

NEW ISSUE

*In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, assuming continuing compliance by the Township (as hereinafter defined) with certain tax covenants described herein, under existing law, interest on the Bonds (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and does not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations. In addition, interest on the Bonds and any gain from the sale thereof are not included in the gross income of owners thereof under the New Jersey Gross Income Tax Act, as presently executed and construed. See "TAX MATTERS" herein.*

**\$14,349,000\***  
**TOWNSHIP OF DEPTFORD**  
**County of Gloucester, New Jersey**  
**GENERAL OBLIGATION BONDS, SERIES 2023**  
**(Book-Entry-Only) (Callable)**

**Dated: Date of Delivery**

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

The Township of Deptford, County of Gloucester, New Jersey ("Township"), is issuing \$14,349,000\* aggregate principal amount of its General Obligation Bonds, Series 2023 ("Bonds"). The Bonds shall be issued in fully registered book-entry-only form without coupons.

Upon initial issuance, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, payments of principal and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the Direct Participants (as hereinafter defined) which will, in turn, remit such payments to the Beneficial Owners (as hereinafter defined) of the Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds purchased. For so long as any purchaser is a Beneficial Owner of a Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a Direct Participant to receive payment of the principal of and interest on such Bond.

The principal of the Bonds shall be paid on the maturity dates thereof upon presentation and surrender of the Bonds at the offices of the Township, or its hereafter designated paying agent, if any. Interest on the Bonds is payable semi-annually on June 15 and December 15, commencing June 15, 2024, in each year until maturity or earlier redemption. The Bonds are subject to optional redemption prior to their stated maturity dates on the terms and conditions contained herein.

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (i) bond ordinances O.1.19, O.3.19, O.4.20, O.1.21, O.3.22, O.7.23 and O.10.23, each duly and finally adopted by Township Council and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township Council on June 12, 2023; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on June \_\_\_, 2023.

The Bonds are being issued by the Township to provide funds which will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of the principal of bond anticipation notes of the Township, dated July 12, 2022 and maturing on July 11, 2023; (ii) permanently finance the costs of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of and interest on the Bonds. The Bonds are general obligations of the Township payable as to principal and interest from ad valorem taxes that shall be levied upon all taxable property within the Township without limitation as to rate or amount.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision.

*The Bonds are offered when, as and if issued and subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Counsel, Albert K. Marmero, Esquire, of the firm Marmero Law, LLC, Woodbury, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey has served as Municipal Advisor in connection with the Bonds. The Bonds are expected to be available for delivery in definitive form through DTC in New York, New York on or about July 10, 2023.*

**ELECTRONIC SUBMISSIONS FOR THE BONDS WILL BE RECEIVED VIA PARITY UNTIL 11:00 A.M. ON JUNE 27, 2023. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY VIEW THE RESPECTIVE NOTICES OF SALE POSTED AT [WWW.GOVDEBT.NET](http://WWW.GOVDEBT.NET).**

\* Preliminary, subject to change.

This is a Preliminary Official Statement, complete with the exception for the specific information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission. The Township has authorized distribution of this Preliminary Official Statement to prospective purchasers and others. In accordance with Rule 15c2-12, this Preliminary Official Statement is deemed final. Upon the sale of the Bonds described herein, the Township will deliver a final Official Statement within seven business days following such sale.

**\$14,349,000\***  
**TOWNSHIP OF DEPTFORD,**  
**County of Gloucester, New Jersey**  
**GENERAL OBLIGATION BONDS, SERIES 2023**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP  
NUMBERS\*\***

<b><u>Year</u></b> <b><u>(June 15)</u></b>	<b><u>Principal*</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP**</u></b>
2024	\$1,004,000	%	%	
2025	1,270,000			
2026	1,325,000			
2027	1,375,000			
2028	1,435,000			
2029	1,490,000			
2030	1,540,000			
2031	1,590,000			
2032	1,635,000			
2033	1,685,000			

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\* Preliminary, subject to change.

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

**TOWNSHIP OF DEPTFORD  
1011 COOPER STREET  
DEPTFORD, NEW JERSEY 08096-3090**

**Township Council**

Paul Medany, Mayor  
Thomas Hufnell, Deputy Mayor  
Kenneth Barnshaw  
Mackenzie Belling  
William Lamb  
Wayne Love  
Phillip Schocklin

**Township Manager**

Thomas Newman, Jr.

**Chief Financial Officer**

Kimberly A. Kwasizur

**Municipal Clerk**

Dina L. Zawadski

**Township Attorney**

Albert K. Marmero, Esquire  
Marmero Law, LLC  
Woodbury, New Jersey

**Township Auditor**

Bowman & Company LLP  
Woodbury and Voorhees, New Jersey

**Bond Counsel**

Parker McCay P.A.  
Mount Laurel, New Jersey

**Municipal Advisor**

Phoenix Advisors, LLC  
Bordentown, New Jersey

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

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Township or the Underwriter.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other federal, State, municipal or other governmental entity will have passed upon the accuracy or adequacy of this Official Statement.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

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

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**OFFICIAL STATEMENT**  
**Relating to the**  
  
**\$14,349,000\***  
**TOWNSHIP OF DEPTFORD**  
**COUNTY OF GLOUCESTER, NEW JERSEY**  
**GENERAL OBLIGATION BONDS, SERIES 2023**  
**(Book-Entry-Only) (Callable)**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Deptford in the County of Gloucester, New Jersey (“Township”), in connection with the issuance and sale of \$14,349,000\* aggregate principal amount of its General Obligation Bonds, Series 2023 (the “Bonds”). This Official Statement has been executed by and on behalf of the Township by the Chief Financial Officer and may be distributed in connection with the sale of the Bonds.

**AUTHORIZATION AND PURPOSE OF THE BONDS**

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey (“State”), as amended and supplemented (“Local Bond Law”); (i) various bond ordinances duly and finally adopted by the Township Council; and (ii) Bond ordinances O.1.19, O.3.19, O.4.20, O.1.21, O.3.22, O.7.23, and O.10.23 (collectively, the "Bond Ordinances"), each duly and finally adopted by Township Council and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township Council on June 12, 2023; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on June \_\_, 2023.

The Bonds are being issued by the Township to provide funds, along with other available funds of the Township, which will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of the \$9,266,100 bond anticipation notes of the Township, dated July 12, 2022 and maturing on July 11, 2023; (ii) permanently finance the costs of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

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\* Preliminary, subject to change

<b>Ordinance No.</b>	<b>Improvements/ Project</b>	<b>Bonds or Notes Authorized</b>	<b>Notes Outstanding</b>	<b>Bonds To Be Issued</b>
O.1.19	Acquisition of certain property and improvements thereto	\$3,800,000	\$3,751,600	\$3,751,000
O.3.19	Completion of capital improvements and acquisition of capital equipment	2,077,650	1,989,050	1,989,050
O.4.20	Acquisition of capital equipment and completion of capital improvements	1,700,500	1,700,500	1,700,500
O.1.21	Reconstruction and/or Repaving of various streets	1,824,950	1,824,950	1,824,950
O.3.22	Completion of capital improvements and acquisition of capital equipment	2,441,500	0	2,441,500
O.7.23	Completion of capital improvements and acquisition of capital equipment	1,882,000	0	1,882,000
O.10.23	Reconstruction and/or Repaving of various streets	760,000	0	760,000
	<b>Total</b>	<b>\$14,486,600</b>	<b>\$9,266,100</b>	<b>\$14,349,000</b>

## THE BONDS

### General

The Bonds will be issued in the aggregate principal amounts as shown on the inside front cover page hereof. The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds is payable semi-annually on June 15 and December 15 (each an “Interest Payment Date”), commencing June 15, 2024, in each year until maturity or earlier redemption thereof. Interest on the Bonds shall be calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

Individual purchases of the Bonds may be made in the principal amount of \$5,000, integral multiples thereof, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds, through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See “BOOK-ENTRY-ONLY SYSTEM” below. The Bonds will mature on June 15 in the years and in the principal amounts, all as shown on the front cover page of this Official Statement.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the

Bonds at the offices of the Township, or its hereafter designated paying agent, if any. Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the Township for such purpose at the offices of the Township, or its hereafter designated paying agent, if any, as of the close of business on the first (1st) day of the calendar month containing an Interest Payment Date (each a “Record Date”).

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

#### Optional Redemption

The Bonds maturing on and after June 15, 2031 are subject to redemption prior to their stated maturity dates at the option of the Township, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the Township shall determine and within any such maturity by lot) on any date on or after June 15, 2030, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

#### Notice of Redemption

Notice of redemption shall be given by mailing first class mail in a sealed envelope with postage pre-paid not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the owner of every Bond of which all or a portion is to be redeemed at his or her last address, if any, appearing on the registration books of the Township, or its hereafter designated paying agent, if any. So long as the Bonds are issued in book-entry-only form, all notices of redemption will be sent only to DTC or any successor, and will not be sent to the beneficial owners of the Bonds. Failure of an owner of the Bonds to receive such notice or of DTC to advise any participant or any failure of a participant to notify any beneficial owner of the Bonds shall not affect the validity of any proceedings for the redemption of Bonds. Such notice shall specify: (i) the series and maturity of the Bonds to be redeemed; (ii) the redemption date and the place or places where amounts that are due and payable upon such redemption will be payable; (iii) if less than all of the Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the Bonds to be redeemed; (iv) in the case of a Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (v) that on the redemption date there shall become due and payable with respect to each Bond or portion thereof to be redeemed the redemption price; and (vi) that from and after the redemption date interest on such Bond or portion thereof to be redeemed shall cease to accrue and be payable.

### **BOOK-ENTRY-ONLY SYSTEM**

#### General

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



The DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township, or its hereafter designated paying agent, if any, as soon as possible after the applicable Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the applicable Record Date (identified in a listing attached to the Omnibus Proxy).

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Township. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but neither the Township nor the Underwriters (as hereinafter defined) take any responsibility for the accuracy thereof.

NEITHER THE TOWNSHIP NOR ITS HEREAFTER DESIGNATED PAYING AGENT, IF ANY, WILL HAVE THE RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, OR THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS.

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

#### Discontinuation of Book-Entry Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions would apply: (i) the Bonds may be exchanged

for an equal principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the offices of the Township, or its hereafter designated paying agent, if any; (ii) the transfer of the Bonds may be registered on the books maintained by the Township, or its hereafter designated paying agent, if any, for such purposes only upon the surrender thereof to the Township, or its hereafter designated paying agent, if any, together with the duly executed assignment in form satisfactory to the Township, or its hereafter designated paying agent, if any; and (iii) for every exchange or registration of transfer of the Bonds, the Township, or its hereafter designated paying agent, if any, may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds. In such event, interest on the Bonds will be payable by check or draft, mailed on each Interest Payment Date, to the registered owners thereof as of the close of business on the Record Date, whether or not a business day.

### **SECURITY AND SOURCE OF PAYMENT**

The Bonds are valid and legally binding general obligations of the Township and the Township has pledged its full faith and credit for the payment of the principal of and the interest on the Bonds. Unless paid from other sources, the Bonds are payable from *ad valorem* taxes to be levied upon all the taxable property within the Township without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights or to the application of general principles of equity by a court of competent jurisdiction.

The Township may pledge only its own credit and taxing power in respect of the Bonds, and has no power to pledge the credit or taxing power of the State or any other political subdivision thereof, nor shall the Bonds be deemed to be obligations of said State or any other political subdivision thereof, nor shall said State or any other political subdivision thereof be liable for the payment of principal of or interest on the Bonds.

### **GENERAL INFORMATION REGARDING THE TOWNSHIP**

#### General

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

#### Financial

Appendix "B" to this Official Statement contains certain unaudited financial data of the Township extracted from the Township's Annual Financial Statement for the Township's year ending December 31, 2022 and certain audited financial data of the Township for the Township's year ending December 31, 2021, 2020, 2019, 2018 and 2017. The unaudited financial data was compiled by Bowman & Company LLP, Woodbury and Voorhees, New Jersey (the "Auditor"), and the audited financial data was extracted from the report prepared by the Auditor to the extent and for the period set forth in their report appearing in Appendix "B". The Auditor has consented to the inclusion of their report in this Official Statement. Copies of the complete Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

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

Local Bond Law

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

**Debt Limits** – The authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to three and one-half percent (3.5%) of its equalized valuation basis. The equalized valuation basis of the Township is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

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

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

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

**Short-Term Financing** – When approved by bond ordinance, the Township may issue bond anticipation notes to temporarily finance capital improvements. Such notes may not be issued in an aggregate amount exceeding that specified by the ordinance. The notes may not be issued for periods of more than one year, renewable with the final maturity occurring no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original note. After the third year, the amount of the notes that may be renewed annually must be decreased by the minimum amount required for the first year's principal payment for the bond issue in anticipation of which the notes are issued.

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

#### Local Fiscal Affairs Law

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

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

An independent examination of the Township’s books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division’s “Requirements of Audit”, includes recommendations for improvement of the municipality’s financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2021 is on file with the Chief Financial Officer and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the chief financial officer of the municipality file annually with the Director a verified statement of the financial condition of the municipality as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end municipalities and August 10 for June 30 fiscal year end municipalities, unless otherwise extended by the Director.

#### The Local Budget Law

The Local Budget Law, Chapter 4 of Title 40A of the State, as amended and supplemented (“Local Budget Law”), governs the budgeting and appropriation of funds by local governmental units.

The Local Budget Law requires local governmental units to adopt a “cash basis” budget in such form that there will be sufficient cash collected to meet all debt service requirements, necessary operations of the local governmental units for the fiscal year and any mandatory payments required to be met during the fiscal year.

No budget shall be adopted unless the Director shall have previously certified their approval thereof.

Each local governmental unit must include in its budget an appropriation for the payment of debt service. The Director is required to examine such appropriation to determine whether it is properly set forth, in addition to determining whether all estimates of revenue contained in the budget are reasonable, accurate and correctly stated.

A statute passed in 1976, as amended (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the “Cap Law”, imposed limitations on increases in municipal appropriations subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c. 89, which revised and made permanent the “Cap Law”. Since its inception, the “Cap Law” has been amended and modified several times, most recently on July 13, 2010. While the revised “Cap Law” is more restrictive on the ability of a municipality to increase its overall appropriations, it does not limit the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service on the Bonds. The Cap Law provides that a municipality shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year’s final appropriations subject to certain exceptions. The “index rate” is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

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

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the “Cap Law” (specifically, N.J.S.A. 40A:4-45-46) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

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

anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to Coronavirus. The Township has made no appropriations for Coronavirus related deficits or expenses under this statutory provision.

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

### Miscellaneous Revenues

N.J.S.A. 40A:4-26 provides that: “No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit.” Such determination may be made by the governing body and the Chief Financial Officer in any year during which the municipality is subject to local examination.

No budget or amendment shall be adopted unless the Director has previously certified the approval of such anticipated revenues.

### Real Estate Taxes

**Receipts from Delinquent Taxes** – Revenues are permitted by N.J.S.A. 40A:4-29 to be anticipated in the annual budget for collection of delinquent taxes of prior years. The maximum amount permitted to be anticipated is determined by applying the collection rate of the prior year’s delinquent taxes to the total amount of delinquent taxes outstanding at the beginning of the current year.

**Current Year Tax Levy and Reserve for Uncollected Taxes** – The current year’s taxes to be levied are determined by adding the sums of the cash required from taxes to support the municipal, school, county and special district budgets, if any, together with the amount of an appropriation required to be included in the annual municipal budget entitled “Reserve for Uncollected Taxes”, less the total of anticipated revenues. The inclusion of the “Reserve for Uncollected Taxes” appropriation in the current year’s budget protects the municipality from taxes currently unpaid. The “Reserve for Uncollected Taxes” is required to be, at a minimum, an amount sufficient to provide for the same percentage of uncollected taxes in the current year as was experienced in the immediately preceding year, the average of the previous three years in accordance with P.L. 2000, c. 126, or the previous year collection percentage after reducing the previous year levy by tax appeal judgments of the county tax board pursuant to R.S.54:3-21 et seq., or the State tax court pursuant to R.S.54:48-1 et seq. in accordance with Chapter 56 of P.L. 2010.

N.J.S.A. 40A:4-41 provides with regard to current taxes that: “Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of such preceding fiscal year.”

Another provision requires that an additional amount (the “reserve for uncollected taxes”) be added to the tax levy required for all current budget appropriations and school and county taxes of the current fiscal year. The reserve requirement is calculated as follows:

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

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

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

#### Deferral of Current Expenses

Emergency appropriations (i.e., those made after the adoption of the budget and determination of the tax rate for an unforeseen event or purpose) may be authorized by the governing body of the local governmental units. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director of Local Government Services must be obtained.

The exceptions are certain enumerated projects to cover the cost of the extraordinary expense for the repair or reconstruction of streets, roads or bridges, or other public property damaged by snow, ice, frost or flood, where such expense was not foreseen at the time of the adoption of the budget, which may be amortized over three (3) years; and tax map preparations, revision of ordinances, revaluations, master plan preparation, studies and planning necessary for the installation and construction of a sanitary sewer system, and payments of accumulated sick and vacation time which may be amortized over five (5) years.

#### Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited until the last two (2) months of the year and, although subaccounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

#### Capital Budget

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



### Related Constitutional and Statutory Provisions

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

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

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

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

### Rights and Remedies of Owners of Bonds

The State Municipal Finance Commission Act, Chapter 27 of Title 52 of the State Statutes, as amended and supplemented (“Act”), provides that when it has been established, by court proceedings, that a municipality has defaulted for over sixty days in the payment of the principal of or interest on any of its outstanding bonds or notes, the Local Finance Board (which, pursuant to the Act, is constituted the Municipal Finance Commission and shall hereinafter be referred to as the “Commission”) shall take control of the fiscal affairs of the defaulting municipality.

The Act provides that the Commission shall remain in control of the municipality until all bonds or notes of the municipality that have fallen due and all bonds or notes that will fall due within one year, and the interest thereon, have been paid, funded or refunded, or the payment thereof in cash shall have been adequately provided for by a cash reserve.

The Act empowers the Commission to direct the municipality to provide for the funding or refunding of notes or bonds of the municipality and the interest thereon, which the Commission shall have found to be outstanding and unpaid and to be due or become due. The Act further authorizes the Commission to bring and maintain an appropriate proceeding for the assessment, levy or collection of taxes by the municipality for the payment of principal of or interest on such indebtedness.

Under Article 6 of the Act, while the Commission functions in the municipality, no judgment, levy, or execution against the municipality or its property for the recovery of the amount due on any bonds, notes or other obligations of the municipality in the payment of which it has defaulted, shall be enforced unless otherwise directed by Court Order. However, Article 6 of the Act also provides that upon application of any creditor made upon notice to the municipality and the Commission, a court may vacate, modify or restrict any such statutory stay contained therein.

### Limitation of Remedies Under Federal Bankruptcy Code

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

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

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

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

### **TAXATION**

#### Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties resulting in a decrease of the assessment ratio to its present level of 81.71%. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could not keep pace with rising values. The last complete revaluation of property within the Township was effective for the year 2012.

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

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

maximum permitted under State Statutes. Additionally, a 6% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State Statutes. Tax liens retained by the Township are periodically assigned to the Township Attorney (as hereinafter defined) for “in rem foreclosures” in order to acquire title to these properties.

### Tax Appeals

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

## **SECONDARY MARKET DISCLOSURE**

In accordance with the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), the Township has undertaken to provide certain secondary market disclosure information, pursuant to Continuing Disclosure Agreement, in the form attached as Appendix “D” to this Official Statement.

Within the five years immediately preceding the date of this Official Statement, the Township previously failed to file, in accordance with the Rule, in a timely manner, under previous filing requirements, certain aspects of operating data for years end December 31, 2017, 2018 and 2019. The Township appointed Phoenix Advisors, LLC in May of 2015 to serve as continuing disclosure agent.

## **LITIGATION**

To the knowledge of the attorney for the Township, Albert K. Marmero, Esquire, of the firm Marmero Law, LLC, Woodbury, New Jersey (the “Township Attorney”), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Township Attorney, no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided. A certificate to such effect will be executed by the Township Attorney and delivered to the Underwriters of the Bonds at the closing.

## TAX MATTERS

### Federal

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, assuming continuing compliance by the Township with the tax covenants described below, under existing law, interest on the Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

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

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

In rendering its opinion, Bond Counsel has relied on the Township’s covenants contained in the bond ordinances, and in the Certificate as to Non-Arbitrage and Other Tax Matters, that it will comply with the applicable requirements of the Code, relating to, inter alia, the use and investment of proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Township to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the Bonds that may affect the tax-exempt status of the interest on the Bonds.

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

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by Banks, Thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code. The Township

has **not** designated the Bonds as “qualified tax-exempt obligations” for the purposes of Section 265(b)(1) of the Code.

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

#### New Jersey

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

#### Changes in Federal and State Tax Law

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

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

#### **RATING**

S&P Global Ratings, acting through Standard & Poor’s Financial Services LLC (the "Rating Agency"), has assigned a rating of “AA” to the Bonds based upon the creditworthiness of the Township.

An explanation of the significance of such ratings may be obtained from the Rating Agency at 55 Water Street, New York, New York 10041. The ratings are not a recommendation to buy, sell or hold the Bonds and there is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the Rating Agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings by the Rating Agency may have an adverse effect on the market price of the Bonds.

#### **NO DEFAULT**

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

## CERTAIN RISK FACTORS

### Recent Healthcare Developments

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 new strain of coronavirus ("Coronavirus" or "COVID-19"). A national emergency was declared by the President of the United States ("President") (which has since been terminated), to provide federal intervention for the mitigation of the Coronavirus as a public health emergency and to unlock federal funds and assistance to help states and local governments manage the pandemic. On March 9, 2020, the Governor of the State of New Jersey ("Governor") issued Executive Order 103, pursuant to which the Governor declared a State of Emergency and a Public Health Emergency, thereby allowing State agencies and departments to utilize State resources to assist affected communities in response to the COVID-19 outbreak.

The federal Public Health Emergency was terminated on May 11, 2023, but the State of Emergency for the State remains in effect as of the date hereof. Other Executive Orders (some of which have since been modified or rescinded) limited various activities and undertook measures in an attempt to slow the spread of COVID-19 throughout the State. These measures, which impacted the behavior of businesses and individuals, have had any may continue to have impacts on regional, state, and local economies. See <https://covid19.nj.gov> for further detail regarding the impact of COVID-19 on the State and the Governor's various executive orders.

In an effort to provide relief to entities impacted by the COVID-19 pandemic, the American Rescue Plan Act of 2021, H.R. 1319 ("Plan") was signed into law by the President on March 12, 2021, and provided \$1.9 trillion in financial assistance to businesses, individuals and governmental entities. The Plan included different forms of financial relief, including a direct stimulus payment to certain individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan also provided funding for state and local governments to recoup and offset costs related to COVID-19 and to encourage and re-establish economic development and certain infrastructure improvements.

Pursuant to the funding methodology under the Plan, the Township received \$3,176,585.96 in funding ("Plan Funds"). The deadline to obligate the funds is December 31, 2024 and to spend funds is December 31, 2026. Such funds were received in two (2) equal payments; one (1) received within 60 days of enactment of the Plan, and the balance was received no earlier than 12 months from the initial payment. Pursuant to the Plan (codified as Section 603(c) of the Social Security Act (42 U.S.C. 603(c)), Plan Funds may be utilized to: (i) respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (ii) respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the Township that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (iii) provide government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the Township prior to the emergency; and (iv) make necessary investments in water, sewer or broadband infrastructure. Plan Funds may not, however, be utilized for debt service, legal settlements or judgments or financial reserves.

While the effects of COVID-19 have abated significantly in the State, the Township cannot predict, and does not predict, whether or if the Coronavirus or any similar viral disease (including any variants or sub-variants thereof) may reemerge in the future and, if such reemergence occurs, what the effects thereof may have upon global, State-wide and local economies and operations, including that of the Township.

## Cyber Security

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

## **UNDERWRITING**

The Bonds have been purchased from the Township at a public sale by \_\_\_\_\_, as underwriter (the “Underwriter”), pursuant to a Certificate of Determination and Award, dated June \_\_, 2023. The Underwriter has purchased the Bonds in accordance with the Notice of Sale prepared in connection with the Bonds. The Bonds are being offered for sale at the yields set forth on the inside front cover page of this Official Statement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

The Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing bonds and notes into investment trusts) at yields higher than the public offering yield set forth on the inside front cover page of this Official Statement, and such public offering yields may be changed, from time to time, by the Underwriter without prior notice.

## **MUNICIPAL ADVISOR**

Phoenix Advisors, LLC, Bordentown, New Jersey has served as municipal advisor to the Township (the “Municipal Advisor”) with respect to the issuance of the Bonds. This Official Statement has been prepared with the assistance of the Municipal Advisor. 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 municipal advisory firm, and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instrument.

## **APPROVAL OF LEGAL PROCEEDINGS**

Certain legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Bond Counsel, whose approving legal opinions will be delivered with the Bonds substantially in the form set forth in Appendix “C” hereto. Certain legal matters will be passed on for the Township by the Township Attorney.

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

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression

of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

### **LEGALITY FOR INVESTMENT**

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, money or other funds belonging to them or within their control in any bonds of the Township, including the Bonds, and such Bonds are authorized security for any and all public deposits.

### **PREPARATION OF OFFICIAL STATEMENT**

The Township hereby states that the descriptions and statements herein and in the Appendices attached hereto, including financial and statistical statements, are true and correct in all material respects, and it will confirm the same to the purchasers of the Bonds by certificates signed by various officers and officials of the Township upon issuance and delivery of the Bonds.

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

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

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

The Auditor only takes responsibility for the financial statements, appearing in Appendix "B" hereto and 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.

### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Kimberly A. Kwasizur, Chief Financial Officer, Township of Deptford, 1011 Cooper Street, Deptford, New Jersey 08096-3090, (856) 845-5300 or to Sherry L. Tracey, Senior Managing Director, Phoenix Advisors, LLC, 625 Farnsworth Avenue, Bordentown, New Jersey 08505, (609) 291-0130.



**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 Bonds. 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 Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

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

**By: \_\_\_\_\_  
Kimberly A. Kwasizur, Chief Financial Officer**

Dated: June \_\_, 2023

**APPENDIX A**

**GENERAL INFORMATION REGARDING THE  
TOWNSHIP OF DEPTFORD**

## **GENERAL INFORMATION ON THE TOWNSHIP**

### **History**

The Township of Deptford, County of Gloucester, New Jersey ("Township") was incorporated in 1695. Its area is more than 17 square miles. The Township is located in the County of Gloucester ("County") just southeast of the center of Philadelphia, Pennsylvania. While the Township is still primarily residential, an excellent road system has led to significant commercial and retail development. The Township is considered the retailing hub of South Jersey, with the continued expansion of retail space in and around the Deptford Mall.

One of the most famous historical events associated with the Township occurred on January 9, 1793 when Jean-Pierre Blanchard attempted his first aerial balloon flight in Philadelphia. This forty-year old Frenchman, who had up to that time launched 43 flights in Europe, landed his balloon about one hour later in what is now known as Deptford Township, thus marking America's first manned flight.

Another significant historical event occurred during the Revolutionary War. Colonial soldiers protecting the Delaware River fought a heroic defense against Hessian mercenaries at nearby Fort Mercer. Today, that site is commemorated at the Red Bank Battle Field Park, which now serves as a recreational facility for the residents of the area.

### **Local Government**

The Township's form of government is Council-Manager Plan E under the provisions of the Optional Municipal Charter Law of New Jersey (N.J.S.A. 40:69A-1 et seq.). The seven member governing body ("Council") is elected at-large, and they in turn select the Mayor. The Township Manager, appointed by the Council, serves for an indefinite period and is charged with the day to day operations, including the responsibility of appointing various department heads. The Municipal Clerk, appointed by the Council for a term not to exceed 3 years, serves within the Department of Administration under the direction and supervision of the Manager. All other department heads are appointed by the Manager. All employees in the Township, except those exempted by statute, are covered by New Jersey State Civil Service.

### **Transportation**

An efficient system of highways, railroads, and airlines is readily accessible to those residing and working in the Township. Interstate 295, the North-South Freeway (Route 42), State Highway 55 and the Atlantic City Expressway all reinforce the New Jersey Turnpike System. The highway system is augmented by its close proximity to the Benjamin Franklin Bridge and the Walt Whitman Bridge, which provide access to Philadelphia, and the Commodore Barry Bridge, which provides access to Delaware. The Philadelphia International Airport is only 20 minutes away by automobile.

The Delaware River Port Authority ("DRPA"), the New Jersey-Pennsylvania bi-state authority that operates the Benjamin Franklin, Walt Whitman, Commodore Barry and Betsy Ross bridges, also operates a high speed rail transit system that transports several thousand New Jersey residents into Philadelphia each day. The DRPA operates the transit system as the Port Authority Transit Company ("PATCO"). Township residents who use the PATCO system are able to travel to their destinations in Camden and center city Philadelphia within 20 minutes.

## **Utilities**

Electric power adequate for all industrial needs is provided by the Atlantic City Electric Company and the Public Service Electric and Gas Company. Residents and businesses in the Township receive gas service from South Jersey Gas and Public Service Electric and Gas. The Raritan Stratum, one of the most prolific aquifers in the United States, is readily tapped to provide for any industrial need. Over 95 percent of the residents are served by municipally-owned water and sewerage facilities. Sewage is treated by the Gloucester County Utilities Authority.

## **Public Safety**

Fire services are provided by the Board of Commissioners of Fire District No. 1 in the Township of Deptford ("Fire District"). The Board of Commissioners consists of five residents who are elected at-large for three year terms by the legal voters of the Township. The Fire District's annual budget must be approved by the voters. Once the budget is approved, the Commissioners have the authority to establish the tax rate for the Fire District. The budget supports the needs of seven fire houses within the Township. The Fire District has both paid and volunteer firefighters.

The Public Safety Department is under the office of the Township Manager. This department's day to day operations are administered by a chief of police, who is responsible for approximately 68 other police officers.

## **Free Public Library**

The Township operates its own library system and has an extensive collection of reference text, business journals, and fiction and non-fiction texts. Residents can also enjoy the benefits of the Gloucester County Library System for a small additional fee.

## **Growth and Development**

The Township's economy has expanded primarily because of its road and transit system. Access to the Deptford Mall and its numerous adjoining shopping centers has improved with new exits on and off Route 42 at Clements Bridge Road and Route 41.

The Deptford Mall ("Mall") is an enclosed shopping center with 1.2 million square feet of retail shopping space. Retail sales per square foot are high compared with other malls in the Greater Delaware Valley. The Mall has only a 5% vacancy rate and is currently investing in modernization programs to increase environmental sustainability and attract new stores in order to maintain a constant interest to perspective consumers. The Mall and surrounding retail stores account for thousands of full and part time jobs.

The Mall is the hub for the development of new retailing stores and restaurants in virtually every direction around the Mall. The Township has many of the major retail chain stores in the Mall's vicinity including, but not limited to, two Wal-Marts, Target, BJ's Wholesale, Sam's Club, Home Depot, Lowe's Best Buy, and Raymour & Flanigan. Wendy's, Arby's, McDonalds, and Burger King each have restaurants in the Township. Other restaurants include Applebee's, Olive Garden, Outback Steakhouse, Bonefish Grill, Mission BBQ, Filomena's and many other popular chains. The Township is also home to several catering facilities, traditional diners and family-owned restaurants.

The Township houses industries of all types including waste management companies, banks, car and truck rental companies, a funeral home, large equipment suppliers, and new and used car dealerships. The Township has received plans for two (2) warehouse buildings, which, if built, would have more than one million square feet of enclosed space. Deptford Township is proud to have both nationally recognizable businesses and locally-owned businesses to serve every need of the residents.

The Inspira Health Network has purchased and is renovating an existing retail building to create an approximately 50,000 square-foot medical facility that will house doctors' and specialists' offices as well as urgent care services. It is anticipated that the facility will be operational before the end of 2023. The Township resident's needs are also serviced by Nemours DuPont Pediatrics, which is a pediatric specialty, surgical and therapy facility.

Marriott Residence Inn, Marriott Fairfield Inn, Courtyard by Marriot and Hampton Inn and Suites Deptford each have locations in the Township. Currently there are two (2) additional proposed hotels in the planning phase.

In 2014, Gloucester County Community College, located in Deptford Township, officially entered into a partnership with Rowan University becoming Rowan College at Gloucester County. On July 1, 2019, Rowan College at Gloucester County and Cumberland County College merged to form Rowan College of South Jersey. Together these two campuses offer more than 120 unique degrees and certificates. The partnership has expanded the college's offerings and improved ease of transfer to Rowan University to complete a four (4) year degree program. Due to the success of the partnership, the college has been developing plans to add additional facilities to the campus to expand the education and medical programs offered as well as facilities to address the needs of a growing student population. Work has been completed on a Rowan Medicine 56,000 square-foot medical building that will service the community while providing student hands-in instruction as part of the health sciences program. The College is also home to a 15,000 square-foot building that house the Workforce Development Center for the County of Gloucester.

Residential building and rehabilitation is strong in the Township with several 30 homes or larger developments in various stages of approval. Residents continue to invest in upgrading and maintaining their homes in the Township.

## **Master Plan**

In 2017, the Township completed a comprehensive overhaul of the master plan that was adopted in 2007. The master plan revised land use planning policy in a number of areas including expansion of open space and recreational opportunities, senior citizen housing, the feasibility of creating mixed-use centers, residential densities, revitalization of aging neighborhoods, improving vehicular and pedestrian circulation, and compliance with state regulations regarding affordable housing. The Township Council and Planning Board continuously work on revising the Housing Element and Fair Share Plan and Unified Development Ordinance to eliminate inconsistencies.

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## Deptford Township Municipal Utilities Authority

The Township entered into a debt service agreement with the Deptford Municipal Utilities Authority ("Authority") on March 1, 1973. This agreement obligates the Township to advance payment for any debt service deficiency of the Authority. The Authority is obligated, by the agreement, to repay to the Township all advances paid on their behalf, upon the financial ability to do so. At January 31, 2023, the Authority had \$6,145,284.44 in outstanding debt covered by this agreement.

The following is a summary of the financial operations of the Authority for the last two years:

	<b>Year Ended January 31,</b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
Total Operating Revenues	\$12,038,492.72	\$11,394,150.09
Total Operating Expenses	<u>10,109,872.20</u>	<u>9,951,028.46</u>
Operating Income	1,928,620.52	1,443,121.63
Total Non-operating Revenue (Expenses)	<u>(515,096.68)</u>	<u>(288,403.95)</u>
Change in Net Position, Before Contributions	1,413,523.84	1,154,717.68
Capital Contributions	<u>144,752.50</u>	<u>113,160.00</u>
Change in Net Position	1,558,276.34	1,267,877.68
Net Position February 1	<u>31,969,445.28</u>	<u>30,701,567.60</u>
Net Position January 31	<u><u>\$33,527,721.62</u></u>	<u><u>\$31,969,445.28</u></u>

### Township Employees

	December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Permanent	147	158	152	189	175
Part-Time	50	47	44	77	81
Total	<u>197</u>	<u>205</u>	<u>196</u>	<u>266</u>	<u>256</u>

### Employee Collective Bargaining Units

Township employees are recognized as separate collective bargaining units. The police are represented by the Police Benevolent Association and their contracts are approved through December 31, 2024. The public works and parks and recreation employees are represented by the International Brotherhood of Teamsters and have an approved contract through December 31, 2023. The clerical staff is represented by the International Brotherhood of Teamsters and their contract is approved through December 31, 2025.

## **Compensated Absences**

Police employees of the Township accumulate 15 sick days per year. These days can accumulate and carry forward with no maximum. At separation or retirement, sick days are paid out with a cap of 1,400 hour at 65% of the value. Officers hired after January 1, 2015 will be capped at a value of \$15,000.00. Vacation days are accumulated based on number of years employed at the Township and can carry forward no more than two years of entitlement unless approved by the Chief of Police. At separation or retirement, accumulated vacation time is paid out 100%.

The Township has contracted with the AFL/CIO for clerical and administrative, and separately the public works employees. Both contracts allow for the employees to accumulate vacation days based on years of employment. The employees can carry forward one year of entitlement. At separation or retirement, 100% of vacation time is paid. The contracts with the AFL/CIO compensate employees for unused sick leave under the following criteria. Sick leave accrued from the date of hire through December 31, 1985, is frozen and banked and shall be used only for extended illness. At separation or retirement, for clerical and administrative employees, the banked accumulated sick leave will be paid out at 65%. For public works employees, banked time will be paid out at 55%. For sick leave accrued starting January 31, 1986, sick time can accumulate without limit; however, at separation or retirement, a maximum of \$5,000.00 will be paid out to the employees. Those employees with an accrued value of less than \$5,000.00 will be compensated for 100% of the accumulation. The employees accumulate 15 sick days per year.

Non-contracted employees accrue vacation time based on number of years employed by the Township. These vacation days can be carried over with proper approval with no limit. Vacation time is paid out at 100% at retirement or separation. Non-contracted employees are granted 15 sick days per year and can carry over days without limit. At retirement, 65% of the accumulated sick time is paid out to the employees. For additional information regarding Compensated Absences, (see Appendix B: Financial Statements of the Township, Note 9).

## **Pension Plans**

Those Township employees who are eligible for pension coverage are enrolled in one of two pension systems established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State. In addition, several Township employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. For additional information regarding pension plans, see Appendix B: Financial Statements of the Township, Note 7.

**Population (1)**

2020 Federal Census	31,977
2010 Federal Census	30,561
2000 Federal Census	26,763
1990 Federal Census	24,137
1980 Federal Census	23,473

**Selected Census 2021 Data for the Township (1)**

Median household income	\$84,864
Per capita income	\$38,466

**Labor Force(2)**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Township</b>					
Labor Force	16,677	16,418	16,359	15,575	15,403
Employment	16,000	15,280	14,750	14,945	14,685
Unemployment	677	1,138	1,609	630	718
Unemployment Rate	4.1%	6.9%	9.8%	4.0%	4.7%
<b>County</b>					
Labor Force	161,341	158,400	157,268	149,747	147,928
Employment	155,427	148,428	143,282	144,238	141,729
Unemployment	5,914	9,972	13,986	5,509	6,199
Unemployment Rate	3.7%	6.3%	8.9%	3.7%	4.2%
<b>State</b>					
Labor Force	4,739,800	4,666,100	4,495,200	4,493,100	4,432,500
Employment	4,564,100	4,357,200	4,055,300	4,333,300	4,250,800
Unemployment	175,700	308,900	439,900	159,800	181,700
Unemployment Rate	3.7%	6.6%	9.8%	3.6%	4.1%

**TEN LARGEST EMPLOYERS (3)**

<u>Company</u>	<u>Nature of Business</u>	<u>Number of Employees</u>
Deptford Mall	Retail Shopping	2,000
Deptford Board of Education	Education	730
Rowan College of South Jersey	Education	620
Gloucester County Special Services School	Education	475
Wal-Mart #3422	Retail Shopping	335
Wal-Mart #5476	Retail Shopping	335
Deptford Center for Rehabilitation	Healthcare	190
Gloucester County Vocational-Technical School	Education	190
Home Depot	Home Improvement Store	180
B.J.'s	Wholesale Shopping	150

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

(2) Source: New Jersey Department of Labor

(3) Source: Township officials



**Building Permits Issued (1)**

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2023 (2)	580	\$17,421,755.00
2022	1,846	67,420,362.00
2021	1,795	68,345,274.00
2020	1,738	41,302,705.00
2019	1,710	61,691,325.00
2018	1,782	27,621,999.00

**GENERAL INFORMATION ON THE SCHOOL DISTRICT (1)**

**Primary and Secondary**

The Board of Education of the Township of Deptford (“Board” when referring to the governing body and “School District” when referring to the legal entity governed by the Board) is a type II school district, consisting of nine members who are elected at large for three-year terms.

The Township's public school system has a total of eight schools: six elementary schools, one junior high school and one high school. See "Present School Facilities, Enrollment and Capacity" below.

**SCHOOL DISTRICT ENROLLMENTS (1)**

	2022		2021		2020		2019		2018	
	Regular Ed	Special Ed	Regular Ed	Special Ed	Regular Ed	Special Ed	Regular Ed	Special Ed	Regular Ed	Special Ed
PreK	201		180		123		183		212	
Kindergarten	253		283		246		291		261	
1st Grade	271		261		260		249		302	
2nd Grade	246		244		243		279		252	
3rd Grade	256		243		240		224		272	
4th Grade	241		240		258		262		290	
5th Grade	246	325	253	313	220	273	285	306	321	283
6th Grade	262		229		256		322		245	
7th Grade	237		264		275		237		255	
8th Grade	269	161	295	166	294	183	240	186	277	172
9th Grade	235		244		186		208		242	
10th Grade	247		179		186		231		221	
11th Grade	182		198		199		216		233	
12th Grade	186	239	200	247	220	194	227	192	219	184
<b>TOTALS:</b>	3332	725	3313	726	3206	650	3454	684	3602	639

(1) Source: Township Construction Official

(2) As of May 15, 2023

(3) Source: School District Officials

**Present School Facilities, Enrollment and Capacity**

<u>Facilities</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Functional Grades</u>	<u>9/6/22 Enrollment</u>	<u>Functional Capacity</u>
Deptford High School	1956	1956,1957, 1992,1995,2003	9-12	1,075	1,468
Monongahela Junior High	1964	1968,2003	7-8	920	560
Central Early Childhood Center (ECC)	2003	2003	Pre K-1	342	552
Good Intent Elementary	1960	1967,1996	2-6	317	515
Lake Tract Elementary	1963	1968,1973	2-6	398	294
Oak Valley Elementary	1958	1967	2-6	359	276
Pine Acres ECC	1964	2003	Pre K-1	148	290
Shady Lane Elementary	1956	1963,1973,2003	2-6	<u>377</u>	<u>500</u>
				<u>3,936</u>	<u>4,525</u>

**HIGHER EDUCATION FACILITIES**

**Rowan College of South Jersey**

Rowan College of South Jersey, formerly known as Rowan College at Gloucester County and Gloucester County College, is a public community college with two campuses, one in Sewell and one in Vineland. The college was established in 1966 as Gloucester County College. In 2014 the college changed its name to Rowan College of Gloucester County when Rowan University and Gloucester County College entered into a partnership. The college then expanded in 2019, combining Rowan College at Gloucester County and Cumberland County College to become Rowan College of South Jersey. The college now offers conditional dual enrollment with Rowan University depending on GPA. While GCC took the Rowan name, the community college maintains its independence with its own Board of Trustees and administration.

Total enrollment for the fall 2022<sup>1</sup> semester was 5,441 students. In addition, the College's Division of Career and Technical Education provides various educational, career training and personal enrichment courses, as well as outreach programs, to community residents.

The College offers more than 120 academic programs in a full spectrum of career fields. The College also maintains a well-rounded cultural, artistic and sports calendar of events.

A number of selective admission programs related to the allied-health field, including nursing, diagnostic medical sonography (DMS) and nuclear medicine technology (NMT) are available at the College.

The College awards both certificate and associate degrees leading to immediate career and transfer opportunities. With an extensive record of matriculation agreements with four-year colleges and universities, graduates are able to transfer seamlessly into baccalaureate and master degree programs. The College added an automatic-dual acceptance initiative with five (5) four- year universities which makes earning a bachelor's degree an uncomplicated progression with added benefits. The College's educational partners offer a variety of programs and incentives to the College graduates ranging from tuition discounts to obtaining a bachelor's degree on the College campus.

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<sup>1</sup> Represents the latest data available. (Unaudited)

The College constructed a 27,390 square-foot Health Science Center with classes expected to be held in September of 2023.

Located on 250 acres in Deptford Township, New Jersey, the College's main campus also houses the Career and Technical Education Center that will provide wind turbine technician training for employers in the off-shore wind industry.

Recent projects completed in 2021 include a one-story economic development center to house the New Jersey Department of Labor and Workforce Development, the Gloucester County Chamber of Commerce and the Gloucester County Economic Development Department. In addition, a two story, 56,000 square-foot medical and academic building for Rowan School of Osteopathic Medicine.

## **Rowan University**

Rowan University (“Rowan” or the “University”) is a selective, medium-sized national public research university located primarily in Glassboro, New Jersey. It is recognized for its nationally-ranked academic and athletic programs, talented professors, and high-tech facilities. Rowan prides itself on being able to provide its approximately 19,700 students an outstanding education at an exceptional value.

The University’s approved degree programs as of June 30, 2021 include 93 bachelor's degrees, 52 master's degrees, nine doctoral degrees (Ed.D. and Ph.D.) and two professional degrees, a Doctor of Medicine (M.D.) and a Doctor of Osteopathic Medicine (D.O.). Students may pursue degrees at the main Glassboro campus, the Camden campus, Cooper Medical School of Rowan University in Camden, the Rowan University School of Osteopathic Medicine in Stratford, online through Rowan Global, or at multiple community college locations.

Rowan is continually recognized for excellence by top organizations including U.S. News & World Report, Forbes, the Chronicle of Higher Education and the website College Factual.

- For 2022, U.S. News & World Report ranked Rowan #179 among national research universities and #88 among public research universities. Its engineering program was also ranked #19 in the nation among undergraduate engineering programs.
- The Chronicle of Higher Education recognized Rowan as the nation’s 4th fastest-growing research university in the U.S. in the fall of 2021.
- In the fall of 2021 U.S. News & World Report rated Rowan among the best schools for veterans.

The University's main campus, on approximately 200 acres in the southern New Jersey town of Glassboro, is about 20 minutes southeast of Philadelphia and about one hour west of Atlantic City. It is approximately two hours from New York City and just a two-and-a-half-hour drive to Washington, D.C. The locale provides students all of the advantages of a suburban campus plus opportunities for entertainment, cultural events and professional opportunities in major east coast metropolises and the nation’s capital.

Rowan has acquired approximately 600 acres of open space in Glassboro and neighboring Harrison and Mantua Townships, some of which is home to the South Jersey Technology Park at Rowan University. A portion of the land on that parcel informally referred to as the “West Campus” was developed into athletic fields. In May of 2016, Rowan sold 100 acres of West Campus land in Harrison Township to Inspira Health Network of New Jersey (“Inspira”). Inspira built a new \$349 million, 467,000 square foot, 204-bed medical center which opened in December 2019 which provides Rowan with a wide range of educational opportunities. It will also act as an anchor that is expected to attract health-care providers, researchers, and businesses to the area.

On July 6, 1992, Mr. & Mrs. Henry M. Rowan pledged \$100 million to the Glassboro State College Development Fund. Terms of the gift required establishment of an Inductotherm Scholarship Fund in the amount of \$3 million and the creation of a School of Engineering. In 1992, the name of the University was changed from Glassboro State College to Rowan College of New Jersey. On March 21, 1997, the school became Rowan University.

In Fiscal Year 2015, following a subsequent gift announcement from the Henry M. Rowan Family Foundation of \$15 million, the College of Engineering was renamed the Henry M. Rowan College of Engineering in Mr. Rowan's honor.

On October 17, 2016, Rowan University alumni Jean and Ric Edelman made history when they announced a \$25 million gift to transform the Rowan University Fossil Park into a world-class destination for scientific discovery and "citizen science." The Fossil Park will be known as the Jean & Ric Edelman Fossil Park at Rowan University. The gift from the Edelman's is the largest ever from Rowan alumni and the second largest gift in the institution's history. Plans for the tract include a museum and visitor center, laboratory spaces, a nature trail, a paleontology-themed playground, and social spaces. Construction began in the 4<sup>th</sup> quarter of 2021 to establish a world-class museum and visitor center focusing on STEM, Education laboratory spaces for research a paleontology-themed playground and social spaces. The \$71 million-dollar Museum project will attract victors worldwide and enhance Gloucester County as known tourism destination. Estimated completion date is Spring 2023.

In 2017, Rowan opened the new \$63.2 million dollar, four-story, 96,500-square-foot Rohrer College of Business facility, which houses 16 classrooms, 7 conference rooms, 10 specialty spaces, 15 administrative offices, and 70 faculty offices. Along with the new College of Business facility, Rowan opened a three story, 90,500 square-foot, \$71 million addition to the College of Engineering building and opened the new \$145 million Holly Pointe Commons housing complex, which houses 1,400 students on campus.

In 2021, Rowan completed Discovery Hall, a 68,000 square-foot academic and research building. Anchoring the academic corridor from the east end of Rowan University's Glassboro campus, Discovery Hall expands facilities for the School of Earth & Environment and the College of Science & Mathematics.

The Rowan University School of Veterinary Medicine (SVM) building complex will be located on the north side of Rowan's West Campus. Designed as a multipurpose learning environment, the envisioned 135,000 sf complex is proposed to contain an approximately 60,000 square-foot academic building, a 25,000 square-foot hospital, and 50,000 square-foot of research space. The SVM will be serving approximately 400 students of all levels by its fifth year of operation who will have access to physical resources such as large auditoriums and break out study rooms, pre-clinical laboratories and surgical facilities, and state of the-art-technologies for learning and teaching.

In collaboration with the Gloucester County Improvement Authority, Rowan University intends to build a proposed Global Solutions Facility with a 100,000 square-foot mixed R&D and manufacturing facility.

### **Gloucester County Institute of Technology**

The Gloucester County Institute of Technology ("Institute") provides a full range of regionalized occupational and technical County-wide educational services and programs appropriate to the needs of the students of 13 public high schools, and adults who seek educational opportunities that lead to employment or higher education. The Institute also provides programming for secondary students who wish to continue to higher education through Tech Prep matriculation agreements with various county colleges and four-year institutions.

As of April 13, 2022, there are approximately 1,589 students are enrolled in the Institutes' Academy and Career-Technical programs. Recent construction has added, among other things, a cafeteria, gymnasium and classrooms to the academic facilities in order to keep pace with demand.

In addition to its day school enrollment, the Institute serves an average of 1,000 residents in various programs, including: (i) adult and continuing education programs; (ii) County employees in customized training programs; (iii) adults in the skill center; (iv) over 455 at-risk youth and their families in school-based youth services counseling; (v) the U.S. swim team of 200 members; and (vi) the joint auto technology program with Rowan College serving 40 adult students in an AAS degree program.

### **Gloucester County Special Services School District**

Gloucester County Special Services School District ("GCSSSD") provides a wide range of educational services to the families of the County. GCSSSD serves children with special needs from birth to age 21. The enrollment for the 28-acre Bankbridge complex in Deptford, as of April 13, 2022, was 535 special needs students.

Bankbridge Regional opened its doors in September 2000 and serves secondary level students who have special needs. In September 2002, GCSSSD opened Bankbridge Elementary School. The elementary school is located next to Bankbridge Regional and serves special needs students from pre-kindergarten to grade five (5).

The Bankbridge Development Center ("BDC") opened in 2007. With an emphasis on developing skills in the areas of communication, socialization, and independence, the BDC strives toward helping students become participating and contributing members of their community. Education, advocacy, public awareness efforts, and the promotion of research form the cornerstones of the activities. Together, they can promote lifelong access and opportunity for all individuals within the autism spectrum and/or multiply disabled.

BDC student outcome goals include, but are not limited to:

- The development of a functional communication system in order to increase interaction and enhance adaptive behaviors.
- Effectively providing functional, skill-based instruction to develop each student's social, behavioral and academic abilities.
- Providing students with the skills necessary to become contributing and functional members of society.

The staff at BDC is dedicated to educating and supporting the special needs students who attend BDC. Each classroom and specialty area has been carefully designed to provide an encouraging but challenging learning environment to help the children reach their maximum potential. The programs are tailored to meet the specific needs of each child. The philosophy, goals, and objectives of the BDC reflect the diversity of the children they serve. Programs are designed to meet their educational, social, and emotional needs.

In addition to the schools, GCSSSD provides the following services to support the special needs children of the County: (i) the Early Intervention Program for children from birth to age 3 and their families; and (ii) the Center for Regional Education Support Services (CRESS) which provides professional services to the school districts in the County and the County of Camden.

GCSSSD also provides support to nonpublic students through their schools including remedial programs, speech-language therapy and textbook purchasing. GCSSSD's Special Projects Program provides Migrant Services to more than 3,000 students and families throughout the southern region of New Jersey.

**CERTAIN TAX INFORMATION**

**TEN LARGEST TAXPAYERS (1)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<b>2023</b>	
		<b>Assessed</b>	
		<b>Valuation</b>	
Deptford Mall c/o Evan Staggs	Retail	\$	161,620,700
LBX Deptford TH LLC	Retail		36,200,000
Merion Locust Grove LP	Apartments		26,317,200
WRG Deptford LLC & CS Deptford Hold	Retail		24,000,000
Wal-Mart	Retail		21,300,000
WRG Deptford LLC & CS Deptford Hold	Retail		20,381,900
Almonesson Associates II LLC	Retail		18,000,000
Macys East Inc.	Retail		17,687,300
Macerich Deptford Adjacent LLC	Retail		17,456,000
The Inverness Apartments LLC	Apartments		17,256,200

**CURRENT TAX COLLECTIONS(2)**

<u>Year</u>	<u>Total Levy</u>	<u>Current Collection</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2022 (3)	\$ 98,397,054	\$ 96,721,209	98.30%	\$ 1,326,997	1.35%
2021	96,729,062	95,573,735	98.81%	947,948	0.98%
2020	95,314,111	93,891,499	98.51%	1,245,980	1.31%
2019	93,188,352	91,362,615	98.04%	1,602,202	1.72%
2018	90,834,356	88,872,452	97.84%	1,506,152	1.66%

**DELINQUENT TAXES(2)**

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transfer to Liens</u>	<u>Other Credits/ Adj.</u>	<u>Outstanding Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percent</u>			
2022 (3)	\$ 970,484	\$ 6,142	\$ 964,638	98.77%	\$ 453	\$ 1,844	\$ 9,691
2021	1,261,916	6,250	1,243,170	98.03%	1,912	549	22,536
2020	1,606,891	10,366	1,593,298	98.52%	8,023		15,936
2019	1,571,965	54,303	1,610,020	99.00%	10,738	821	4,688
2018	1,419,891	37,355	1,339,216	91.90%	52,009	209	65,812

(1) County of Gloucester, NJ website

(2) Source: Annual Reports of Audit, unless otherwise indicated

(3) Information from Annual Compiled Financial Statement

**TAX TITLE LIENS(1)**

<u>Year</u>	<u>Balance</u> <u>Jan. 1</u>	<u>Added by</u> <u>Sales and</u> <u>Transfers</u>	<u>Collections</u>	<u>Other</u> <u>Credits</u>	<u>Balance</u> <u>Dec. 31</u>
2022 (2) \$	891,062	\$ 106,544	\$ 25,777	\$ 20,138	\$ 951,691
2021	879,660	125,280	113,722	156	891,062
2020	945,316	159,416	225,072		879,660
2019	792,736	198,364	45,783		945,316
2018	971,048	304,543	161,496	321,359	792,736

**FORECLOSED PROPERTY (1)(3)**

<u>Year</u>	<u>Balance</u> <u>Jan. 1</u>	<u>Added by</u> <u>Transfer</u>	<u>Adjustment to</u> <u>Assessed</u> <u>Valuation</u>	<u>Sale of</u> <u>Property</u>	<u>Loss on</u> <u>Sale of</u> <u>Property</u>	<u>Balance</u> <u>Dec. 31</u>
2022 (2) \$	3,666,600	\$ 16,133	\$ 55,667			\$ 3,738,400
2021	3,666,600					3,666,600
2020	4,055,700			\$ 51,500	\$ 337,600	3,666,600
2019	4,116,600			18,150	42,750	4,055,700
2018	2,892,000	323,488	930,112	6,600	22,400	4,116,600

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

<u>Year</u>	<u>Tax Rate(5)</u>						
	<u>Net Valuation</u> <u>Taxable</u>	<u>Total</u>	<u>County</u>	<u>District</u> <u>School</u>	<u>Fire</u> <u>District</u>	<u>Municipal</u>	
2023	\$ 2,851,637,498	N/A	N/A	N/A	N/A	N/A	
2022	2,849,254,255	\$ 3.445	\$ 0.718	\$ 1.650	\$ 0.181	\$ 0.896	
2021	2,838,348,378	3.396	0.733	1.617	0.172	0.874	
2020	2,829,992,276	3.357	0.714	1.599	0.172	0.872	
2019	2,816,861,238	3.293	0.711	1.575	0.155	0.852	
2018	2,812,813,930	3.219	0.706	1.518	0.154	0.841	

- (1) Source: Annual Reports of Audit, unless otherwise indicated
- (2) Information from Annual Compiled Financial Statement
- (3) These amounts are reflected on the basis of assessed value in the year of acquisition in accordance with the regulation of the Division of Local Government Services.
- (4) Source: County Board of Taxation
- (5) Per \$100 of assessed valuation

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

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita</u>
2023	\$ 2,846,304,000	81.71%	\$ 3,483,421,858	\$ 108,935 (2)
2022	2,843,512,480	89.10%	3,191,372,031	99,802 (2)
2021	2,832,312,400	93.87%	3,017,271,120	94,358 (2)
2020	2,823,774,200	98.05%	2,879,932,891	90,063 (2)
2019	2,810,853,700	96.31%	2,918,548,126	95,499 (3)

**REAL PROPERTY CLASSIFICATION (4)**

<u>Year</u>	<u>Assessed Value of Land and</u>						
	<u>Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Farm</u>
2023	\$ 2,846,304,000	\$ 41,927,800	\$ 1,903,141,900	\$ 774,935,100	\$ 17,734,900	\$ 101,536,000	\$ 7,028,300
2022	2,843,512,480	42,409,180	1,894,249,500	779,949,300	17,834,900	101,531,200	7,538,400
2021	2,832,312,400	46,886,800	1,882,107,600	776,601,100	17,666,900	101,531,200	7,518,800
2020	2,823,774,200	45,519,900	1,875,858,700	775,376,900	17,990,900	101,531,200	7,496,600
2019	2,810,853,700	50,181,700	1,861,417,900	772,313,500	17,990,900	101,531,200	7,418,500

- (1) State of New Jersey, Department of Treasury, Division of Taxation  
(2) Based on Census 2020 of 31,977  
(3) Based on Census 2010 of 30,561  
(4) Source: County Tax Assessor



**TOWNSHIP OF DEPTFORD  
STATEMENT OF INDEBTEDNESS  
AS OF DECEMBER 31, 2022**

The following table summarizes the direct debt of the Township as of December 31, 2022 in accordance with the requirements of the Local Bond Law of the State of New Jersey (N.J.S.A. 40A:2-2 et. seq.). The gross debt is comprised of short and long-term debt issued, and debt authorized but not issued, including General, and debt of the Township of Deptford School District. Deductions from gross debt to arrive at net debt include deductible school debt. The resulting net debt of \$21,371,857 represents 0.663% of the average of equalized valuations for the Township for the last three years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued			Debt Authorized But Not Issued	Gross Debt	Deductions		Net Debt
	Bonds	Notes	Loans			School Debt		
General	\$ 9,490,000	\$ 9,266,100	\$ 174,257	\$ 2,441,500	\$ 21,371,857			\$ 21,371,857
School - District	36,835,000				36,835,000	\$ 36,835,000		
	<u>\$ 46,325,000</u>	<u>\$ 9,266,100</u>	<u>\$ 174,257</u>	<u>\$ 2,441,500</u>	<u>\$ 58,206,857</u>	<u>\$ 36,835,000</u>		<u>\$ 21,371,857</u>

Source: Township Auditor

### DEBT RATIOS AND VALUATIONS (1)(2)

Average of Equalized Valuations of Real Property with Improvements for 2020, 2021 and 2022	\$	3,222,327,543
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2020, 2021 and 2022		0.663%
2023 Net Valuation Taxable	\$	2,851,637,498
2023 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$	3,488,755,356
Gross Debt (3)		
As a Percentage of 2023 Net Valuation Taxable		2.04%
As a Percentage of 2023 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		1.67%
Net Debt (3)		
As a Percentage of 2023 Net Valuation Taxable		0.75%
As a Percentage of 2023 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		0.61%
Gross Debt per Capita(4)	\$	4,267
Net Debt per Capita(4)	\$	1,567

### TOWNSHIP BORROWING CAPACITY (1)(2)

3.5% of Average (2020-22) Equalized Valuation of Real Property including Improvements (\$3,222,327,543)	\$	112,781,464
Net Debt		<u>21,371,857</u>
Remaining Borrowing Capacity	\$	<u>91,409,607</u>

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

4.0% of Average (2020-22) Equalized Valuation of Real Property Including Improvements (\$3,222,327,543)	\$	128,893,102
Local School Debt		<u>36,835,000</u>
Remaining Borrowing Capacity	\$	<u>92,058,102</u>

- (1) As of December 31, 2022  
(2) Source: Township Auditor  
(3) Excluding overlapping debt  
(4) Based on 2020 Federal Census of 31,977

**TOWNSHIP OF DEPTFORD  
OVERLAPPING DEBT  
AS OF DECEMBER 31, 2022**

	<b>DEBT ISSUED</b>				Debt Auth. but not <u>Issued</u>
	<u>Debt Outstanding</u>	<u>Deductions</u>	Statutory Net Debt <u>Outstanding</u>	Net Debt Outstanding Allocated to <u>the Issuer</u>	
County of Gloucester(1):					
General	\$ 243,337,000	\$ 17,277,880	(2) \$ 226,059,120	\$ 23,871,843	(4)
Bonds Issued by Other Public Bodies					
Guaranteed by the County	110,331,255	110,331,255	(3)		
Deptford Township MUA	6,145,284		6,145,284	6,145,284	
	<u>\$ 359,813,539</u>	<u>\$ 127,609,135</u>	<u>\$ 232,204,404</u>	<u>\$ 30,017,128</u>	

(1) Source: County's Annual Debt Statement.

(2) Includes Reserve for Payment of Debt and County College Bonds.

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

(4) Such debt is allocated as a proportion of the Issuer's share of the total 2022 Net Valuation on which County taxes are apportioned, which is 10.56%.

**TOWNSHIP OF DEPTFORD**  
**SCHEDULE OF TOWNSHIP DEBT SERVICE (1) (2)**  
**(BONDED DEBT AND LONG-TERM LOANS)**

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<b>Year Ended <u>Dec. 31,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2023	\$ 1,946,759.28	\$ 294,014.39	\$ 2,240,773.67
2024	1,447,196.64	235,827.03	1,683,023.67
2025	1,497,642.79	192,630.87	1,690,273.66
2026	1,538,097.91	147,925.75	1,686,023.66
2027	1,573,562.18	102,011.49	1,675,573.67
2028	1,624,035.78	53,100.38	1,677,136.16
2029	24,518.90	617.27	25,136.17
2030	12,443.65	124.44	12,568.09
	<u>\$ 9,664,257.13</u>	<u>\$ 1,026,251.62</u>	<u>\$ 10,690,508.75</u>

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(1) Source: Township Auditor

(2) As of December 31, 2022

## 2023 MUNICIPAL BUDGET

### CURRENT FUND

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Anticipated Revenues:	
Fund Balance	\$4,620,000.00
Miscellaneous Revenues:	
Local Revenues	2,099,200.00
State Aid without Offsetting Appropriations	2,349,684.00
Dedicated Uniform Construction Code Fees	515,000.00
Special Items--Public and Private Revenues	283,893.47
Other Special Items of Revenue	765,190.00
Receipts from Delinquent Taxes	1,025,000.00
Amount to be Raised by Taxation for Municipal Purposes	<u>25,665,621.28</u>
Total Appropriated Revenues	<u><u>\$37,323,588.75</u></u>
Appropriations:	
Within CAPS:	
Operations	\$25,916,600.00
Deferred Charges and Statutory Expenditures	3,646,000.00
Excluded from CAPS:	
Other Operations	1,616,915.00
Additional Appropriations Offset by Revenues	9,455.00
Public and Private Programs	285,643.47
Capital Improvements	1,186,000.00
Debt Service	2,613,200.00
Deferred Charges	4,600.00
Reserve for Uncollected Taxes	<u>2,045,175.28</u>
Total Appropriations	<u><u>\$37,323,588.75</u></u>

**CAPITAL PROGRAM  
PROJECTS SCHEDULED FOR THE YEARS 2023-2028**

	<u>Estimated Total Cost</u>	<u>Capital Improvement Fund</u>	<u>Grants-in- Aid and Other Funds</u>	<u>Bonds and Notes General</u>
<b><u>GENERAL:</u></b>				
2023 Local Road Program	\$ 1,100,000	\$ 55,000		\$ 1,045,000
NJDOT Lakebridge Resurfacing and Reconstruction	404,680		\$ 104,430	300,250
Public Works Heavy Equipment	265,000	13,250		251,750
Recreation Equipment	300,000	15,000		285,000
General Township Renovations and Structures	450,000	450,000		
Purchase of Trucks and Sport Utility Vehicles	150,000	150,000		
ARP Funded Stormsewer Projects	1,900,000		1,900,000	
Various Roadway Improvements	8,750,000	437,500		8,312,500
Various Recreational and Building Improvements	2,750,000	137,500		2,612,500
Purchase of Public Works Heavy Equipment	500,000	25,000		475,000
Purchase of Open Space	2,000,000	100,000		1,900,000
Total General	<u>\$ 18,569,680</u>	<u>\$ 1,383,250</u>	<u>\$ 2,004,430</u>	<u>\$ 15,182,000</u>

**APPENDIX B**

**FINANCIAL STATEMENTS OF THE TOWNSHIP OF DEPTFORD**

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**FOR THE YEAR ENDED 2022**  
**COMPILED FINANCIAL STATEMENTS**

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**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

The Honorable Mayor and  
Members of the Township Council  
Township of Deptford  
Deptford, New Jersey 08096

Management is responsible for the accompanying financial statements of the Township of Deptford, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2022 and the related statements of operations and changes in fund balances--regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

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

Respectfully submitted,

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

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

Woodbury, New Jersey  
March 3, 2023

**TOWNSHIP OF DEPTFORD**  
**CURRENT FUND**  
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2022

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Regular Fund:

Cash:

Chief Financial Officer	\$ 29,064,461.75
Change Fund	<u>1,400.00</u>
	<u>29,065,861.75</u>

Other Receivables:

Due From State of New Jersey	<u>5,634.25</u>
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Receivables and Other Assets with

Full Reserves:

Delinquent Property Taxes Receivable	1,336,687.56
Tax Title Liens Receivable	951,690.94
Property Acquired / Assessed Valuation	3,738,400.00
Maintenance Special Charges	11,000.00
Improvement/Maintenance Liens	54,378.51
Revenue Accounts Receivable	10,834.64
Due from Deptford Township Library	25,062.62
Due from Deptford Township MUA	1,800.14
Due from Deptford Township Board of Education	<u>318.40</u>
	<u>6,130,172.81</u>
	<u>35,201,668.81</u>

Federal and State Grant Fund:

Due from Current Fund	3,452,894.49
Grants Receivable	<u>84,414.11</u>
	<u>3,537,308.60</u>
	<u>\$ 38,738,977.41</u>

**TOWNSHIP OF DEPTFORD**

**CURRENT FUND**

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

As of December 31, 2022

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Regular Fund:

Appropriation Reserves	\$	3,900,562.07
Reserve for Encumbrances		833,164.03
Accounts Payable		23,862.98
Prepaid Taxes		1,178,597.79
Tax Overpayments		2,948.15
Due County for Added and Omitted Taxes		47,315.37
Local School District Taxes Payable		6,249,349.00
Due to Federal and State Grant Fund		3,452,894.49
Due to Trust Other		897.30
Due to State - DCA Fees		14,511.00
Reserve for:		
Municipal Relief Fund		115,731.62
Insurance Proceeds		28,244.84
Insurance Proceeds - Township Library		9,414.52
Maintenance/Performance Bond Settlements		247,011.74
Judgements		100,000.00
Tax Appeals		923,703.16
		<u>17,128,208.06</u>
Reserves for Receivables		6,130,172.81
Fund Balance		<u>11,943,287.94</u>
		<u>35,201,668.81</u>

Federal and State Grant Fund:

Reserve for Encumbrances		119,145.17
Appropriated Reserves		1,484,853.16
Unappropriated Reserves		<u>1,933,310.27</u>
		<u>3,537,308.60</u>
	\$	<u><u>38,738,977.41</u></u>

See Independent Accountant's Compilation Report and selected notes.

**TOWNSHIP OF DEPTFORD**  
**CURRENT FUND**

Statement of Operations and Changes in Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2022

Revenue and Other Income Realized

Fund Balance Utilized	\$	4,325,000.00
Miscellaneous Revenues Anticipated		8,127,022.97
Receipts from Delinquent Taxes		990,415.39
Receipts from Current Taxes		96,721,208.51
Nonbudget Revenues		794,292.34
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves		2,366,101.42
Interfund Returned		455.56
Change in Receivables from Other Township Entities		39,236.78
Prior Year Accounts Payable Cancelled		53,718.92
Federal and State Grant Fund Adjustment		7,614.93
		113,425,066.82

Expenditures:

Budget and Emergency Appropriations:		
Appropriations Within "CAPS":		
Salaries and Wages		12,086,100.00
Other Expenses		13,204,500.00
Deferred Charges and Regulatory Expenditures		3,413,000.00
Appropriations Excluded from "CAPS":		
Salaries and Wages		367,367.12
Other Expenses		2,840,558.87
Capital Improvements		1,798,000.00
Municipal Debt Service		2,444,144.66
County Taxes		20,416,309.60
Due County for Added and Omitted Taxes		47,315.37
Local District School Tax		47,028,959.00
Special District Taxes		5,154,809.00
Prior Year Senior Citizens Disallowed		5,872.02
Change in Receivables from Other Township Entities		318.40
		108,807,254.04

Excess in Revenues		4,617,812.78
Fund Balance January 1		11,650,475.16
Total		16,268,287.94
Decreased by:		
Utilization as Anticipated Revenue		4,325,000.00
Fund Balance December 31	\$	11,943,287.94

See Independent Accountant's Compilation Report and selected notes.

**TOWNSHIP OF DEPTFORD**  
**TRUST FUND**

Statement of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis  
As of December 31, 2022

Assets:

Animal Control Fund:

Cash - Chief Financial Officer	\$	<u>7,133.04</u>
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Other Funds:

Cash - Chief Financial Officer		6,717,405.06
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Cash - Collector		1,031,114.44
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Due from Current Fund		<u>897.30</u>
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		<u>7,749,416.80</u>
--	--	---------------------

	\$	<u><u>7,756,549.84</u></u>
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Liabilities, Reserves, and Fund Balance:

Animal Control Fund:

Due to State of New Jersey	\$	4.20
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Reserve for Animal Control Fund Expenditures		<u>7,128.84</u>
----------------------------------------------	--	-----------------

		<u>7,133.04</u>
--	--	-----------------

Other Funds:

Miscellaneous Trust Reserves:

Encumbrances		177,927.75
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Payroll Deductions Payable		16,837.80
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Community Police Donations		30,838.73
----------------------------	--	-----------

Compensated Sick Fund		1,281,144.23
-----------------------	--	--------------

Curb and Sidewalk Deposits		21,562.66
----------------------------	--	-----------

Donations - Recreation		225,105.26
------------------------	--	------------

Donations - Nemours Andolro Farm		100,000.00
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Escrow Deposits		1,035,650.80
-----------------	--	--------------

Flexible Spending Account		1,439.18
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Federal Forfeited Funds		7,579.69
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Municipal Forfeited Funds		24,993.67
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Public Defender		1,811.50
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Recreation Commission		214,430.74
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Program Escrow Recycling		31,432.02
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Street Opening Deposits		355,688.80
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Tax Sale Premiums		1,000,100.00
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Redemption of Tax Sale Certificates		31,014.44
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Unemployment Compensation Trust		124,569.88
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(Continued)

**TOWNSHIP OF DEPTFORD**  
**TRUST FUND**  
Statement of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis  
As of December 31, 2022

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Liabilities, Reserves, and Fund Balance (Cont'd):

Other Funds (Cont'd):

Miscellaneous Trust Reserves (Cont'd):

Multiple Dwelling Emergency Commission	\$ 55,929.43
Storm Recovery	610,899.43
Housing Impact Trust Fund	2,312,840.53
Outside Employment of Police	25,184.85
Police Seized Evidence	54,759.91
P.O.A.A.	973.00
Veteran's Commission	<u>6,702.50</u>
	<u>7,749,416.80</u>
	<u>\$ 7,756,549.84</u>

See Independent Accountant's Compilation Report and selected notes.

**TOWNSHIP OF DEPTFORD**  
**GENERAL CAPITAL FUND**  
Statement of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis  
As of December 31, 2022

Assets:

Cash - Chief Financial Officer	\$	4,631,069.27
Deferred Charges to Future Taxation:		
Funded		9,664,257.13
Unfunded		11,707,600.00
State Road Aid Receivable		218,000.00
Federal Grants Receivable		100,000.00
		26,320,926.40
	\$	26,320,926.40

Liabilities, Reserves and Fund Balance:

Encumbrances Payable	\$	1,376,742.84
Capital Improvement Fund		2,011,085.08
Improvement Authorizations:		
Funded		1,756,559.83
Unfunded		2,124,737.41
Bond Anticipation Notes		9,266,100.00
General Serial Bonds		9,490,000.00
Green Trust Loan Payable		174,257.13
Fund Balance		121,444.11
		26,320,926.40
	\$	26,320,926.40

See Independent Accountant's Compilation Report and selected notes.

**TOWNSHIP OF DEPTFORD**  
Selected Information - Substantially All Disclosures Required  
By the Regulatory Basis of Accounting Have Been Omitted  
For the Year Ended December 31, 2022

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

**Description of Financial Reporting Entity** - The Township of Deptford (hereafter referred to as the "Township") was incorporated in January 1695. The Township, located in Gloucester County, New Jersey, has a total area of 17.5 square miles, and is located approximately ten miles southeast of the City of Philadelphia. The Township borders the Gloucester County municipalities of Mantua Township, Washington Township, Wenonah Borough, Westville Borough, Woodbury Heights Borough and Woodbury City, and the Camden County municipalities of Bellmawr Borough, Gloucester Township and Runnemede Borough. According to the 2020 census, the population is 31,977.

The Township has a Council-Manager form of government under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is elected annually by a seven member Township Council. Executive and administrative responsibility rests with the Township Manager, who is appointed by the Mayor and Council. The members of the Township Council are elected for staggered four-year terms in elections held every two years.

**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:

Deptford Municipal Utilities Authority  
898 Cattell Road  
Deptford, New Jersey 08096

Deptford Free Public Library  
670 Ward Drive  
Deptford, New Jersey 08096

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

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



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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd) -**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$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.

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

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

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

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

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

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

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Gloucester, the Township of Deptford School District, and the Township of Deptford Fire District No. 1. 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 Deptford 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, 2022 to June 30, 2023, increased by the amount deferred at December 31, 2021 and decreased by the amount deferred at December 31, 2022.

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

**Fire District Taxes** - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Deptford Fire District No. 1. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

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

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

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

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

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

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

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

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

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**FOR THE YEARS ENDED 2021, 2020, 2019, 2018 AND 2017**

**AUDITED FINANCIAL STATEMENTS**

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Council  
Township of Deptford  
Deptford, New Jersey 08096

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Deptford, in the County of Gloucester, State of New Jersey, as of December 31, 2021, 2020, 2019, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

#### ***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Deptford, in the County of Gloucester, State of New Jersey, as of December 31, 2021, 2020, 2019, 2018 and 2017, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Township of Deptford, in the County of Gloucester, State of New Jersey, as of December 31, 2021, 2020, 2019, 2018 and 2017, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions on Regulatory Basis of Accounting***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Respectfully submitted,

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

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

Woodbury, New Jersey  
February 10, 2023

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

	As of December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>					
Cash	\$26,682,136	\$23,668,516	\$20,605,444	\$18,399,027	\$19,504,578
Federal and State Grants Receivable	437,628	213,880	366,709	230,624	191,107
Due from State of New Jersey	3,223			881	
Receivables and other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	970,484	1,261,916	1,606,891	1,571,965	1,419,891
Tax Title Liens Receivable	891,062	879,660	945,316	792,736	971,048
Maintenance Special Charges	7,000	14,675	15,220	7,000	1,001
Property Acquired for Taxes-- Assessed Valuation	3,666,600	3,666,600	4,055,700	4,116,600	2,892,000
Revenue Accounts Receivable	10,425	7,330	22,115	28,206	30,528
Accounts Receivable-Other	66,100	106,389	47,229	49,801	34,837
Maintenance Liens/Special Charges	33,154	18,479	18,479	18,479	21,206
Deferred Charges			35,000	70,000	105,000
Interfunds Receivable	1,662,629	258,335	204,239	17,600	407,574
	<u>\$34,430,439</u>	<u>\$30,095,779</u>	<u>\$27,922,341</u>	<u>\$25,302,918</u>	<u>\$25,578,770</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
Appropriation Reserves	\$4,470,969	\$4,651,590	\$2,894,727	\$1,890,926	\$2,425,678
Reserve for Encumbrances	738,905	786,562	819,375	649,078	965,504
Accounts Payable	103,832	77,547	99,507	35,158	205
Interfunds Payable	1,662,173	252,567	211,221	15,609	610,530
Due County for Added and Omitted Taxes	71,520	67,048	88,181	61,636	111,250
Due to State of New Jersey	11,160	19,241	21,075	14,591	18,909
Due to Borough of Woodbury Heights		9,315			
Prepaid Taxes	1,213,132	936,046	928,275	778,266	1,668,705
Local District School Tax Payable	5,674,413	5,358,631	4,923,695	4,070,704	3,667,626
Reserve for Insurance Proceeds	62,479	40,031	41,031	37,176	21,051
Reserve for Judgements	100,000	100,000			
Reserve for Tax Appeals	803,048	48,048			
Reserve for Master Plan				7,872	32,560
Reserve for Maintenance/Performance Bond Settlements	188,454	147,226	16,076	182,025	
Tax Overpayments	2,616	1,779	2,106		
Reserve for Receivables	5,645,280	5,960,816	6,711,706	6,602,386	5,370,511
Reserve for Federal and State Grants	2,031,982	289,679	509,131	202,104	362,101
Fund Balance	11,650,475	11,349,652	10,656,236	10,755,388	10,324,140
	<u>\$34,430,439</u>	<u>\$30,095,779</u>	<u>\$27,922,341</u>	<u>\$25,302,918</u>	<u>\$25,578,770</u>

The accompanying Notes to Financial Statements are an integral part of these statements.



**TOWNSHIP OF DEPTFORD  
CURRENT FUND**

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

	For the Years Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenue Realized:					
Current Tax Collections	\$95,573,735	\$93,891,499	\$91,362,615	\$88,872,452	\$86,314,782
Delinquent Tax Collections	1,356,892	1,818,370	1,655,804	1,515,113	1,367,336
Total Taxes	96,930,627	95,709,869	93,018,419	90,387,565	87,682,118
Miscellaneous Revenues Anticipated	6,028,554	6,611,387	7,782,580	7,533,680	8,615,137
Other Income	2,729,835	2,400,181	1,782,156	2,114,246	1,503,702
Fund Balance Utilized	4,250,000	3,775,000	3,955,000	3,500,000	3,775,000
Total Income	109,939,016	108,496,437	106,538,154	103,535,490	101,575,957
Expenditures and Encumbrances:					
Operating	26,515,333	26,261,830	26,579,649	25,669,976	25,575,313
Capital Improvements	1,606,000	1,706,000	1,860,000	1,069,146	288,000
Debt Service	2,303,990	2,344,263	2,230,911	2,948,323	4,256,694
Deferred Charges and Statutory Expenditures	3,388,000	3,330,500	3,191,215	2,977,500	2,603,000
County Taxes	20,832,390	20,229,373	20,079,851	19,897,518	18,848,983
Local District School Purposes	45,879,087	45,247,522	44,377,651	42,671,668	41,856,246
Special District Taxes	4,856,892	4,833,994	4,344,749	4,325,221	4,326,306
Other Expenditures	6,500	74,539	18,280	44,891	52,431
Total Expenditures and Encumbrances	105,388,192	104,028,020	102,682,306	99,604,243	97,806,974
Excess in Revenues	4,550,823	4,468,416	3,855,848	3,931,247	3,768,983
Fund Balance Beginning of Year	11,349,652	10,656,236	10,755,388	10,324,140	10,330,157
	15,900,475	15,124,652	14,611,236	14,255,388	14,099,140
Decreased by:					
Utilized as Revenue	4,250,000	3,775,000	3,955,000	3,500,000	3,775,000
Fund Balance Ending of Year	<u>\$11,650,475</u>	<u>\$11,349,652</u>	<u>\$10,656,236</u>	<u>\$10,755,388</u>	<u>\$10,324,140</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**TOWNSHIP OF DEPTFORD**  
**TRUST FUND**  
Statements of Assets, Liabilities and Reserves--  
Regulatory Basis

	As of December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>					
Cash	\$6,843,463	\$5,786,716	\$5,850,605	\$5,492,278	\$4,810,867
Interfunds Receivable			7,739		202,956
	<u>\$6,843,463</u>	<u>\$5,786,716</u>	<u>\$5,858,344</u>	<u>\$5,492,278</u>	<u>\$5,013,823</u>
<b>LIABILITIES AND RESERVES</b>					
Interfunds Payable	\$462	\$5,768	\$756	\$1,991	
Reserve for Encumbrances	17,609	52,978	159,900	116,866	\$39,210
Other Liabilities and Special Funds	6,825,392	5,727,970	5,697,688	5,373,421	4,974,614
	<u>\$6,843,463</u>	<u>\$5,786,716</u>	<u>\$5,858,344</u>	<u>\$5,492,278</u>	<u>\$5,013,823</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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

	As of December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>					
Cash and Investments	\$3,672,613	\$3,959,957	\$6,221,051	\$5,820,539	\$2,427,632
Federal Grants Receivable				50,000	
State Grants Receivable		68,750	275,000	275,000	42,500
Deferred Charges to Future Taxation:					
Funded	11,545,588	13,371,498	15,141,996	16,867,090	4,056,024
Unfunded	9,403,100	7,578,150	5,877,650	215	10,773,841
	<u>\$24,621,301</u>	<u>\$24,978,355</u>	<u>\$27,515,697</u>	<u>\$23,012,844</u>	<u>\$17,299,997</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
Reserve for the Payment of Debt					
Contracts Payable				\$504,738	\$335,317
Encumbrances Payable	\$524,800	\$891,244	\$1,119,054	1,244,306	118,345
Improvement Authorizations:					
Funded	1,765,006	1,517,634	1,899,238	3,820,410	138,226
Unfunded	1,753,490	2,298,876	2,382,601		1,558,646
Capital Improvement Fund	1,239,126	921,635	1,030,135	544,485	287,785
General Serial Bonds	11,350,000	13,155,000	14,905,000	16,610,000	3,770,000
Green Trust Loan Payable	195,588	216,498	236,996	257,090	286,024
Bond Anticipation Notes	7,578,150	5,877,650	5,877,650		10,773,841
Fund Balance	215,142	99,818	65,022	31,814	31,814
	<u>\$24,621,301</u>	<u>\$24,978,355</u>	<u>\$27,515,697</u>	<u>\$23,012,844</u>	<u>\$17,299,997</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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

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

**Description of Financial Reporting Entity** - The Township of Deptford (hereafter referred to as the "Township") was incorporated in January 1695. The Township, located in Gloucester County, New Jersey, has a total area of 17.5 square miles, and is located approximately ten miles southeast of the City of Philadelphia. The Township borders the Gloucester County municipalities of Mantua Township, Washington Township, Wenonah Borough, Westville Borough, Woodbury Heights Borough and Woodbury City, and the Camden County municipalities of Bellmawr Borough, Gloucester Township and Runnemede Borough. According to the 2020 census, the population is 31,977.

The Township has a Council-Manager form of government under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is elected annually by a seven member Township Council. Executive and administrative responsibility rests with the Township Manager, who is appointed by the Mayor and Council. The members of the Township Council are elected for staggered four-year terms in elections held every two years.

**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:

Deptford Municipal Utilities Authority  
898 Cattell Road  
Deptford, New Jersey 08096

Deptford Free Public Library  
670 Ward Drive  
Deptford, New Jersey 08096

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd) -**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$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.

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

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

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

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

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

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

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Gloucester, the Township of Deptford School District, and the Township of Deptford Fire District No. 1. 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 Deptford 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, increased by the amount deferred at December 31, 2020 and decreased by the amount deferred at December 31, 2021.

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

**Fire District Taxes** - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Deptford Fire District No. 1. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

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

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

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

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

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

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

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

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

**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.



**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits (Cont'd)** - As of December 31, 2021, the Township's bank balances of \$37,341,207.96 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 35,303,471.42
Uninsured and Uncollateralized	<u>2,037,736.54</u>
Total	<u>\$ 37,341,207.96</u>

**New Jersey Cash Management Fund** - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2021, the Township's deposits with the New Jersey Cash Management Fund were \$1,242.32.

**Note 3: PROPERTY TAXES**

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

**Comparative Schedule of Tax Rates**

	<u>Year Ended</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	<u>\$ 3.396</u>	<u>\$ 3.357</u>	<u>\$ 3.293</u>	<u>\$ 3.219</u>	<u>\$ 3.133</u>
Apportionment of Tax Rate:					
Municipal	\$ .874	\$ .872	\$ .852	\$ .841	\$ .810
County	.690	.673	.669	.664	.631
County Open Space Preservation	.043	.041	.042	.042	.040
Local School	1.617	1.599	1.575	1.518	1.497
Fire District	.172	.172	.155	.154	.155

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2021	\$ 2,838,348,378.00
2020	2,829,992,276.00
2019	2,816,861,238.00
2018	2,812,813,930.00
2017	2,796,637,101.00

**Note 3: PROPERTY TAXES (CONT'D)**

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

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2021	\$ 96,729,061.51	\$ 95,573,735.00	98.81%
2020	95,314,110.51	93,891,499.00	98.51%
2019	93,188,352.49	91,362,615.01	98.04%
2018	90,834,355.77	88,872,451.72	97.84%
2017	88,141,620.34	86,314,781.96	97.93%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021	\$ 891,061.78	\$ 970,484.05	\$ 1,861,545.83	1.92%
2020	879,659.99	1,261,916.22	2,141,576.21	2.25%
2019	945,316.19	1,606,890.63	2,552,206.82	2.74%
2018	792,735.68	1,571,964.71	2,364,700.39	2.60%
2017	971,047.65	1,419,890.96	2,390,938.61	2.71%

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

<u>Year</u>	<u>Number</u>
2021	160
2020	179
2019	168
2018	160
2017	169

**Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2021	\$ 3,666,600.00
2020	3,666,600.00
2019	4,055,700.00
2018	4,116,600.00
2017	2,892,000.00

**Note 5: FUND BALANCES APPROPRIATED**

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

<u>Current Fund</u>			
<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2021	\$ 11,650,475.16	\$ 4,325,000.00	37.12%
2020	11,349,652.02	4,250,000.00	37.45%
2019	10,656,235.88	3,775,000.00	35.43%
2018	10,755,387.51	3,955,000.00	36.77%
2017	10,324,140.40	3,500,000.00	33.90%

**Note 6: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2021:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 455.56	\$ 1,662,173.27
Federal and State Grant	1,662,173.27	
Trust - Other		455.56
	<u>\$ 1,662,628.83</u>	<u>\$ 1,662,628.83</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2022, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 7: PENSION PLANS**

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

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

**Note 7: PENSION PLANS (CONT'D)****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.

**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 P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. 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 ten years of service.

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 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

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

The following represents the membership tiers for PFRS:

**Tier Definition**

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

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

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

**Contributions**

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

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - The Township's contractually required contribution rate for the year ended December 31, 2021 was 15.64% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2021, the Township's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$599,904.00, 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. For the prior year measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$694,257.00, which was paid on April 1, 2021. Employee contributions to the Plan for the year ended December 31, 2021 were \$292,264.46.

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

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

The Township's contractually required contribution rate for the year ended December 31, 2021 was 33.18% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2021, the Township's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$1,931,950.00, 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. For the prior year measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$1,772,081.00, which was paid on April 1, 2021. Employee contributions to the Plan for the year ended December 31, 2021 were \$588,820.26.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2021 was 5.08% of the Township's covered payroll.

**Note 7: 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, 2021 the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2021 was \$296,021.00, and is payable by April 1, 2022. For the prior year measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2020 was \$244,768.00, which was paid on April 1, 2021.

**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.

For the year ended December 31, 2021, employee contributions totaled \$1,550.96, and the Township's contributions were \$703.79. There were no forfeitures during the year.

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

**Pension Liability** - As of December 31, 2021, the Township's proportionate share of the PERS net pension liability was \$6,068,366.00. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021. 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, 2021 measurement date, the Township's proportion was .0512249756%, which was a decrease of .0122383707% from its proportion measured as of June 30, 2020.

**Pension (Benefit) Expense** - For the year ended December 31, 2021, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date was (\$833,958.00). This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the Township's contribution to PERS was \$694,257.00, and was paid on April 1, 2021.

Note 7: PENSION PLANS (CONT'D)

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

**Police and Firemen's Retirement System**

**Pension Liability** - As of December 31, 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	\$ 12,116,129.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>3,407,659.00</u>
	<u>\$ 15,523,788.00</u>

**Pension Liability** - The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021. 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, 2021 measurement date, the Township's proportion was .1657665513%, which was an increase of .0071443501% from its proportion measured as of June 30, 2020. Likewise, at June 30, 2021, the State of New Jersey's proportion, on-behalf of the Township, was .1657665881%, which was an increase of .0071443869% from its proportion, on-behalf of the Township, measured as of June 30, 2020.

**Pension (Benefit) Expense** - For the year ended December 31, 2021, the Township's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date was (\$1,381,863.00). This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the Township's contribution to PFRS was \$1,772,081.00, and was paid on April 1, 2021.

For the year ended December 31, 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, 2021 measurement date, was \$379,514.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.



**Note 7: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources** - As of December 31, 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		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 95,706.00	\$ 138,230.00	\$ 233,936.00	\$ 43,442.00	\$ 1,451,387.00	\$ 1,494,829.00
Changes of Assumptions	31,604.00	64,471.00	96,075.00	2,160,378.00	3,631,148.00	5,791,526.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	1,598,567.00	5,163,077.00	6,761,644.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	1,209,716.00	1,685,456.00	2,895,172.00	2,359,730.00	1,685,242.00	4,044,972.00
Township Contributions Subsequent to the Measurement Date	299,952.00	965,975.00	1,265,927.00	-	-	-
	<u>\$ 1,636,978.00</u>	<u>\$ 2,854,132.00</u>	<u>\$ 4,491,110.00</u>	<u>\$ 6,162,117.00</u>	<u>\$ 11,930,854.00</u>	<u>\$ 18,092,971.00</u>

Deferred outflows of resources in the amounts of \$299,952.00 and \$965,975.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2022. These amounts were based on an estimated April 1, 2023 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2021 to the Township's year end of December 31, 2021.

Note 7: **PENSION PLANS (CONT'D)**

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

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

	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, 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	-
June 30, 2021	-	5.13	-	6.17
Changes of Assumptions				
Year of Pension Plan Deferral:				
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
June 30, 2021	5.13	-	6.17	-
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
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
June 30, 2021	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
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
June 30, 2021	5.13	5.13	6.17	6.17

**Note 7: 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:

<b><u>Year Ending Dec 31,</u></b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2022	\$ (1,533,650.00)	\$ (3,044,939.00)	\$ (4,578,589.00)
2023	(1,196,979.00)	(2,453,226.00)	(3,650,205.00)
2024	(1,007,144.00)	(2,201,868.00)	(3,209,012.00)
2025	(1,019,882.00)	(2,251,428.00)	(3,271,310.00)
2026	(67,436.00)	(77,978.00)	(145,414.00)
Thereafter	-	(13,258.00)	(13,258.00)
	<u>\$ (4,825,091.00)</u>	<u>\$ (10,042,697.00)</u>	<u>\$ (14,867,788.00)</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: <sup>(1)</sup>		
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

<sup>(1)</sup> based on years of service

**Note 7: 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-2021.

**Police and Firemen's Retirement System**

Pre-retirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

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, 2021) 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, 2021 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%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

**Note 7: 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, 2021. 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 2.16% as of the June 30, 2021 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 and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to 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, 2021. 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 2.16% as of June 30, 2021 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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make 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 Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the Township's proportionate share of the net pension liability as of the June 30, 2021 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:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Township's Proportionate Share of the Net Pension Liability	<u>\$ 8,263,884.00</u>	<u>\$ 6,068,366.00</u>	<u>\$ 4,205,158.00</u>

**Note 7: PENSION PLANS (CONT'D)****Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of the June 30, 2021 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:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 18,397,963.00	\$ 12,116,129.00	\$ 6,887,181.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>5,174,423.00</u>	<u>3,407,659.00</u>	<u>1,937,018.00</u>
	<u>\$ 23,572,386.00</u>	<u>\$ 15,523,788.00</u>	<u>\$ 8,824,199.00</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 7: 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 Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Nine Plan Years)***

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0512249756%	0.0634633463%	0.0599668696%	0.0536502848%	0.0568796273%
Township's Proportionate Share of the Net Pension Liability	\$ 6,068,366.00	\$ 10,349,212.00	\$ 10,805,120.00	\$ 10,563,474.00	\$ 13,240,668.00
Township's Covered Payroll (Plan Measurement Period)	\$ 3,950,736.00	\$ 4,496,488.00	\$ 4,232,088.00	\$ 3,748,772.00	\$ 3,885,556.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	153.60%	230.16%	255.31%	281.78%	340.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	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	0.0505584445%	0.0522437344%	0.0494331602%	0.0487508902%	
Township's Proportionate Share of the Net Pension Liability	\$ 14,973,961.00	\$ 11,727,671.00	\$ 9,254,948.00	\$ 9,317,264.00	
Township's Covered Payroll (Plan Measurement Period)	\$ 3,492,312.00	\$ 3,570,664.00	\$ 3,388,832.00	\$ 3,200,000.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	428.77%	328.45%	273.10%	291.16%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%	

**Note 7: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Nine Years)***

	Year Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 599,904.00	\$ 694,257.00	\$ 583,301.00	\$ 533,647.00	\$ 526,929.00
Township's Contribution in Relation to the Contractually Required Contribution	(599,904.00)	(694,257.00)	(583,301.00)	(533,647.00)	(526,929.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 3,835,877.00	\$ 3,949,625.00	\$ 4,391,999.00	\$ 4,217,518.00	\$ 3,796,195.00
Township's Contributions as a Percentage of Covered Payroll	15.64%	17.58%	13.28%	12.65%	13.88%
	Year Ended December 31,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 449,154.00	\$ 449,156.00	\$ 407,507.00	\$ 367,328.00	
Township's Contribution in Relation to the Contractually Required Contribution	(449,154.00)	(449,156.00)	(407,507.00)	(367,328.00)	
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	
Township's Covered Payroll (Calendar Year)	\$ 3,791,084.00	\$ 3,565,464.00	\$ 3,526,531.00	\$ 3,370,765.00	
Township's Contributions as a Percentage of Covered Payroll	11.85%	12.60%	11.56%	10.90%	



**Note 7: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Nine Plan Years)***

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.1657665513%	0.1586222012%	0.1746428566%	0.1697037310%	0.1656884087%
Township's Proportionate Share of the Net Pension Liability	\$ 12,116,129.00	\$ 20,496,080.00	\$ 21,372,476.00	\$ 22,963,713.00	\$ 25,579,087.00
State's Proportionate Share of the Net Pension Liability associated with the Township	3,407,659.00	3,180,898.00	3,374,755.00	3,119,241.00	2,865,073.00
Total	<u>\$ 15,523,788.00</u>	<u>\$ 23,676,978.00</u>	<u>\$ 24,747,231.00</u>	<u>\$ 26,082,954.00</u>	<u>\$ 28,444,160.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 5,810,964.00	\$ 5,604,892.00	\$ 6,024,364.00	\$ 5,764,744.00	\$ 5,570,284.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	208.50%	365.68%	354.77%	398.35%	459.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.26%	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	0.1544894257%	0.1603252318%	0.1524394160%	0.1508214863%	
Township's Proportionate Share of the Net Pension Liability	\$ 29,511,432.00	\$ 26,704,595.00	\$ 19,175,465.00	\$ 20,050,356.00	
State's Proportionate Share of the Net Pension Liability associated with the Township	2,478,228.00	2,341,903.00	2,064,875.00	1,868,937.00	
Total	<u>\$ 31,989,660.00</u>	<u>\$ 29,046,498.00</u>	<u>\$ 21,240,340.00</u>	<u>\$ 21,919,293.00</u>	
Township's Covered Payroll (Plan Measurement Period)	\$ 5,169,636.00	\$ 5,439,324.00	\$ 5,223,540.00	\$ 5,200,000.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	570.86%	490.95%	367.10%	385.58%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%	

**Note 7: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Nine Years)***

	Year Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 1,931,950.00	\$ 1,772,081.00	\$ 1,764,086.00	\$ 1,659,104.00	\$ 1,466,373.00
Township's Contribution in Relation to the Contractually Required Contribution	(1,931,950.00)	(1,772,081.00)	(1,764,086.00)	(1,659,104.00)	(1,466,373.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 5,822,394.00	\$ 5,697,357.00	\$ 5,677,393.00	\$ 6,012,107.00	\$ 5,768,225.00
Township's Contributions as a Percentage of Covered Payroll	33.18%	31.10%	31.07%	27.60%	25.42%
	Year Ended December 31,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 1,259,615.00	\$ 1,303,205.00	\$ 1,170,840.00	\$ 1,100,360.00	
Township's Contribution in Relation to the Contractually Required Contribution	(1,259,615.00)	(1,303,205.00)	(1,170,840.00)	(1,100,360.00)	
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	
Township's Covered Payroll (Calendar Year)	\$ 5,562,418.00	\$ 5,259,742.00	\$ 5,348,766.00	\$ 5,294,896.00	
Township's Contributions as a Percentage of Covered Payroll	22.65%	24.78%	21.89%	20.78%	

**Note 7: 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, 2021 measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the defined contribution retirement program (DCRP) and regular part of PERS into the WCJ Part of PERS.

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>
2021	7.00%	2017	5.00%
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%

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>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

***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>
2021	7.00%	2017	6.14%
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%

**Note 7: 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>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS****General Information about the State Health Benefit Local Government Retired Employees Plan**

**Plan Description and Benefits Provided** - The Township contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit ("OPEB") plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' (the "Division") 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 years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

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

The Township was billed monthly by the Plan and paid \$1,214,775.77, for the year ended December 31, 2021, representing 13% of the Township's covered payroll. During the year ended December 31, 2021, retirees were required to contribute \$6,754.14 to the Plan.

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

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

Therefore, 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 (\$32,425.00) for the year ended December 31, 2021, representing (.34%) of the Township's covered payroll

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

**OPEB Liability** - At December 31, 2021, the Township's and State's proportionate share of the net OPEB liability were as follows:

Township's Proportionate Share of Net OPEB Liability	\$ 42,122,368.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Township	<u>237,628.00</u>
	<u>\$ 42,359,996.00</u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

The Township's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020 through June 30, 2021. For the June 30, 2021 measurement date, the Township's was .234016%, which was an increase of .058392% from its proportion measured as of the June 30, 2020 measurement date.

The State's proportion of the net OPEB liability, on-behalf of the Township was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2020 through June 30, 2021. For the June 30, 2021 measurement date, the State's proportion on-behalf of the Township was .006154%, which was a decrease of .269634% from its proportion measured as of the June 30, 2020 measurement date.

**OPEB (Benefit) Expense** - At December 31, 2021, the Township's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date, is \$1,792,851.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the Township made contributions to the Plan totaling \$1,214,775.77.

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2021, the Township had deferred outflows of resources and deferred inflows of resources from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 945,176.00	\$ 8,812,621.00
Changes of Assumptions	6,059,429.00	7,445,623.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	20,140.00	-
Changes in Proportion	13,185,120.00	3,098,246.00
Contributions Subsequent to the Measurement Date	<u>598,207.71</u>	<u>-</u>
	<b><u>\$ 20,808,072.71</u></b>	<b><u>\$ 19,356,490.00</u></b>



**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Deferred outflows of resources in the amount of \$598,207.71 will be included as a reduction of the Township's net OPEB liability during the year ending December 31, 2022. The Township will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience		
June 30, 2018	-	8.14
June 30, 2019	-	8.05
June 30, 2020	7.87	-
June 30, 2021	-	7.82
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
June 30, 2019	-	8.05
June 30, 2020	7.87	-
June 30, 2021	7.82	-
Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
Changes in Proportion		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14
June 30, 2019	8.05	8.05
June 30, 2020	7.87	7.87
June 30, 2021	7.82	7.82

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

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

<b>Year Ending Dec. 31,</b>	
2022	\$ (1,183,292.00)
2023	(1,186,600.00)
2024	(1,189,624.00)
2025	18,338.00
2026	1,136,641.00
Thereafter	<u>3,257,912.00</u>
	<u>\$ 853,375.00</u>

**Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021, used the following actuarial assumptions, applied to all periods in the measurement:

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

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

PERS mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021.

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

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

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Actuarial Assumptions (Cont'd)**

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) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

**Discount Rate** - The discount rate used to measure the OPEB liability at June 30, 2021 was 2.16%. 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** - The health care trend assumptions used is as follows:

Fiscal Year Ending	Annual Rate of Increase			
	Medical Trend			Prescription Drug Trend
	Pre-65	PPO Post-65	HMP Post-65	
2021	5.65%	13.08%	13.76%	6.75%
2022	5.55%	3.34%	3.22%	6.50%
2023	5.45%	0.52%	0.17%	6.25%
2024	5.35%	7.56%	7.79%	6.00%
2025	5.20%	14.43%	15.23%	5.50%
2026	5.00%	12.55%	13.19%	5.00%
2027	4.75%	8.95%	9.29%	4.75%
2028	4.50%	5.92%	6.04%	4.50%
2029	4.50%	5.38%	5.46%	4.50%
2030	4.50%	4.86%	4.89%	4.50%
2031	4.50%	4.55%	4.56%	4.50%
2032 and Later	4.50%	4.50%	4.50%	4.50%

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

The net OPEB liability, calculated using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Township's Proportionate Share of the Net OPEB Liability	\$ 49,569,947.00	\$ 42,122,368.00	\$ 36,220,001.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	279,643.00	237,628.00	204,331.00
	<u>\$ 49,849,590.00</u>	<u>\$ 42,359,996.00</u>	<u>\$ 36,424,332.00</u>

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Township's Proportionate Share of the Net OPEB Liability	\$ 35,144,241.00	\$ 42,122,368.00	\$ 51,227,959.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>198,262.00</u>	<u>237,628.00</u>	<u>288,996.00</u>
	<u>\$ 35,342,503.00</u>	<u>\$ 42,359,996.00</u>	<u>\$ 51,516,955.00</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 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**Schedule of the Township's Proportionate Share of the Net OPEB Liability (Last Five Plan Years)**

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.234016%	0.175624%	0.182418%	0.185394%	0.168705%
Township's Proportionate Share of the Net OPEB Liability	\$ 42,122,368.00	\$ 31,518,560.00	\$ 24,710,472.00	\$ 29,044,970.00	\$ 34,442,456.00
State's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>237,628.00</u>	<u>15,064,377.00</u>	<u>11,491,837.00</u>	<u>14,651,189.00</u>	<u>20,305,442.00</u>
Total	<u>\$ 42,359,996.00</u>	<u>\$ 46,582,937.00</u>	<u>\$ 36,202,309.00</u>	<u>\$ 43,696,159.00</u>	<u>\$ 54,747,898.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 9,400,693.00	\$ 9,916,896.00	\$ 10,278,546.00	\$ 9,885,143.00	\$ 9,435,364.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	448.08%	317.83%	240.41%	293.82%	365.04%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.91%	1.98%	1.97%	1.03%

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Supplementary OPEB Information (Cont'd)****Schedule of the Township's Contributions (Last Five Years)**

	<u>Year Ended December 31,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 1,214,775.77	\$ 1,094,888.13	\$ 1,070,777.39	\$ 1,522,323.42	\$ 1,515,494.08
Township's Contributions in Relation to the Required Contribution	<u>(1,214,775.77)</u>	<u>(1,094,888.13)</u>	<u>(1,070,777.39)</u>	<u>(1,522,323.42)</u>	<u>(1,515,494.08)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 9,658,271.00	\$ 9,646,982.00	\$ 10,069,392.00	\$ 10,229,625.00	\$ 9,564,420.00
Township's Contributions as a Percentage of Covered Payroll	12.58%	11.35%	10.63%	14.88%	15.85%

**Other Notes to Supplementary OPEB Information**

**Changes in Benefit Terms** - The actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021, included changes due to employers adopting and /or changing Chapter 48 provisions.

**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>
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%
2019	3.50%		

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 and updated mortality improvement assumptions.

In October 2021, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2021. The MP-2021 scale reflects more recent mortality data for the U.S. population.

**Note 9: COMPENSATED ABSENCES**

Police employees of the Township accumulate 15 sick days per year. These days can accumulate and carry forward with no maximum. At separation or retirement, sick days are paid out with a cap of 1,400 hour at 65% of the value. Officers hired after January 1, 2015 will be capped at a value of \$15,000.00. Vacation days are accumulated based on number of years employed at the Township and can carry forward no more than two years of entitlement unless approved by the Chief of Police. At separation or retirement, accumulated vacation time is paid out 100%.

As part of the contracts with the IFF Local 3592 for Rank and File EMS personnel and Teamsters Local 676 Supervising EMS staff of the Township of Deptford, employees accumulate 15 sick days per year. These days can accumulate and carry forward with no limit. At separation or retirement, sick days are paid out at 65% of accumulation up to a maximum of \$15,000.00. Vacation days are accumulated based on number of years employed at the Township and can carry forward time with approval from the Chief of Emergency Services. At separation or retirement, accumulated vacation time is paid out 100%.

The Township has contracted with the AFL/CIO for clerical and administrative, and separately the public works employees. Both contracts allow for the employees to accumulate vacation days based on years of employment. The employees can carry forward one year of entitlement. At separation or retirement, 100% of vacation time is paid. The contracts with the AFL/CIO compensate employees for unused sick leave under the following criteria. Sick leave accrued from the date of hire through December 31, 1985, is frozen and banked and shall be used only for extended illness. At separation or retirement, for clerical and administrative employees, the banked accumulated sick leave will be paid out at 65%. For public works employees, banked time will be paid out at 55%. For sick leave accrued starting January 31, 1986, sick time can accumulate without limit; however, at separation or retirement, a maximum of \$5,000.00 will be paid out to the employees. Those employees with an accrued value of less than \$5,000.00 will be compensated for 100% of the accumulation. The employees accumulate 15 sick days per year.

Non-contracted employees accrue vacation time based on number of years employed by the Township. These vacation days can be carried over with proper approval with no limit. Vacation time is paid out at 100% at retirement or separation. Non-contracted employees are granted 15 sick days per year and can carry over days without limit. At retirement, 65% of the accumulated sick time is paid out to the employees.

The Township has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2021, the balance of the fund was \$915,530.84. It is estimated that, at December 31, 2021, accrued benefits for compensated absences are valued at \$2,459,162.54.

**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: LEASE OBLIGATIONS**

At December 31, 2021, the Township had an operating lease agreement in effect for three (3) construction code vehicles and two (2) police vehicles:

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

<u>Year</u>	<u>Amount</u>
2022	\$ 10,137.12
2023	10,137.12
2024	10,137.12
2025	10,137.12
2026	8,447.60

Rental payments under operating leases for the year 2021 were \$20,744.48.

**Note 12: CAPITAL DEBT****General Improvement Bonds**

General Improvement Bonds, Series 2011 – On August 30, 2011, the Township issued \$5,200,000.00 of general improvement bonds with interest rates ranging from 2.0% to 3.0%. The final maturity of the bonds is September 1, 2023.

General Improvement Bonds, Series 2018 – On October 18, 2018, the Township issued \$14,145,000.00 of general improvement bonds with interest rates ranging from 3.0% to 3.23%. The final maturity of the bonds is November 1, 2028.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,860,000.00	\$ 346,437.50	\$ 2,206,437.50
2023	1,925,000.00	290,637.50	2,215,637.50
2024	1,425,000.00	232,887.50	1,657,887.50
2025	1,475,000.00	190,137.50	1,665,137.50
2026	1,515,000.00	145,887.50	1,660,887.50
2027-2028	3,150,000.00	152,437.50	3,302,437.50
	<u>\$ 11,350,000.00</u>	<u>\$ 1,358,425.00</u>	<u>\$ 12,708,425.00</u>

**Note 12: CAPITAL DEBT (CONT'D)**

**General Debt - New Jersey Green Acres Loans**

On April 5, 2010, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$404,227.67, at an interest rate of 2.0%. The proceeds were used to fund Fasola Park Improvements. Semiannual debt payments are due January 5<sup>th</sup> and July 5<sup>th</sup> through 2030.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 21,330.54	\$ 3,805.63	\$ 25,136.17
2023	21,759.28	3,376.89	25,136.17
2024	22,196.64	2,939.53	25,136.17
2025	22,642.79	2,493.37	25,136.16
2026	23,097.91	2,038.25	25,136.16
2027-2030	<u>84,560.51</u>	<u>3,416.08</u>	<u>87,976.59</u>
	<u>\$ 195,587.67</u>	<u>\$ 18,069.75</u>	<u>\$ 213,657.42</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 19,123,737.67	\$ 19,249,147.91	\$ 21,019,646.13
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	<u>1,824,950.00</u>	<u>1,700,500.00</u>	
<b><u>Net Debt</u></b>	<u>\$ 20,948,687.67</u>	<u>\$ 20,949,647.91</u>	<u>\$ 21,019,646.13</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 .694%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 38,901,854.00	\$ 38,901,854.00	
General	<u>20,948,687.67</u>		<u>\$ 20,948,687.67</u>
	<u>\$ 59,850,541.67</u>	<u>\$ 38,901,854.00</u>	<u>\$ 20,948,687.67</u>

Net debt \$20,948,687.67 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$3,017,910,858.67, equals .694%.



**Note 12: CAPITAL DEBT (CONT'D)**

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 105,626,880.05
Less: Net Debt	<u>20,948,687.67</u>
Remaining Borrowing Power	<u><u>\$ 84,678,192.38</u></u>

**Note 13: SCHOOL TAXES**

The Township of Deptford School District tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<b><u>Balance December 31,</u></b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
Balance of Tax	\$ 22,930,273.50	\$ 22,614,491.00
Deferred	<u>17,255,860.50</u>	<u>17,255,860.50</u>
	<u><u>\$ 5,674,413.00</u></u>	<u><u>\$ 5,358,630.50</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.

**New Jersey Unemployment Compensation Insurance** - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<b><u>Year</u></b>	<b><u>Employee Contributions</u></b>	<b><u>Amount Reimbursed</u></b>	<b><u>Ending Balance</u></b>
2021	\$ 18,957.72	\$ 8,441.10	\$ 110,072.45
2020	29,253.03	26,217.49	99,555.83
2019	25,041.24	14,179.55	96,520.29

**Note 14: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool** - The Township of Deptford is a member of the Gloucester, Salem, Cumberland Counties Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability  
 General Liability including Police Professional and Employee Benefit Liability  
     Automobile Liability  
 Blanket Crime including Public Employee Dishonesty  
     Property Including Boiler and Machinery  
     Public Officials and Employment Practices Liability  
     Volunteer Directors and Officers Liability  
     Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation  
 Excess General Liability  
 Non-Owned Aircraft Liability  
 Excess Auto Liability  
 Fidelity and Performance (Blanket)  
 Excess Property including Boiler and Machinery  
 Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

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

The Township's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund  
 P.O. Box 490  
 Marlton, New Jersey 08053

**Note 15: DEBT SERVICE AGREEMENT (FINANCIAL GUARANTEE)**

On March 1, 1973, the Township entered into a debt service agreement with the Deptford Township Municipal Utilities Authority, a component unit of the Township. This agreement obligates the Township to advance payment for any debt service deficiency of the Authority. The Authority is obligated, by the agreement, to repay to the Township all advances paid on their behalf, upon the financial ability to do so. At December 31, 2021, the Authority has \$7,129,767.01 in outstanding debt covered by this agreement. The Township has never made a debt service payment on behalf of the Authority.

**Note 16: CONTINGENCIES**

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

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

**Note 17: 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 18: SUBSEQUENT EVENTS**

**Tax Appeals** - As of December 31, 2021, several tax appeals were on file against the Township. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Township, the estimated impact of the tax refunds could be material.

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
<b>Capital Improvements</b>		
Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	2/7/2022	\$ 2,570,000.00

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Township’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

**APPENDIX C**  
**FORM OF BOND COUNSEL OPINION**



July 10, 2023

Mayor and Township Council  
of the Township of Deptford  
1011 Cooper Street  
Deptford, New Jersey

**RE: \$14,349,000 TOWNSHIP OF DEPTFORD, COUNTY OF GLOUCESTER,  
NEW JERSEY, GENERAL OBLIGATION BONDS, SERIES 2023**

Mayor and Council Members:

We have served as Bond Counsel to the Township of Deptford, County of Gloucester, New Jersey ("Township"), in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Bonds").

The Bonds are authorized pursuant to and in accordance with: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) the bond ordinances set forth in the Resolution (hereinafter defined), each duly and finally adopted by the Township Council and published in accordance with the Local Bond Law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Board of Commissioners on June 12, 2023 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on June 27, 2023 ("Award Certificate").

The Bonds are dated their date of delivery, mature on June 15 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the interest rates per annum in the table below, payable semi-annually on June 15 and December 15, commencing June 15, 2024, in each year until maturity or earlier redemption.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2024	\$1,004,000	%	2029	\$1,490,000	%
2025	1,270,000		2030	1,540,000	
2026	1,325,000		2031	1,590,000	
2027	1,375,000		2032	1,635,000	
2028	1,435,000		2033	1,685,000	

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

The Bonds are being issued to provide funds which will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment, at maturity, of the principal of certain bond anticipation notes

**COUNSEL WHEN IT MATTERS.<sup>SM</sup>**



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

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

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

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

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

2. For the payment of principal and interest on the Bonds, the Township has the power and is obligated, to the extent payment is not otherwise provided, to levy *ad valorem* taxes upon all taxable real property within the Township without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.

3. Interest on the Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

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

In addition, passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter



C earnings and profits at the close of the taxable year if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

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

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

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

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

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



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

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

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

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

Very truly yours,



**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

## CONTINUING DISCLOSURE AGREEMENT

**THIS CONTINUING DISCLOSURE AGREEMENT** ("Disclosure Agreement") is made on this \_\_\_th day of July, 2023, between the Township of Deptford, County of Gloucester, New Jersey ("Township") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Township of its General Obligation Bonds, Series 2023, in the principal amount of \$14,349,000 ("Bonds").

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

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

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

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

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

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

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

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

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

**"MSRB"** shall mean the Municipal Securities Rulemaking Board.

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

**"Official Statement"** shall mean the Official Statement of the Township, dated June \_\_, 2023, relating to the Bonds.

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

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

**SECTION 3. Provision of Annual Report.**

(a) The Township shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Township's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the Township (commencing for the fiscal year ending December 31, 2023). Each Annual Report provided to the Dissemination Agent by the Township shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission.

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

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

**SECTION 4. Contents of Annual Report.** Annual Report shall mean: (i) the Township's annual financial statements, substantially in the form set forth in Appendix B to the Official Statement, audited by an independent certified public accountant, provided that the annual audited financial statements of the Township may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the Township are included in the Annual Report; and (ii) certain financial information and operating data of the Township consisting of Township indebtedness, property valuation information, and tax rate, levy and collection data. Each annual audited financial statements will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the Division of Local Government Services in

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

**SECTION 5. Reporting of Significant Events.**

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following listed events ("Listed Events"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation<sup>1</sup> of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The Township shall within eight (8) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8),

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

(10), (13), (14) or (15) of subsection (a) of this Section 5, the Township may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(c) If the Dissemination Agent has been instructed by the Township to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within two (2) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the Township.

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

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

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

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

**SECTION 10. Notices.** All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United

States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

- (i) If to the Township:

Township of Deptford, County of Gloucester, New Jersey  
1011 Cooper Street  
Deptford, New Jersey 08096  
Attention: Chief Financial Officer

- (ii) If to the Dissemination Agent:

Phoenix Advisors LLC  
625 Farnsworth Avenue  
Bordentown, New Jersey 08505  
Attention: Sherry L. Tracey, Senior Managing Director

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

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

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

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

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

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

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

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

**TOWNSHIP OF LONG BEACH, NEW JERSEY**

By: \_\_\_\_\_  
**KIMBERLY A. KWASIZUR,**  
**Chief Financial Officer**

**PHOENIX ADVISORS, LLC,**  
**as Dissemination Agent**

By: \_\_\_\_\_  
**SHERRY L. TRACEY, Senior Managing Director**



**EXHIBIT A**

**NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT**

Name of Issuer: Township of Deptford, County of Gloucester, New Jersey

Name of Bond Issues Affected: General Obligation Bonds, Series 2023

Date of Issuance of the Affected  
Bond Issue: July 10, 2023

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated July 10, 2023, between the Township and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

PHOENIX ADVISORS, LLC,  
as Dissemination Agent

cc: Township of Deptford, New Jersey