\$5,833,597	\$5,893,788	\$4,893,229	\$5,511,098
Accounts Payable	112,873	152,544	406,585	138,344	113,344
Fire District Taxes Payable		5,324,476	5,254,028	5,237,153	5,182,028
Reserve for Encumbrances	3,144,407	1,458,752	3,885,591	2,717,985	2,475,910
Interfunds Payable	29,625	9,826		902	158,110
Prepaid Revenues	1,548,959	1,072,059	687,575	638,336	4,497,241
Tax Overpayments	8,014	3,269	52,876	5,609	7,800
Other Liabilities and Special Funds	85,535	59,181	47,522	82,312	54,924
Reserve for Receivables and Other Assets	2,881,658	2,900,616	5,172,253	3,243,604	2,852,238
Reserve for Federal and State Grants	9,077,750	6,406,340	750,092	572,464	791,541
Fund Balance	29,268,934	33,044,959	29,663,945	29,307,164	27,010,550
	<u>\$50,630,926</u>	<u>\$56,265,621</u>	<u>\$51,814,256</u>	<u>\$46,837,102</u>	<u>\$48,654,784</u>

- (1) Unaudited. See Accountant's Compilation Report
(2) Audited Financial Statements. See Accountant's Compilation Report

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

**TOWNSHIP OF CHERRY HILL
CURRENT FUND**

Statements of Operations and Changes in Fund Balance--Regulatory Basis

	For the Year Ended June 30,				
	<u>2022(1)</u>	<u>2021(2)</u>	<u>2020(2)</u>	<u>2019(2)</u>	<u>2018(2)</u>
Revenue Realized:					
Current Tax Collections	\$332,567,984	\$327,001,793	\$319,548,252	\$317,132,692	\$311,963,050
Delinquent Tax Collections	111,162	2,326,930	24,535	30,581	37,241
Total Taxes	332,679,147	329,328,723	319,572,787	317,163,273	312,000,291
Miscellaneous Revenues	21,077,826	18,532,801	19,710,132	20,355,250	20,348,437
Other Income	6,020,674	7,245,864	6,192,681	6,063,800	5,977,902
Fund Balance Utilized	17,861,687	13,747,165	11,867,591	8,907,210	8,611,105
Total Income	377,639,333	368,854,552	357,343,191	352,489,534	346,937,735
Expenditures and Encumbrances:					
Operating	52,986,114	50,052,627	50,232,757	48,821,590	48,480,411
Capital Improvements	2,936,600	1,299,368	1,486,619	1,037,988	1,155,337
Debt Service	16,349,616	14,922,798	14,894,311	13,218,955	12,625,194
Deferred Charges	61,500	142,109	140,546	249,406	38,747
Pension, Unemployment and Social Security	7,000,447	6,926,819	6,085,085	5,903,544	5,486,286
County Taxes	74,728,133	71,583,652	71,549,346	72,011,656	71,479,637
Local District School Purposes	183,304,621	182,404,621	176,624,076	175,752,928	172,293,758
Municipal Open Space Tax	801,030	796,647	787,142	781,782	775,630
Fire District Taxes	25,234,331	23,488,218	23,309,050	23,138,425	22,566,752
Other Expenditures	151,279	109,515	9,887	369,436	6,292
Total Expenditures and Encumbrances	363,553,671	351,726,374	345,118,819	341,285,710	334,908,043
Excess in Revenues	14,085,662	17,128,178	12,224,372	11,203,824	12,029,693
Fund Balance Beginning of Year	33,044,959	29,663,945	29,307,164	27,010,550	23,591,962
	47,130,621	46,792,123	41,531,536	38,214,374	35,621,655
Decreased by:					
Utilized as Revenue	17,861,687	13,747,165	11,867,591	8,907,210	8,611,105
Fund Balance Ending of Year	\$29,268,934	\$33,044,959	\$29,663,945	\$29,307,164	\$27,010,550

(1) Unaudited. See Accountant's Compilation Report

(2) Audited Financial Statements. See Accountant's Compilation Report

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

TOWNSHIP OF CHERRY HILL
TRUST FUND
Statements of Assets, Liabilities, Reserves and
Fund Balance--Regulatory Basis

	As of June 30,				
	<u>2022(1)</u>	<u>2021(2)</u>	<u>2020(2)</u>	<u>2019(2)</u>	<u>2018(2)</u>
ASSETS					
Cash	\$22,294,702	\$24,944,182	\$19,075,049	\$19,931,549	\$19,370,962
Grants Receivable	1,227,386	2,011,544	343,232	762,195	270,560
Interfunds Receivable	38,325	48,152	38,325	39,228	41,999
Accounts Receivable--Other	1,771,682	1,719,281	2,123,760	2,735,841	1,728,595
Deferred Charges	54,999	61,499	57,109	55,546	44,331
	<u>\$25,387,094</u>	<u>\$28,784,658</u>	<u>\$21,637,475</u>	<u>\$23,524,358</u>	<u>\$21,456,447</u>
LIABILITIES, RESERVES, AND FUND BALANCE					
Accounts Payable	\$285,141	\$293,976	\$285,172	\$294,108	\$276,399
Reserve for Encumbrances	130,271	320,874	85,031	84,390	107,626
Interfunds Payable	117,602	63,914	57,063	55,513	44,269
Reserve for Certain Assets Receivable	1,771,682	1,719,281	2,123,760	2,735,841	1,728,595
Reserve for Special Funds	22,244,536	25,812,123	18,683,333	19,812,470	18,791,103
Fund Balance	837,861	574,491	403,116	542,036	508,456
	<u>\$25,387,094</u>	<u>\$28,784,657</u>	<u>\$21,637,475</u>	<u>\$23,524,358</u>	<u>\$21,456,447</u>

(1) Unaudited. See Accountant's Compilation Report

(2) Audited Financial Statements. See Accountant's Compilation Report

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

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

	As of June 30,				
	<u>2022(1)</u>	<u>2021(2)</u>	<u>2020(2)</u>	<u>2019(2)</u>	<u>2018(2)</u>
ASSETS					
Cash	\$2,400,187	\$3,577,652	\$4,150,760	\$3,279	\$302,158
Interfunds Receivable					153,999
Grants Receivable		60,000	293,522	180,131	96,609
Due from Camden County Improvement Authority			5	446	24
Deferred Charges to Future Taxation:					
Funded	50,733,830	65,064,371	76,463,879	87,176,224	60,636,507
Unfunded	52,030,724	43,656,634	34,453,910	27,606,154	56,801,926
	<u>\$105,164,740</u>	<u>\$112,358,657</u>	<u>\$115,362,076</u>	<u>\$114,966,234</u>	<u>\$117,991,224</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Serial Bonds and Loans Payable	\$50,733,830	\$65,064,371	\$76,463,879	\$87,176,224	\$60,636,507
Bond Anticipation Notes	20,337,015	17,737,849	13,682,314	4,144,470	31,875,810
Improvement Authorizations:					
Funded	11,096	11,079	1,079	21,998	1,518
Unfunded	14,673,287	8,114,255	5,270,648	7,822,127	8,612,669
Capital Improvement Fund	79,852	79,852	79,852	79,851	
Contracts Payable	3,961,067	5,129,239	4,223,579	4,555,709	5,366,673
Interfunds Payable				346,070	
Reserves for Payment of Debt	375,015	335,548	139,060	24,479	737,998
Other Liabilities and Special Funds	14,823,438	15,716,325	15,331,521	10,624,722	10,589,885
Reserve for Construction of Library and Recreation Fields			5	446	24
Fund Balance	170,139	170,139	170,139	170,139	170,139
	<u>\$105,164,740</u>	<u>\$112,358,657</u>	<u>\$115,362,076</u>	<u>\$114,966,234</u>	<u>\$117,991,224</u>

(1) Unaudited. See Accountant's Compilation Report

(2) Audited Financial Statements. See Accountant's Compilation Report

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

TOWNSHIP OF CHERRY HILL
SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and
Fund Balance--Regulatory Basis

	As of June 30,				
	<u>2022(1)</u>	<u>2021(2)</u>	<u>2020(2)</u>	<u>2019(2)</u>	<u>2018(2)</u>
ASSETS					
Operating Fund:					
Cash	\$6,968,214	\$6,302,843	\$6,485,027	\$6,080,056	\$5,581,337
Receivables with Full Reserves:					
Consumer Accounts Receivable	2,111	2,066	2,617	2,740	2,349
Liens Receivable		706	531	356	181
Assessments Receivable	68,086	69,913	86,643	107,075	160,217
Interfund Receivables	29,625			602	439
Total Operating Fund	7,068,036	6,375,527	6,574,818	6,190,829	5,744,522
Capital Fund:					
Cash	3,731,674	1,179,983	1,884,164	129,496	228,144
Fixed Capital	41,471,764	41,471,764	41,270,164	41,112,164	41,112,164
Fixed Capital Authorized and Uncompleted	20,549,050	16,269,050	15,470,650	14,577,400	14,026,350
Total Capital Fund	65,752,488	58,920,797	58,624,977	55,819,060	55,366,658
	\$72,820,524	\$65,296,324	\$65,199,795	\$62,009,889	\$61,111,180

(Continued)

TOWNSHIP OF CHERRY HILL
SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and
Fund Balance--Regulatory Basis

	As of June 30,				
	<u>2022(1)</u>	<u>2021(2)</u>	<u>2020(2)</u>	<u>2019(2)</u>	<u>2018(2)</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Appropriation Reserves	\$623,383	\$624,616	\$780,055	\$480,374	\$348,916
Reserve for Encumbrances	104,531	59,972	108,135	102,971	94,633
Accrued Interest on Bonds and Notes	214,465	187,539	199,985	241,389	226,014
Accounts Payable			13,349	13,349	13,349
Prepaid Revenues	11,292	17,364	9,328	7,356	10,431
Reserve for Receivables	70,197	72,685	89,791	110,171	162,747
Fund Balance	6,044,167	5,413,351	5,374,175	5,235,220	4,888,432
Total Operating Fund	7,068,036	6,375,527	6,574,818	6,190,829	5,744,522
Capital Fund:					
Serial Bonds	12,522,000	15,122,000	16,622,000	17,997,000	12,865,000
Bond Anticipation Notes	5,391,254	3,381,754	2,992,754		5,056,777
Improvement Authorizations:					
Unfunded	623,356	355,755	185,507	861,001	2,526,694
Interfunds Payable				602	
Contracts Payable	742,620	1,201,701	794,609	1,153,909	860,350
Retained Percentage Due Contractors	43,338	5,077	19,360	9,659	8,608
Other Liabilities and Special Funds	8,623,437	6,163,026	6,819,264	5,980,406	5,382,745
Reserve for:					
Amortization	34,977,133	32,377,133	30,840,604	29,397,164	28,247,164
Deferred Amortization	2,829,351	314,351	350,880	419,320	419,320
Total Capital Fund	65,752,488	58,920,797	58,624,977	55,819,060	55,366,658
	\$72,820,524	\$65,296,324	\$65,199,795	\$62,009,889	\$61,111,180

(1) Unaudited. See Accountant's Compilation Report

(2) Audited Financial Statements. See Accountant's Compilation Report

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

TOWNSHIP OF CHERRY HILL
SEWER UTILITY FUND
Statements of Operations and Changes in Operating Fund
Balance--Regulatory Basis

	For the Year Ended June 30,				
	<u>2022(1)</u>	<u>2021(2)</u>	<u>2020(2)</u>	<u>2019(2)</u>	<u>2018(2)</u>
Revenue Realized:					
Fund Balance Utilized	\$1,351,493	\$1,351,254	\$1,298,357	\$864,404	\$763,179
Rents	4,266,642	3,909,733	4,288,431	4,231,011	4,177,748
Other Income	924,919	495,585	389,093	346,177	516,390
Sewer Assessment Fund Balance		13,349			6,066
Other Credits to Income	642,339	806,938	528,534	370,939	485,476
Total Income	7,185,392	6,576,858	6,504,414	5,812,531	5,948,859
Expenditures and Encumbrances:					
Operating	2,847,493	2,840,254	2,823,568	2,628,500	2,584,500
Debt Service	2,049,590	2,036,173	1,960,745	1,685,340	1,691,135
Pension and Social Security	306,000	310,000	282,789	287,500	277,500
Other Expenditures					549
Total Expenditures and Encumbrances	5,203,083	5,186,427	5,067,102	4,601,340	4,553,684
Excess in Revenue	1,982,309	1,390,431	1,437,312	1,211,191	1,395,176
Fund Balance Beginning of Year	5,413,351	5,374,175	5,235,220	4,888,432	4,256,436
Decreased by:	7,395,660	6,764,605	6,672,532	6,099,624	5,651,612
Utilized as Revenue	1,351,493	1,351,254	1,298,357	864,404	763,179
Fund Balance End of Year	\$6,044,167	\$5,413,351	\$5,374,175	\$5,235,220	\$4,888,432

(1) Unaudited. See Accountant's Compilation Report

(2) Audited Financial Statements. See Accountant's Compilation Report

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

TOWNSHIP OF CHERRY HILL
Notes to Financial Statements
For the Fiscal year Ended June 30, 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Cherry Hill (hereafter referred to as the "Township") was incorporated as Delaware Township in 1844 and changed its name to Cherry Hill in 1961. It is located approximately ten miles east of the City of Philadelphia, PA. The population according to the 2020 census was 74,553.

The Township has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the Business Administrator and Township Clerk.

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:

Cherry Hill Public Library
1100 North Kings Highway
Cherry Hill, New Jersey 08034

The Library's financial statements are presented as a trust fund in the Township's financial statements in accordance with the provisions of N.J.A.C. 15:21-12.4 utilizing the same basis of accounting as the Township.

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

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

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

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

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

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 (cont'd):

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

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

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

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

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

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

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

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

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 fiscal 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 \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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

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

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

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

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, trust library fund, general capital fund and sewer utility operating fund represent amounts available for anticipation as revenue in future fiscal 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 Camden, the Township of Cherry Hill School District and the Township of Cherry Hill Fire District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Cherry Hill School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1, 2021 to June 30, 2022.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Camden. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. In municipalities that which operate on a fiscal year (i.e. July 1 - June 30), operations is charged for the full amount of taxes required to be paid during the calendar year 2021 less one-half of the calendar year 2020 taxes, plus one-half of the full amount of taxes required to be paid during 2022. 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.

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Cherry Hill Fire District. In accordance with N.J.S.A. 40A:14-79, operations is charged for 56.25% of the full amount required to be raised by taxation for 2021 and 50.00% for 2022.

Library Taxes - The municipality is responsible for levying, collecting and remitting library taxes for the Cherry Hill 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 fiscal year, with certain exceptions, is required to provide assurance that cash collected in the current fiscal year will provide sufficient cash flow to meet expected obligations.

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

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 June 30, 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 fiscal 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 fiscal year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal 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 fiscal year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2022, the Township's bank balances of \$74,993,775.28 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 73,537,222.88
Uninsured and Uncollateralized	<u>1,456,552.40</u>
Total	<u>\$ 74,993,775.28</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	\$ 4.086	\$ 4.099	\$ 4.048	\$ 4.046	\$ 4.036
Apportionment of Tax Rate:					
Municipal	\$ 0.537	\$ 0.537	\$ 0.537	\$ 0.538	\$ 0.537
Municipal Open Space	0.010	0.010	0.010	0.010	0.010
Municipal Library	0.040	0.038	0.036	0.035	0.035
County	0.878	0.896	0.876	0.887	0.893
County Open Space Preservation Trust Fund	0.024	0.023	0.023	0.022	0.022
Local School	2.299	2.297	2.271	2.256	2.242
Special District Rates - Fire	0.298	0.298	0.295	0.298	0.297

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2022	\$ 8,022,953,600.00
2021	7,961,383,837.00
2020	7,903,566,393.00
2019	7,810,378,245.00
2018	7,762,771,171.00

Comparison of Tax Levies and Collections

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>	
			<u>True Rate (1)</u>	<u>Underlying Rate (2)</u>
2022	\$ 333,830,611.06	\$ 332,567,984.25	99.62%	99.39%
2021	327,424,116.23	327,001,793.40	99.87%	99.28%
2020	322,158,193.00	319,548,252.34	99.19%	99.06%
2019	317,503,388.26	317,132,691.87	99.88%	99.55%
2018	312,189,820.21	311,963,050.20	99.93%	99.55%

(1) True Rate includes proceeds from an accelerated tax sale

(2) Underlying rate is calculated by excluding the proceeds from the accelerated tax sale

Note 3: PROPERTY TAXES (CONT'D)

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

Delinquent Taxes and Tax Title Liens

<u>Fiscal Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	\$ 514,327.00	\$ 38,972.36	\$ 553,299.36	0.17%
2021	596,486.24	24,226.90	620,713.14	0.19%
2020	570,859.95	2,343,019.24	2,913,879.19	0.90%
2019	553,507.50	39,181.91	592,689.41	0.19%
2018	521,352.84	21,680.53	543,033.37	0.17%

The following comparison is made of the number of tax title liens receivable on June 30 for the current and previous four calendar fiscal years:

<u>Fiscal Year</u>	<u>Number</u>
2022	36
2021	33
2020	31
2019	34
2018	35

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on June 30, on the basis of the last assessed valuation of such properties, for the current and previous four fiscal years was as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2022	\$ 2,223,077.00
2021	2,223,077.00
2020	2,223,077.00
2019	2,223,077.00
2018	2,223,077.00

Note 5: SEWER UTILITY SERVICE CHARGES

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

<u>Fiscal Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2022	\$ 2,066.01	\$ 705.64	\$ 4,265,981.40	\$ 4,268,753.05	\$ 4,266,641.75
2021	2,617.39	530.64	3,909,356.12	3,912,504.15	3,909,732.50
2020	2,739.83	355.64	4,288,483.56	4,291,579.03	4,288,431.00
2019	2,349.06	180.64	4,231,576.48	4,234,106.18	4,231,010.71
2018	3,579.03	263.59	4,176,429.81	4,180,272.43	4,177,748.37

Note 6: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Fiscal Year</u>	<u>Balance June 30.</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2022	\$ 29,268,933.82	(1)	(1)
2021	33,044,958.77	\$ 17,861,686.73	54.05%
2020	29,663,945.35	13,747,164.55	46.34%
2019	29,307,163.65	11,867,590.61	40.49%
2018	27,010,549.84	8,907,210.31	32.98%

Sewer Utility Fund

<u>Fiscal Year</u>	<u>Balance June 30.</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2022	\$ 6,044,167.38	(1)	(1)
2021	5,413,351.39	\$ 1,351,493.00	24.97%
2020	5,374,174.79	1,351,254.00	25.14%
2019	5,235,219.69	1,298,357.00	24.80%
2018	4,888,432.30	864,404.00	17.93%

(1) Unavailable - FY2023 Budget not introduced as of date of this report

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of June 30, 2022:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 79,276.72	\$ 29,624.54
Trust - Animal Control		54,910.92
Trust - HUD		62,691.20
Trust - Other	38,325.40	
Sewer Utility - Operating	<u>29,624.54</u>	<u> </u>
	<u>\$ 147,226.66</u>	<u>\$ 147,226.66</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the fiscal year 2023, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several Township employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. The DCRP is administered by Prudential Financial for the Division.

Each of the aforementioned plans has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

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

General Information about the Pension Plans

Plan Descriptions

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

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

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

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

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

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2021. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10.0% in State fiscal year 2021. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the fiscal year ended June 30, 2021 was 14.85% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the fiscal year, including an additional amount to finance any unfunded accrued liability.

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

Public Employees' Retirement System (Cont'd) - Based on an estimate of the PERS pension billing for the June 30 2021 measurement date, the Township's contractually required contribution to the pension plan for the fiscal year ended June 30, 2021 is \$1,764,557.00, and is payable by April 1, 2022. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the fiscal year ended June 30, 2020 was \$1,799,184.00, which was paid on April 1, 2021. Employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$902,711.96.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 10.0% in State fiscal year 2021. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

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

The Township's contractually required contribution rate for the fiscal year ended June 30, 2021 was 32.52% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability.

Based on an estimate of the PFRS pension billing for the June 30, 2021 measurement date, the Township's contractually required contribution to the pension plan for the fiscal year ended June 30, 2021 is \$4,508,753.00, and is payable by April 1, 2022. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the fiscal year ended June 30, 2020 was \$4,396,534.00, which was paid on April 1, 2021. Employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$1,398,414.18.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the fiscal year ended June 30, 2021 is not known; however, its contractually required contribution rate for the fiscal year ended June 30, 2020 was 4.50% of the Township's covered payroll.

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

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the fiscal year ended June 30, 2021 is \$607,270.00, and was paid on April 1, 2021. Based on the PFRS measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the fiscal year ended June 30, 2020 was \$502,466.00, which was paid on April 1, 2020.

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

For the fiscal year ended June 30, 2022, employee contributions totaled \$29,902.98, and the Township's contributions, including insurance premiums, were \$22,017.68.

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

Pension Liability - At June 30, 2021, the Township's proportionate share of the PERS net pension liability was \$26,820,236.00. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Township's proportion was 0.1644668146%, which was an increase of 0.0031745115% from its proportion measured as of June 30, 2019.

Pension Expense - At June 30, 2021, the Township's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2020 measurement date is \$1,437,165.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the fiscal year ended June 30, 2021, the Township's contribution to PERS was \$1,799,184.00, and was paid on April 1, 2021.

Note 8: PENSION PLANS (CONT'D)

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

Police and Firemen's Retirement System

Pension Liability - At June 30, 2021, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 50,850,788.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>7,891,811.00</u>
	<u>\$ 58,742,599.00</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2020 measurement date, the Township's proportion was 0.3935417742%, which was an increase of 0.0076290815% from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the Township, was 0.3935417742%, which was an increase of 0.0076290815% from its proportion, on-behalf of the Township, measured as of June 30, 2019.

Pension Expense - At June 30, 2021, the Township's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2020 measurement date is \$2,957,825.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the fiscal year ended June 30, 2021, the Township's contribution to PFRS was \$4,396,534.00, and was paid on April 1, 2021.

At June 30, 2021, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2020 measurement date is \$894,379.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)

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

Deferred Outflows of Resources and Deferred Inflows of Resources - At June 30, 2021, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 488,352.00	\$ 512,662.00	\$ 1,001,014.00	\$ 94,848.00	\$ 182,497.00	\$ 277,345.00
Changes of Assumptions	870,079.00	127,966.00	998,045.00	11,229,887.00	13,632,792.00	24,862,679.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	916,737.00	2,981,620.00	3,898,357.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	1,743,739.00	1,451,561.00	3,195,300.00	488,348.00	892,457.00	1,380,805.00
Township Contributions Subsequent to the Measurement Date	1,764,557.00	4,508,753.00	6,273,310.00	-	-	-
	<u>\$ 5,783,464.00</u>	<u>\$ 9,582,562.00</u>	<u>\$ 15,366,026.00</u>	<u>\$ 11,813,083.00</u>	<u>\$ 14,707,746.00</u>	<u>\$ 26,520,829.00</u>

\$1,764,557.00 and \$4,508,753.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2022. These amounts were based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the Township's fiscal year end of June 30, 2021.

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

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020				

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

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

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

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

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

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

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

Fiscal Year Ending June 30,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2022	\$ (2,732,727.00)	\$ (4,812,849.00)	\$ (7,545,576.00)
2023	(2,780,752.00)	(3,267,883.00)	(6,048,635.00)
2024	(1,605,499.00)	(1,086,461.00)	(2,691,960.00)
2025	(544,004.00)	(226,475.00)	(770,479.00)
2026	(131,194.00)	(240,269.00)	(371,463.00)
	<u>\$ (7,794,176.00)</u>	<u>\$ (9,633,937.00)</u>	<u>\$(17,428,113.00)</u>

Actuarial Assumptions

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

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

(1) Based on Years of Service

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Public Employees' Retirement System

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

Police and Firemen's Retirement System

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

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

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

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

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

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

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

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Township's Proportionate Share of the Net Pension Liability	<u>\$ 33,762,203.00</u>	<u>\$ 26,820,236.00</u>	<u>\$ 20,929,788.00</u>

Note 8: PENSION PLANS (CONT'D)

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

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 67,621,081.00	\$ 50,850,788.00	\$ 36,921,778.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>10,494,484.00</u>	<u>7,891,811.00</u>	<u>5,730,092.00</u>
	<u>\$ 78,115,565.00</u>	<u>\$ 58,742,599.00</u>	<u>\$ 42,651,870.00</u>

Pension Plan Fiduciary Net Position

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

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information

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

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.1644668146%	0.1612923031%	0.1583847951%	0.1630197629%
Township's Proportionate Share of the Net Pension Liability	\$ 26,820,236.00	\$ 29,062,426.00	\$ 31,185,177.00	\$ 37,948,395.00
Township's Covered Payroll (Plan Measurement Period)	\$ 11,606,280.00	\$ 11,145,948.00	\$ 10,871,092.00	\$ 11,088,488.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	231.08%	260.74%	286.86%	342.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.1521132065%	0.1462304865%	0.1439880844%	0.1425286147%
Township's Proportionate Share of the Net Pension Liability	\$ 45,051,569.00	\$ 32,825,814.00	\$ 26,958,507.00	\$ 27,240,050.00
Township's Covered Payroll (Plan Measurement Period)	\$ 10,365,720.00	\$ 10,105,984.00	\$ 9,763,152.00	\$ 9,697,520.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	434.62%	324.82%	276.13%	280.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

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

	<u>Fiscal Year Ended June 30,</u>			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Township's Contractually Required Contribution	\$ 1,764,557.00	\$ 1,799,184.00	\$ 1,568,899.00	\$ 1,575,417.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>\$ (1,764,557.00)</u>	<u>\$ (1,799,184.00)</u>	<u>(1,568,899.00)</u>	<u>(1,575,417.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Fiscal Year)	11,886,528.00	11,536,971.00	\$ 11,376,249.00	\$ 11,038,485.00
Township's Contributions as a Percentage of Covered Payroll	14.85%	15.59%	13.79%	14.27%
	<u>Fiscal Year Ended June 30,</u>			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Township's Contractually Required Contribution	\$ 1,510,204.00	\$ 1,351,352.00	\$ 1,257,190.00	\$ 1,187,017.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(1,510,204.00)</u>	<u>(1,351,352.00)</u>	<u>(1,257,190.00)</u>	<u>(1,187,017.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Fiscal Year)	\$ 10,936,377.00	\$ 10,901,675.00	\$ 10,030,797.00	\$ 10,078,952.00
Township's Contributions as a Percentage of Covered Payroll	13.81%	12.40%	12.53%	11.78%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.3935417742%	0.3859126927%	0.3834146398%	0.3860111582%
Township's Proportionate Share of the Net Pension Liability	\$ 50,850,788.00	\$ 47,227,296.00	\$ 51,882,322.00	\$ 59,592,660.00
State's Proportionate Share of the Net Pension Liability associated with the Township	7,891,811.00	7,457,280.00	7,047,355.00	6,674,880.00
Total	\$ 58,742,599.00	\$ 54,684,576.00	\$ 58,929,677.00	\$ 66,267,540.00
Township's Covered Payroll (Plan Measurement Period)	\$ 13,617,604.00	\$ 13,242,776.00	\$ 12,704,584.00	\$ 12,472,680.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	373.42%	356.63%	408.37%	477.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.4020984639%	0.3896447944%	0.3821037881%	0.3896929444%
Township's Proportionate Share of the Net Pension Liability	\$ 76,811,092.00	\$ 64,901,240.00	\$ 48,065,112.00	\$ 51,806,160.00
State's Proportionate Share of the Net Pension Liability associated with the Township	6,450,227.00	5,691,521.00	5,175,805.00	4,828,964.00
Total	\$ 83,261,319.00	\$ 70,592,761.00	\$ 53,240,917.00	\$ 56,635,124.00
Township's Covered Payroll (Plan Measurement Period)	\$ 12,733,756.00	\$ 12,283,612.00	\$ 12,210,420.00	\$ 12,284,960.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	603.21%	528.36%	393.64%	421.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

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

	<u>Fiscal Year Ended June 30,</u>			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Township's Contractually Required Contribution	\$ 4,508,753.00	\$ 4,396,534.00	\$ 3,898,145.00	\$ 3,748,443.00
Township's Contribution in Relation to the Contractually Required Contribution	(4,508,753.00)	(4,396,534.00)	(3,898,145.00)	(3,748,443.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Fiscal Year)	\$ 13,863,207.00	\$ 13,493,509.00	\$ 13,278,494.00	\$ 13,115,361.80
Township's Contributions as a Percentage of Covered Payroll	32.52%	32.58%	29.36%	28.58%
	<u>Fiscal Year Ended June 30,</u>			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Township's Contractually Required Contribution	\$ 3,416,270.00	\$ 3,278,472.00	\$ 3,167,231.00	\$ 2,934,821.00
Township's Contribution in Relation to the Contractually Required Contribution	(3,416,270.00)	(3,278,472.00)	(3,167,231.00)	(2,934,821.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Fiscal Year)	\$ 12,686,657.00	\$ 12,394,161.00	\$ 12,484,519.00	\$ 12,160,475.00
Township's Contributions as a Percentage of Covered Payroll	26.93%	26.45%	25.37%	24.13%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

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

Changes in Assumptions

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

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

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

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

The mortality assumption was updated upon direction from the DPB.

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms

None

Changes in Assumptions

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

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

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Other Notes to Supplementary Pension Information (Cont'd)

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

Changes in Assumptions (Cont'd)

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

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

The mortality assumption was updated upon direction from the DPB.

Note 9: COMPENSATED ABSENCES

Township employees are entitled to receive payment for current year's vacation and personal days upon termination of employment. Generally, such time cannot be carried over to the following year without the written consent of the Mayor.

Police personnel employed prior to 1987 are entitled to payment for accumulated sick leave after retirement in accordance with individual and union contracts. The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at June 30, 2022, accrued benefits for such compensated absences are valued at \$1,391,061.78.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 11: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding fiscal years. At June 30, 2022, the following deferred charge is shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

<u>Description</u>	<u>Balance June 30, 2022</u>
Animal Control Trust Fund:	
Deficit in Reserve for Animal Control	
Fund Expenditures	<u>\$ 54,999.12</u>

Note 12: LEASE OBLIGATIONS

Operating Leases - At June 30, 2022, the Township had lease agreements in effect for the following:

Operating:
 18 Copiers

Future minimum lease payments under operating lease agreements are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ 24,408.72
2024	<u>12,204.36</u>
	<u>\$ 36,613.08</u>

Rental payments under operating leases for the fiscal year 2022 were \$24,408.72.

Note 13: CAPITAL DEBT

General Obligation Bonds

General Obligation Refunding Bonds, Series 2012 - On September 27, 2012, the Township issued \$21,995,000.00 in General Obligation Refunding Bonds, consisting of \$18,390,000.00 General Improvement Refunding Bonds and \$3,605,000.00 Sewer Utility Refunding Bonds, with interest rates ranging from 2.0% to 5.0%, to advance refund \$23,412,000.00 outstanding General Obligation Bonds, Series 2004A, with interest rates ranging from 4.0% to 4.5%. The final maturity of the bonds is August 15, 2023.

Note 13: CAPITAL DEBT (CONT'D)**General Obligation Bonds (Cont'd)**

General Obligation Bonds, Series 2012 - On October 16, 2012, the Township issued \$41,190,000.00 in General Obligation Refunding Bonds, consisting of \$30,020,000.00 General Improvement Bonds and \$11,170,000.00 Sewer Utility Bonds, with interest rates ranging from 2.0% to 4.0%. The bonds were issued for the purpose of funding various capital projects in the Township. On March 3, 2022, the Township issued \$14,170,000.00 in General Obligation Refunding Bonds, Series 2022, to currently refund and redeem all or a portion of the outstanding principal amount of the Series 2012 bonds. The final maturity of the bonds was May 1, 2022.

General Obligation Refunding Bonds, Series 2015 - On May 7, 2015, the Township issued \$10,690,000.00 in General Obligation Refunding Bonds, consisting of \$10,530,000.00 General Improvement Refunding Bonds and \$160,000.00 Sewer Utility Refunding Bonds, with an interest rate of 5.0%, to currently refund \$12,470,000.00 outstanding General Obligation Refunding Bonds, Series 2005, with interest rates ranging from 4.125% to 5.0%. The final maturity of the bonds was July 15, 2021.

General Obligation Bonds, Series 2017 - On March 23, 2017, the Township issued \$2,510,000.00 in General Improvement Bonds, with interest rates ranging from 3.0% to 4.0%, to provide funds to permanently finance the cost of two synthetic turf multi-use recreational fields at Cherry Hill High School East and Cherry Hill High School West and to pay certain costs and expenses incurred in connection with the authorization, sale and issuance of the Bonds. The final maturity of the bonds is February 15, 2027. Pursuant to a Shared Services Agreement with the Township of Cherry Hill Board of Education, the Township entered into a debt service agreement with the Board of Education that requires the Board of Education to fund fifty percent (50%) of the Township's debt obligation for these bonds on an annual basis.

General Obligation Bonds, Series 2018 - On October 11, 2018, the Township issued \$40,811,000.00 in General Obligation Bonds, consisting of \$34,529,000.00 General Improvement Bonds and \$6,282,000.00 Sewer Utility Bonds, with interest rates ranging from 2.000% to 3.625%, to permanently finance various capital projects. The final maturity of the bonds is August 15, 2039.

General Obligation Refunding Bonds, Series 2022 - On March 3, 2022, the Township issued \$14,170,000.00 in General Obligation Refunding Bonds, with an interest rate of 5.0%, consisting of \$8,920,000.00 General Improvement Refunding Bonds and \$5,250,000.00 Sewer Utility Refunding Bonds, to advance refund \$17,685,000.00 outstanding General Obligation Bonds, Series 2012, with interest rates ranging from 2.0% to 2.625%.

The net proceeds of \$17,879,886.08 (after payment of issuance costs and including an original issue premium of \$2,333,377.20 and Township budgetary contribution of \$1,500,000.00) were used to purchase U.S. Treasury Bills. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2012 bonds. As a result of the current refunding, the Township will reduce its total debt service payments over the next eleven fiscal years by \$791,712.22, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$710,620.07, or 4.018208% of the principal amount being refunded. The current refunding meets the requirements of an in-substance defeasance and the liability for the refunded bonds was removed from the Township's financial statements. The final maturity of the bonds is May 1, 2032.

Note 13: CAPITAL DEBT (CONT'D)

General Obligation Bonds (Cont'd)

The following schedules represent the remaining debt service, through maturity, for general obligation bonds:

<u>Fiscal Year</u>	<u>General Improvements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 11,043,000.00	\$ 1,636,805.00	\$ 12,679,805.00
2024	11,950,000.00	1,170,712.50	13,120,712.50
2025	6,830,000.00	808,050.00	7,638,050.00
2026	6,935,000.00	567,650.00	7,502,650.00
2027	7,035,000.00	322,200.00	7,357,200.00
2028	4,790,000.00	71,850.00	4,861,850.00
	<u>\$ 48,583,000.00</u>	<u>\$ 4,577,267.50</u>	<u>\$ 53,160,267.50</u>

<u>Fiscal Year</u>	<u>Sewer Utility Improvements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,475,000.00	\$ 497,612.50	\$ 1,972,612.50
2024	1,535,000.00	431,525.00	1,966,525.00
2025	695,000.00	383,687.50	1,078,687.50
2026	725,000.00	353,662.50	1,078,662.50
2027	760,000.00	322,237.50	1,082,237.50
2028-2032	4,292,000.00	1,085,205.97	5,377,205.97
2033-2037	1,900,000.00	367,412.12	2,267,412.12
2038-2040	1,140,000.00	61,749.24	1,201,749.24
	<u>\$ 12,522,000.00</u>	<u>\$ 3,503,092.33</u>	<u>\$ 16,025,092.33</u>

General Debt - New Jersey Environmental Infrastructure Loans

On November 10, 2005, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,500,000.00, at no interest, from the fund loan, and \$535,000.00 at interest rates ranging from 4.0% to 5.0% from the trust loan. The proceeds were used to acquire property known as Bridge Hollow for the purpose of preserving open space and recreational purposes. Semiannual debt payments are due February 1st and August 1st through 2025.

On November 8, 2007, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$3,032,348.00, at no interest, from the fund loan, and \$1,075,000.00 at interest rates ranging from 3.4% to 5.0% from the trust loan. The proceeds were used to acquire property known as Briar and Browning Lanes property for the purpose of preserving open space and recreational purposes. Semiannual debt payments are due February 1st and August 1st through 2027.

Note 13: CAPITAL DEBT (CONT'D)

General Debt - New Jersey Environmental Infrastructure Loans

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 316,067.22	\$ 22,834.82	\$ 338,902.04
2024	320,604.72	18,594.80	339,199.52
2025	326,598.99	14,143.22	340,742.21
2026	330,451.02	9,480.30	339,931.32
2027	226,752.93	5,325.00	232,077.93
2028	220,354.82	1,775.00	222,129.82
	<u>\$ 1,740,829.70</u>	<u>\$ 72,153.14</u>	<u>\$ 1,812,982.84</u>

General Debt - Camden County Improvement Authority Loan

On September 7, 2007, the Township entered into a loan agreement with the Camden County Improvement Authority to provide \$4,500,000.00 at an interest rate of 4.46%. The proceeds of the loan were used to fund improvements to recreation fields. Provisions of the agreement require the Township to repay the loan in annual installments. The final maturity of the loan is August 1, 2022.

The following schedule represents the remaining debt service, through maturity, for the Camden County Improvement Authority loan:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	<u>\$ 410,000.00</u>	<u>\$ 9,143.00</u>	<u>\$ 419,143.00</u>

Note 13: CAPITAL DEBT (CONT'D)

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

	Fiscal Year Ended June 30,		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 71,070,844.70	\$ 82,802,220.01	\$ 90,146,192.86
Sewer Utility:			
Bonds and Notes	<u>17,913,254.00</u>	<u>18,503,754.00</u>	<u>19,614,754.00</u>
Total Issued	<u>88,984,098.70</u>	<u>101,305,974.01</u>	<u>109,760,946.86</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	31,693,708.57	25,918,784.79	20,771,595.79
Sewer Utility:			
Bonds and Notes	<u>6,301,076.00</u>	<u>6,545,576.00</u>	<u>5,934,576.00</u>
Total Authorized but not Issued	<u>37,994,784.57</u>	<u>32,464,360.79</u>	<u>26,706,171.79</u>
Total Issued and Authorized but not Issued	<u>126,978,883.27</u>	<u>133,770,334.80</u>	<u>136,467,118.65</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Bonds/Notes	375,015.36	335,547.92	139,060.45
Sewer Utility:			
Self-Liquidating	<u>24,214,330.00</u>	<u>25,049,330.00</u>	<u>25,549,330.00</u>
Total Deductions	<u>24,589,345.36</u>	<u>25,384,877.92</u>	<u>25,688,390.45</u>
Net Debt	<u>\$ 102,389,537.91</u>	<u>\$ 108,385,456.88</u>	<u>\$ 110,778,728.20</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.125%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Sewer Utility	\$ 24,214,330.00	\$ 24,214,330.00	
General	<u>102,764,553.27</u>	<u>375,015.36</u>	\$ 102,389,537.91
	<u>\$ 126,978,883.27</u>	<u>\$ 24,589,345.36</u>	<u>\$ 102,389,537.91</u>

Net debt \$102,389,537.91 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$9,097,777,508.00, equals 1.125%.

Note 13: CAPITAL DEBT (CONT'D)

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 318,422,212.78
Less: Net Debt	<u>102,389,537.91</u>
Remaining Borrowing Power	<u><u>\$ 216,032,674.87</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 6,543,053.42
Deductions:	
Operating and Maintenance Costs	\$ 3,153,493.00
Debt Service	<u>2,049,590.41</u>
Total Deductions	<u>5,203,083.41</u>
Excess in Revenue	<u><u>\$ 1,339,970.01</u></u>

Note 14: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The Township maintains coverage for protection against such losses through a combination of commercial insurance, participation in the Camden County Municipal Joint Insurance Fund and self-insurance.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method." Under this method, the Township is required to annually appropriate funds to pay the projected costs of contributions at the rate determined by the Commissioner of Labor. The Township's expense for these benefits for the fiscal years ended June 30, 2022 and June 30, 2021 was \$73,107.73 and \$65,458.12, respectively.

Joint Insurance Pool - The Township is a member of the Camden County Joint Municipal Insurance Fund, a public entity risk pool currently serving several municipalities, a county authority and a fire district, all within the State of New Jersey. In conjunction with the Camden County Joint Municipal Insurance Fund, excess coverages are maintained through the Municipal Excess Liability Joint Insurance Fund, also a public entity risk pool, serving multiple joint insurance funds. Coverages are provided by the Funds for theft, crime, surety, public official's liability, employment practices liability, general liability, property, flood, law enforcement, automobile insurance, worker's compensation claims, environmental claims and boiler and machinery.

Note 14: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd) - Contributions to each Fund, including reserves for contingencies, are payable in two installments and are based on assumptions determined by each Funds' actuaries. The Commissioner of Insurance of the State of New Jersey may order additional assessments imposed on each member to supplement each Funds' claim, loss retention or administrative accounts to assure the payment of each Funds' obligations. The Funds publish their own financial reports for the year ended December 31, 2021, which may be obtained from:

Camden County Municipal Joint Insurance Fund
9 Campus Drive, Suite 216
Parsippany, NJ 07054
<https://camdenmunicipaljif.org/>

Municipal Excess Liability Joint Insurance Fund
9 Campus Drive, Suite 216
Parsippany, NJ 07054
<https://njmel.org/>

Self-Insurance Plan - The Township maintains self-insurance fund reserves in the Trust Other Fund for worker's compensation claims and property and general liability claims. As of June 30, 2022, the reserve for Worker's Compensation was \$389,899.78 and the Reserve for Property Insurance was \$820,125.39. The estimated filed and unpaid claims as of fiscal year end were estimated at \$449,671.88 and \$165,835.99, respectively. Any funds required for claims in excess of the amounts available at June 30, 2022 will be paid and charged to fiscal year 2023 or future budgets.

Under the self-insurance plans, the Township provides for worker's compensation claims up to \$50,000.00 per accident. Property claims hold a \$2,500.00 per accident deductible while General Liability claims have no deductible. Public Officials/Employment Liability claims hold a \$20,000.00 deductible along with a coinsurance of 20% for the first \$250,000.00 per claim.

Commercial insurance is maintained for employee medical claims.

Settled claims have not exceeded the amounts in the self-insurance reserves and/or the amount of commercial coverage and have not resulted in an added assessment from the joint insurance fund in the past three fiscal years.

Note 15: HOUSING AND REHABILITATION LOANS RECEIVABLE

The Township has an ongoing program to loan low and moderate income homeowners' funds from the Federal Community Development Block Grant Program and the Affordable Housing Trust Fund.

The amount of loans receivable due the Federal Community Development Block Grant program as of June 30, 2022 is \$1,451,823.49 and the amount of loans receivable due the Affordable Housing Trust Fund is \$113,419.00. Proceeds from the repayment of the loans are restricted to be used for Community Development Block Grant and Affordable Housing Trust Fund Housing Improvement Programs (housing rehabilitation activities).

Note 16: OPEN SPACE, DRINKING WATER RESOURCES, HISTORICAL SITES, RECREATION AREAS AND FARMLAND PRESERVATION TRUST

On November 7, 2000, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township of Cherry Hill authorized the establishment of the Township of Cherry Hill Open Space, Drinking Water Resources, Historical Sites Recreation Areas and Farmland Preservation Trust Fund effective July 1, 2001, for the purpose of raising revenue for the acquisition, conservation, and maintenance of open spaces, drinking water sources, historic sites, recreation areas, farmland preservation, and the payment of debt service incurred by the Township for these purposes. As approved by of the referendum, the Township levies a tax not to exceed one cent per one hundred dollars of assessed valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other property taxes. Increases in the tax rate or to extend the authorization to other purposes as allowed by law must be authorized by an additional referendum. All revenue received, including any investment income, and expenditures are accounted for in a Trust Fund dedicated by rider pursuant to N.J.S.A. 40A:4-39. A budget indicating the anticipated revenues and expenditures of the Trust Fund for each fiscal year is adopted as part of the Township operating and capital budget.

Note 17: CONTINGENCIES

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

Litigation - The Township is a defendant in several legal proceedings. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would be covered by insurance held by the Township.

Note 18: CONCENTRATIONS

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

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

TOWNSHIP OF CHERRY HILL POSTEMPLOYMENT HEALTH BENEFIT PLAN

Plan Description - The Township provides certain medical, dental and prescription drug benefits for retired employees through a single-employer plan, where such benefits are established and amended by various union contracts, separate employee agreements and Township policies.

The Township's defined benefit postemployment healthcare plan, the Cherry Hill Township Postemployment Benefits Plan (the "Township Plan"), provides OPEB for partial payment of retired employees' health, dental and prescription coverage until the retiree is eligible for Medicare benefits at age 65. The Township Plan is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. The retired employee has a choice of benefit plans based on union contracts. The plans are administered by the Township; therefore, premium payments are made directly by the Township to the insurance carriers. A few employees have separate agreements for full subsidized health insurance plans for an agreed upon number of years. The Township Plan does not issue a separate financial report.

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF CHERRY HILL POSTEMPLOYMENT HEALTH BENEFIT PLAN (CONT'D)

Benefits Provided – Employees become eligible for retirement benefits based on having twenty-five (25) years of service with the Township. The Township will generally provide for partial funding of 50% of these benefits up to a maximum of \$9,000 or \$12,500 per year for most employees. Certain current retirees have different subsidies apply. The amounts that are partially funded are based on negotiated contracts for union employees and Township policy for non-union employees. Partially funded retirees are required to reimburse the Township for any payments made in excess of the established maximum amounts. The funding requirements of the Township are subject to changes in union contracts and Township policy.

Employees Covered by Benefit Terms - As of June 30, 2021, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	32
Active Employees	248
	280

Total OPEB Liability

The Township's total OPEB liability of \$25,976,094.00 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021.

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

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Inflation	3.00% Annually
Healthcare Cost Trend Rates	8% decreasing to 5% Ultimate
Salary Increases	3.00% Annually
Retirement age	Rates from age 55 or 25 years
Mortality	RP 2012 with MP2020 projection
Withdrawal	Sarasson T-5 Table
Discount Rate	2.66% as of June 30, 2020 2.18% as of June 30, 2021
Investment rate of return	Same as Discount Rate
Amortization Basis - Experience	Expected Future Working Lifetime of the whole group
Amortization Basis - Assumption Changes	Expected Future Working Lifetime of the whole group

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

100% of eligible retirees are expected to participate.

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF CHERRY HILL POSTEMPLOYMENT HEALTH BENEFIT PLAN (CONT'D)

Total OPEB Liability (Cont'd)

Changes in Total OPEB Liability

Balance at June 30, 2020		\$ 27,364,101.00
Changes for the Year:		
Service Cost	\$ 1,119,782.00	
Interest Cost	722,238.00	
Benefit Payments	(424,567.00)	
Changes in Assumptions	972,566.00	
Difference between Expected and Actual Experience	<u>(3,778,026.00)</u>	
Net Changes		<u>(1,388,007.00)</u>
Balance at June 30, 2021		<u>\$ 25,976,094.00</u>

Changes of assumptions reflect a change in the discount rate from 2.66% at June 30, 2020 to 2.18% at June 30, 2021.

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the Township as of June 30, 2021, as well as what the Township's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	1.00% Decrease (1.18%)	Current Discount Rate (2.18%)	1.00% Increase (3.18%)
Total OPEB Liability	<u>\$ 27,999,486.00</u>	<u>\$ 25,976,094.00</u>	<u>\$ 23,952,702.00</u>

The following presents the total OPEB liability of the Township as of June 30, 2021, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (7.0% Decreasing to 4.0%)	Current Healthcare Cost Trend Rates (8.0% Decreasing to 5.0%)	1% Increase (9.0% Decreasing to 6.0%)
Total OPEB Liability	<u>\$ 22,016,814.00</u>	<u>\$ 25,976,094.00</u>	<u>\$ 30,747,747.00</u>

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF CHERRY HILL POSTEMPLOYMENT HEALTH BENEFIT PLAN (CONT'D)

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2021, the Township recognized OPEB (benefit) expense of \$1,473,383.00. As of June 30, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 1,381,737.00	\$ -
Difference Between Expected and Actual Experience	<u>965,284.00</u>	<u>(5,407,462.00)</u>
	<u><u>\$ 2,347,021.00</u></u>	<u><u>\$ (5,407,462.00)</u></u>

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

Fiscal Year Ending <u>June 30,</u>	
2022	\$ (368,637.00)
2023	(368,637.00)
2024	(368,637.00)
2025	(368,637.00)
2026	(368,637.00)
Thereafter	<u>(1,217,256.00)</u>
	<u><u>\$ (3,060,441.00)</u></u>

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF CHERRY HILL POSTEMPLOYMENT HEALTH BENEFIT PLAN (CONT'D)

Supplementary OPEB Information

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

Schedule of Changes in the Township's Total OPEB Liability and Related Ratios (Last Four Years)

	<u>Plan Measurement Date June 30,</u>			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 1,119,782.00	\$ 1,046,832.00	\$ 960,232.00	\$ 966,898.00
Interest Cost	722,238.00	685,172.00	764,948.00	725,362.00
Benefit Payments	(424,567.00)	(455,627.00)	(451,932.00)	(601,276.00)
Actuarial Assumption Changes	972,566.00	283,574.00	377,315.00	
Actuarial Experience Gains	(3,778,026.00)	1,018,193.00	(2,759,954.00)	162,730.00
Net Change in Total OPEB Liability	(1,388,007.00)	2,578,144.00	(1,109,391.00)	1,253,714.00
Total OPEB Liability - Beginning of Fiscal Year	<u>27,364,101.00</u>	<u>24,785,957.00</u>	<u>25,895,348.00</u>	<u>24,641,634.00</u>
Total OPEB Liability - End of Fiscal Year	<u>\$ 25,976,094.00</u>	<u>\$ 27,364,101.00</u>	<u>\$ 24,785,957.00</u>	<u>\$ 25,895,348.00</u>
Covered-Employee Payroll	\$ 25,456,226.00	\$ 25,045,540.00	\$ 24,537,462.00	\$ 23,007,977.00
Total OPEB Liability as a Percentage of Covered Payroll	102.04%	109.26%	101.01%	112.55%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate changed from 2.66% as of June 30, 2020 to 2.18% as of June 30, 2021.

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN**

In June of 2022, the New Jersey Division of Local Government Services issued Local Finance Notice 2022-12 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2021 was not available; therefore, the information from the measurement period June 30, 2020 is disclosed below.

General Information about the State Health Benefit Local Government Retired Employees Plan

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

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

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

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

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

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

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

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

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township, is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the Township, is \$(1,723,670.00) for the fiscal year ended June 30, 2020, representing (12.43)% of the Township's covered payroll.

OPEB Liability

OPEB Liability - At June 30, 2020, the State's proportionate share of the net OPEB liability associated with the Township was \$ 34,625,594.00. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

The State's proportion of the net OPEB liability, associated with the Township, was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2019 through June 30, 2020. For the June 30, 2020 measurement date, the State's proportion on-behalf of the Township was 0.633901%, which was an increase of 0.157583% from its proportion measured as of the June 30, 2019 measurement date.

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

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

Actuarial Assumptions

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

Inflation Rate	2.50%
Salary Increases *	
PFRS:	
Rate for all Future Years	3.25% to 15.25%

* salary increases are based on years of service within the respective Plan

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central fiscal year using Scale MP-2020.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the PFRS experience study prepared for July 1, 2013 to June 30, 2018.

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

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

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

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

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

The net OPEB liability, calculated using a discount rate of 2.21%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>\$ 40,934,768.00</u>	<u>\$ 34,625,594.00</u>	<u>\$ 29,631,309.00</u>

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

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>\$ 28,652,715.00</u>	<u>\$ 34,625,594.00</u>	<u>\$ 42,447,161.00</u>

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Supplementary OPEB Information

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

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

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

Supplementary OPEB Information (Cont'd)

Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the Township (Last Four Plan Fiscal years)

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Township	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%
Township's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Township	34,625,594.00	26,319,993.00	31,051,699.00	43,734,798.00
Total	\$ 34,625,594.00	\$ 26,319,993.00	\$ 31,051,699.00	\$ 43,734,798.00
Township's Covered Payroll (Plan Measurement Period)	\$ 13,493,509.00	\$ 13,278,494.00	\$ 13,115,361.80	\$ 12,686,657.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	256.61%	198.22%	236.76%	344.73%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%	1.98%	1.97%	1.03%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of June 30, 2019 included updates to the provisions of Chapter 48, along with newly adopted changes in different levels of subsidy for employers.

Changes in Assumptions - The discount rate used as of the June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	2.21%	2018	3.87%
2019	3.50%	2017	3.58%

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend, repealment of the excise tax, and updated mortality improvement assumptions.

Note 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

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

Other Notes to Supplementary OPEB Information (Cont'd)

Changes in Assumptions (Cont'd) - The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. Medical and prescription drug trend rates are determined by utilizing experience data, industry experience which includes surveys and Aon trend guidance. These rates are adjusted further to be appropriate with respect to the plan provisions. For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.50% long-term trend rate after seven fiscal years. For post-65 medical benefits, the actual fully-insured Medicare Advantage rates for Plan Fiscal years 2019 through 2022 are reflected. For Plan Fiscal year 2023 the Medicare Advantage trend rate includes an assumed increase in the premiums based on recent experience and discussions with the Medicare Advantage vendor. The assumed post-65 medical trend is 4.50% for all future fiscal years. For prescription drug benefits, the initial trend rate is 7.00% decreasing to a 4.50% long-term trend rate after seven fiscal years.

On October 21, 2020, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2020. The MP-2020 scale reflects more recent mortality data for the U.S. population.

Note 20: DEFEASED DEBT

In fiscal year 2022, the Township defeased certain general obligation bonds by placing the proceeds of new bonds in a separate irrevocable trust fund. The investments and fixed interest earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the Township's financial statements. As of June 30, 2022, the total amount of defeased debt outstanding, but removed from the Township's financial statements, is \$17,685,000.00.

Note 21: CHANGE ORDERS

During the fiscal year 2022, the Township amend a contract for Department of Public Work, Engineering & Maintenance Uniforms by approving the following change orders that resulted in the total amount of change orders executed for this contract to exceed the originally awarded contract price by more than twenty percent (20%):

\$ 5,500.00	Permitted 20% Overage
<u>708.50</u>	Exceeded 20%
<u>\$ 6,208.50</u>	Total Change Orders

N.J.A.C. 5:30-11.3 (a) 9 and 10 states that the total number of change orders executed for a particular contract shall not cause the originally awarded contract price to be exceeded by more than twenty percent (20%) unless otherwise authorized, and that if proposed change orders do exceed that twenty percent limitation, no work shall be performed or purchases made until the procedures of N.J.A.C. 5:30-11.9 have been completed.

N.J.A.C. 5:30-11.9 delineates the required procedures for change orders, which exceed the twenty percent (20%) limitation. The Township has complied with all provisions of N.J.A.C. 5:30-11.9.

Note 22: SUBSEQUENT EVENTS

COVID-19 Pandemic

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Township’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Township is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity, if any, for fiscal year 2023.

APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

_____, 2022

The Honorable Mayor and Members of the
Township Council of the
Township of Cherry Hill, in the
County of Camden, New Jersey

Dear Mayor and Council Members:

We have acted as bond counsel to the Township of Cherry Hill, in the County of Camden, New Jersey (the "Township"), in connection with the issuance by the Township of \$34,298,785 Bond Anticipation Notes, Series 2022, consisting of the \$26,100,434 General Capital Bond Anticipation Note and the \$8,198,351 Sewer Capital Bond Anticipation Note, each dated the date hereof (together, the "Notes"). In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to our satisfaction, and have undertaken such research and analyses as we have deemed necessary.

The Notes are issued pursuant to the Local Bond Law of the State of New Jersey and the bond ordinances of the Township listed in the Certificate of Determination and Award dated the date hereof, each in all respects duly approved and published as required by law. The Notes are temporary obligations issued in anticipation of the issuance of bonds.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Notes are valid and legally binding obligations of the Township, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Township without limitation as to rate or amount.

On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Notes in order to preserve the tax-exempt status of the Notes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Notes 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 Note is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Notes. Further, in our opinion, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

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

Very truly yours,