

**PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 6, 2024**

**RATING: S&P: "AA"  
(See "RATING" herein)**

**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 ("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. 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.*

**\$8,192,000\***

**TOWNSHIP OF DELRAN  
County of Burlington, New Jersey  
GENERAL OBLIGATION BONDS, SERIES 2024  
(Book-Entry-Only) (Bank Qualified) (Callable)**

**Dated: Date of Delivery**

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

The Township of Delran, County of Burlington, New Jersey ("Township"), is issuing \$8,192,000\* aggregate principal amount of its General Obligation Bonds, Series 2024 ("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 ("Paying Agent"). Interest on the Bonds is payable semi-annually on February 15 and August 15, commencing February 15, 2025, 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"); (ii) bond ordinances 2019-04, 2020-04, 2020-09, 2020-11, 2021-03, 2021-06, 2022-04, 2022-05, 2022-06, 2022-07, 2022-20, 2023-06, 2023-09, and 2023-11, 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 July 9, 2024; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on August \_\_, 2024.

The Bonds are being issued by the Township to provide funds that 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 of 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 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 Solicitor, Robert N. Wright, Jr. of Malamut & Associates, LLC, Esquire, Cherry Hill, 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 August 28, 2024.*

**ELECTRONIC SUBMISSIONS FOR THE BONDS WILL BE RECEIVED VIA PARITY UNTIL 11:00 A.M. ON AUGUST 13, 2024. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY VIEW THE NOTICE OF SALE POSTED AT 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.

**\$8,192,000\***  
**TOWNSHIP OF DELRAN,**  
**County of Burlington, New Jersey**  
**GENERAL OBLIGATION BONDS, SERIES 2024**

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

<u>Year</u> <u>(Feb. 15)</u>	<u>General</u> <u>Improvement*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2025	\$450,000	%	%	
2026	510,000			
2027	560,000			
2028	610,000			
2029	662,000			
2030	900,000			
2031	900,000			
2032	900,000			
2033	900,000			
2034	900,000			
2035	900,000			

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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 DELRAN  
COUNTY OF BURLINGTON, NEW JERSEY**

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<b><u>Name</u></b>	<b><u>Title</u></b>
Gary Catrambone	Mayor
Tyler Burrell	Council President
Thomas Lyon	Council Vice- President
Nikki Apeadu	Council Member
Lynn Jeney	Council Member
Marlowe Smith	Council Member

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**Township Clerk**

Jamey Eggers

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**Chief Financial Officer**

Kareemah Press

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**Business Administrator**

Joseph Bellina

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**Solicitor**

Robert N. Wright, Jr., Esquire  
Malamut & Associates, LLC  
Cherry Hill, New Jersey

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**Auditor**

Bowman & Company LLP  
Voorhees, New Jersey

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**Bond Counsel**

Parker McCay P.A.  
Mount Laurel, New Jersey

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**Municipal Advisor**

Phoenix Advisors, LLC  
Bordentown, New Jersey

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

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the 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.

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**  
**TOWNSHIP OF DELRAN**  
**County of Burlington, New Jersey**  
**\$8,192,000\* GENERAL OBLIGATION BONDS, SERIES 2024**  
**(Book-Entry-Only) (Bank Qualified) (Callable)**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Delran, County of Burlington, New Jersey ("Township"), in connection with the issuance and sale of \$8,192,000\* aggregate principal amount of its General Obligation Bonds, Series 2024 ("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"); (ii) bond ordinances 2019-04, 2020-04, 2020-09, 2020-11, 2021-03, 2021-06, 2022-04, 2022-05, 2022-06, 2022-07, 2022-20, 2023-06, 2023-09, and 2023-11 (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 July 9, 2024; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on August \_\_, 2024.

The Bonds are being issued by the Township to provide funds that 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 of 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 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

## Bond Ordinances

Ordinance Number	Purpose	Amount Authorized	Notes Outstanding	Available Funds	Bonds to be Issued
2019-04	Reconstruction and/or Repair of Various Roads in and for the Township.	\$1,142,858	\$1,121,400	\$0	\$1,121,400
2020-04	Reconstruction and/or Repair of Various Roads in and for the Township.	1,619,048	1,619,000	0	1,619,000
2020-09	Reconstruction of Various Sidewalks Throughout the Township.	90,476	73,400	0	73,400
2020-11	Various Capital Improvements and the Acquisition of Capital Equipment in and for the Township.	860,938	860,900	0	860,900
2021-03	Stormwater Repairs on Stewart Avenue.	32,250	32,250	0	32,250
2021-06	Various Concrete Improvements for Various Roads.	408,500	391,680	0	391,745
2022-04	Development and Construction of a Township Bikeway.	190,000	40,000	0	40,000
2022-05	Various Capital Improvements and Acquisition of Capital Equipment in and for the Township.	1,190,350	350,350	0	1,190,350
2022-06	Various Road Improvements.	945,250	845,250	0	845,250
2022-07	Various Road Improvements.	85,500	85,500	0	85,500
2022-20	Various Road Improvements.	308,750	0	0	308,750
2023-06	Various Road Improvements.	889,105	0	0	889,105
2023-09	Various Road Improvements.	425,600	199,170	0	425,600
2023-11	Various Park Improvements.	308,750	0	0	308,750
<b>TOTAL</b>		<b>\$8,497,375</b>	<b>\$5,618,900</b>	<b>\$0</b>	<b>\$8,192,000</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 February 15 and August 15 (each an "Interest Payment Date"), commencing February 15, 2025, 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 February 15 in the years and in the principal amounts, all as shown on the inside front cover page of this Official Statement.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the principal corporate trust office 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 or its hereafter designated paying agent, if any.

### Optional Redemption

The Bonds maturing on and after February 15, 2033 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 February 15, 2032, 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 Paying Agent. 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 Paying Agent, 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 Paying Agent, 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 Paying Agent, 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 Paying Agent, 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 PAYING AGENT, 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 Paying Agent; (ii) the transfer of the Bonds may be registered on the books maintained by the Township, or its Paying Agent, for such purposes only upon the surrender thereof to the Township, or its Paying Agent, together with the duly executed assignment in form satisfactory to the Township, or its Paying Agent; and (iii) for every exchange or registration of transfer of the Bonds, the Township, or its Paying Agent, 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 audited financial statements of the Township for the years ended December 31, 2023, 2022, 2021, 2020 and 2019. The financial data was extracted from the reports prepared by Bowman & Company LLP, Voorhees, New Jersey ("Auditor") to the extent and for the period set forth in its report appearing in Appendix "B". The Auditor has consented to the inclusion of its reports in this Official Statement. Copies of the complete Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

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

### Local Bond Law

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

**Debt Limits** – The authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to three and one-half percent (3.5%) 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, 2023 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.

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:

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

### 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 67.09%. 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 Township's most recent property revaluation/reassessment occurred in 2011, and became effective for the 2012 tax year.

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

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

## CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("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.

The Township has previously entered into continuing disclosure undertakings under the Rule in respect of its own obligations and obligations of the Burlington County Bridge Commission for which the Township is an obligated person. The Township appointed Phoenix Advisors, LLC, Bordentown, New Jersey in September of 2015 to act as Continuing Disclosure Agent to assist in the filing of certain information on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access as required under its obligations.

## LITIGATION

To the knowledge of the Township Solicitor for the Township, Robert N. Wright, Jr., Esquire, of Malamut & Associates, LLC, Cherry Hill, New Jersey ("Township Solicitor"), 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 Solicitor, no litigation is presently pending or threatened that, in the opinion of the Township Solicitor, would have a material adverse impact on the financial condition of the Township if adversely decided.

## 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 ("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 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* 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 \$1,726,193.80 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 cyber-attacks, the Township has invested in multiple forms of cybersecurity and operational safeguards.

### Climate Change

The State of New Jersey is naturally susceptible to the effects of extreme weather events and natural disasters, including floods and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the Township, as well as resulting in economic impacts such as loss of ad valorem tax revenue, interruption of municipal services, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the Township.

## **UNDERWRITING**

The Bonds have been purchased from the Township at a public sale by \_\_\_\_\_, as underwriter ("Underwriter"), pursuant to a Certificate of Determination and Award, dated August \_\_, 2024 at a price of \$ \_\_\_\_\_. The purchase price of the Bonds reflects the principal amount of the Bonds, [plus a bid premium in the amount of \$ \_\_\_\_\_]. 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 with respect to the issuance of the Bonds ("Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and the appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **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 opinion 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 Solicitor.

Bond Counsel has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement (except to the extent, if any, as 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.

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 Municipal Advisor has participated in the review of this Official Statement, but has not verified the accuracy, completeness, or fairness of financial, statistical or demographic information contained in this Official Statement, and, accordingly, expresses no opinion or other assurance with respect thereto, but takes responsibility for the information contained under the headings entitled "MUNICIPAL ADVISOR" and "CONTINUING DISCLOSURE" (as to the second paragraph only) and expresses no opinion or other assurance other than that which is specifically set forth therein with respect thereto.

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

### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Kareemah Press, Chief Financial Officer, Township of Delran, at 856-461-7734, or to the Township's Municipal Advisor, Phoenix Advisors, LLC, at 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.

**TOWNSHIP OF DELRAN, COUNTY OF  
BURLINGTON, NEW JERSEY**

**By: \_\_\_\_\_  
KAREEMAH PRESS, Chief Financial Officer**

Dated: August \_\_, 2024



**APPENDIX A**

**GENERAL INFORMATION REGARDING THE  
TOWNSHIP OF DELRAN**

## **GENERAL INFORMATION ON THE TOWNSHIP**

### **History**

The Township of Delran, County of Burlington, New Jersey ("Township"), was incorporated on February 12, 1880. It was created out of a division of Cinnaminson Township.

The Township is made up of approximately seven square miles and is located in Burlington County, New Jersey, about 10 miles north of Central Philadelphia and the City of Camden, with a mile of frontage on the Delaware River. The Township is operated under the Mayor/Council Plan D form of government established under the optional Municipal Charter Law of New Jersey (N.J.S.A.40:69A-1 et seq.). The Mayor and two Council members are elected at large and three Council members are elected by ward. All members serve a four-year term.

### **Business and Industry**

The Township is home to a variety of businesses and industry serving the Delaware Valley. Recently completed in the Township is the New Jersey American Water Company Water Treatment Plant. This water plant will treat water which is drawn from the Delaware River and pump it to water utilities in Burlington, Camden and Gloucester Counties through 40 miles of pipeline. Ball Corporation recently completed its 456,000 square foot plastic container manufacturing plant on River Road. The plant employs 200 people.

Simon & Schuster, Inc. is a major publishing company located within the Township. Other types of industries include computer services, boat manufacturing, builder developers, water transportation services and excavating and foundation work.

There are four neighborhood shopping centers.

### **Fire Protection and Emergency Services**

Two volunteer fire companies organized through a fire district serve the Township. The two fire companies are equipped with modern firefighting apparatus, including four pumpers and an aerial ladder.

A fully-trained team of seventy-five volunteers provides twenty-four-hour ambulance service to the Township. Equipment is provided from a combination of municipal funds and contributions raised from residents. This equipment consists of four modern ambulances.

### **Police**

Thirty-five full-time officers serve to provide public safety to the Township residents. The department has a K-9 unit and a comprehensive education program provided in the local schools.

### **Public Works**

Routine trash collection is provided under a contractual agreement with a private company.

A mandatory recycling program of newspaper is serviced by curbside collection enhanced by a twenty-four-hour drop-off center for recycling of paper, glass, and aluminum. Tree branches and leaves are collected on a seasonal basis.

The Department of Public Works also cleans and maintains the 105 miles of streets and roads, as well as, many of the trees lining the Township. In addition, parks and recreation areas are the responsibility of the Department.

## Recreation

The Township offers a wide range of recreational facilities to its residents. These include ten parks, six soccer fields, eleven baseball fields, one football field, and two tennis courts. The Township maintains the playgrounds, which includes playground equipment for the enjoyment of young citizens with the recently completed Delran Community Park featuring a full accessible Jakes Place playground. Other recreational facilities available to citizens include a private swimming club and the 1,000 slip Dredge Harbor, the Delaware River's largest marina.

## Employee Collective Bargaining Units

There are three Collective Bargaining Units which cover the Township Police Patrolmen, Police Lieutenants and Sergeants Superior Officers - Public Works/Sewer/Clerical Employees. The current contract for the Patrolmen expires December 31, 2024 and the contract for the Public Works/Sewer/Clerical Employees expires December 31, 2025.

## Delran Sewerage Department

The Township of Delran abolished the Delran Sewerage Authority in 2009 and now maintains and exercises full executive and financial control over this operation.

The governing body of the Township is the governing authority of the sewer department with administrative and supervisory services being provided by the Business Administrator and the Supervisor of the Sewer Department.

The Sewer Department presently provides sewerage collection service to certain sections of the Township. The sewer system consists of a 2.5 million gallon a day wastewater plant, which was completed in 1994, nine pumping stations, gravity sewers, force mains, 1,000 manholes, and 6,000 service connections.

## Township Employees

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Permanent Employees	73	86	83	84	88
Part-time Employees	<u>31</u>	<u>50</u>	<u>47</u>	<u>32</u>	<u>62</u>
Total	<u>104</u>	<u>136</u>	<u>130</u>	<u>116</u>	<u>150</u>

## Compensated Absences

Township employees are entitled to fifteen paid sick leave days per year. Unused sick leave may be accumulated and carried forward to the subsequent years. Vacation days not used during the year may not be accumulated and carried forward. For additional information regarding compensated absences, see Appendix B: Audited Financial Statements, Note 11 to Financial Statements.

## Pension Plans

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

**Population (1)**

2020 Federal Census	17,882
2010 Federal Census	16,896
2000 Federal Census	15,536
1990 Federal Census	13,178
1980 Federal Census	14,811

**Selected Census 2022 Data for the Township (1)**

Median household income	\$101,743
Per capita income	\$48,702

**Labor Force (2)**

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

<u>Year</u>	<u>Labor Force</u>	<u>Employed Persons</u>	<u>Unemployed Persons</u>	<u>Unemployment Rate</u>
<b>Township</b>				
2023	9,937	9,586	351	3.5%
2022	9,768	9,480	288	2.9%
2021	9,542	9,054	488	5.1%
2020	9,438	8,738	700	7.4%
2019	9,537	9,255	282	3.0%
<b>County</b>				
2023	252,255	242,294	9,961	3.9%
2022	247,859	239,613	8,246	3.3%
2021	242,415	228,857	13,558	5.6%
2020	239,790	220,858	18,932	7.9%
2019	240,757	233,093	7,664	3.2%
<b>State</b>				
2023	4,829,671	4,615,722	213,949	4.4%
2022	4,736,213	4,552,563	183,650	3.9%
2021	4,648,814	4,337,793	311,021	6.7%
2020	4,638,386	4,200,980	437,406	9.4%
2019	4,687,390	4,525,044	162,346	3.5%

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

(2) Source: New Jersey Department of Labor

## TEN LARGEST NON-GOVERNMENTAL EMPLOYERS

The ten largest non-governmental employers in the Township employ approximately 1,803 people.

<u>Employer</u>	<u>Nature of Business</u>	<u>Employees</u>
Simon & Schuster	Distribution Warehouse	460
Billows Electric	Electrical Supply	285
ShopRite	Retail Supermarket	178
Home Depot	Retail Building Materials	156
Lowe's Home Center	Home Improvement	138
Target	Retail Sales	136
Nellis Auction NJ	Auction House	125
Jacent Strategic Merchandising	Small Houseware Distributor	120
Barlow Chevrolet	Automotive Dealership	105
Rite Aid	Central Fill Pharmacy	100

### Business and Transportation

The Township, located in the western sector of the County of Burlington, is predominantly a residential community with the majority of its commercial development in retail establishments and medium density office complexes.

### Building, Zoning and Development Codes

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

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

The Township adopted the Municipal Land Use Law on November 1, 2000. The Municipal Land Use Law gave the Township Zoning Board of Adjustment and Planning Board authority to regulate most land use other than family residential use. In this way, the Township is able to guide the approximate use or development of land to promote the public health, safety and general welfare.

### Building Permits Issued (1)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2024(2)	352	\$11,450,429.16
2023	779	33,317,234.60
2022	884	58,259,304.01
2021	902	44,922,609.95
2020	540	14,402,739.50
2019	724	14,521,625.99

(1) Source: Township Construction Official

(2) As of July 1, 2024

## EDUCATION (1)

The Board of Education of the Township of Delran ("School District") boundaries are identical to Township boundaries, with separate administrative control provided by a directly elected Board of Education. The School District provides a variety of regionally recognized educational programs, ranging from advanced curriculum for the educationally gifted to specialized programs for the functionally impaired student.

A comprehensive range of programs is available throughout the School District that includes one high school, one middle school, one intermediate school, and one elementary school.

The School District operates under Chapter 7 of Title 18 of the Revised Statutes. It is governed by a nine-member Board elected by the voters. The Board is assisted in school administration by a Superintendent, Board Secretary, Treasurer, General Counsel and four full-time Principals.

### School District Enrollments (1)

<u>Grade</u>	<u>October 15,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Pre-School	16	4	19	13	36
K	181	159	191	189	184
1	181	189	184	188	187
2	184	175	170	176	188
3	158	183	182	200	198
4	182	174	204	193	209
5	155	200	203	203	168
6	178	208	204	171	205
7	196	208	179	204	187
8	196	190	205	194	218
9	208	186	186	213	183
10	198	184	215	191	187
11	180	226	194	189	202
12	205	201	197	196	194
Special Education	<u>433</u>	<u>476</u>	<u>491</u>	<u>493</u>	<u>487</u>
Totals	<u>2,851</u>	<u>2,963</u>	<u>3,024</u>	<u>3,013</u>	<u>3,033</u>

### Present School Facilities and Enrollment (1)

<u>Name of School</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Enrollment 10/15/2023</u>
Millbridge	1970	1999, 2022	K - 2	546
Intermediate	1994	2023	3 - 5	495
Middle School	1961	1965, 1998	6 - 8	570
High School	1975	1997	9 - 12	791

(1) Source: School District officials

## HIGHER EDUCATION FACILITIES

### **Rowan College at Burlington County (Formerly Burlington County College)**

Rowan College at Burlington County (formerly Burlington County College) ("RCBC" or "County College") is a comprehensive, publicly supported, coeducational, two-year institution developed by the County and the State and accredited by the Middle States Association of Colleges and Schools. The County College was founded in October 1965 and opened in September 1969. The 225-acre main campus is located on Pemberton-Browns Mills Road in Pemberton Township, while the Mount Laurel campus opened in July 1995. The Board of County Commissioners (formally Board of Chosen Freeholders) sponsors the County College, appointing nine of the twelve Trustees.

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

In July 2015, RCBC announced a transition from its original Pemberton Campus to the more accessible and modern Mount Laurel Campus. Located at the intersection of Route 38 and I-295, the 100-acre Mount Laurel campus is already home to the Technology and Engineering Center. Joining it as part of the transformed Mount Laurel campus is a new Health Sciences Center as well as a new Student Success Center - a 78,000 square foot, \$25.4 million state-of-the-art building that will feature a one-stop shop for student services from enrollment to academic planning, knowledge commons library, bookstore, dining area and state-of-the-art technology. This building serves as the gateway to the newly transformed Mount Laurel campus with a total investment of \$55 million and renovation of 240,000 square feet.

RCBC's fall 2023 enrollment in academic courses was 6,547 students. In addition, the County College serves thousands of other County residents each semester through youth programs, Learning is for Everyone, workforce development, theatrical productions, guest speakers, and art exhibitions.

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

### **Burlington County Institute of Technology**

The Burlington County Board of Vocational Education was created by the Board in 1962 after a favorable referendum. The enrollment for the two campuses, Westampton and Medford, for academic year 2022-2023 was 2,036 students.

The Burlington County Institute of Technology ("BCIT") is governed by a consolidated Board of Education of the Special Services School District and the Vocational School District of the County of Burlington and certain fiscal matters are subject to the review of the Board of School Estimate. BCIT is not permitted to borrow for capital expenditures. Instead, the Board of Education and the Board of School Estimate certify the need for funding to the Board which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law except that no down payment is required.

BCIT contributes to the County workforce each year an average of 462 high school seniors certified in one of thirty-three career and technical programs and, through its Adult School Division, approximately 760 adults who have completed either a certification or licensing program in one of the thirty-five career programs offered. The Superintendent of BCIT is the liaison between the education community of the County and business and industry.

**Burlington County Special Services School District**

The Burlington County Special Services School District (“Special Services School District”) was created by the Board in June 1972. The Special Services School District is comprised of state-of-the-art facilities located in the Townships of Westampton, Lumberton, and Mount Laurel which provide comprehensive educational and therapeutic programs for preschool and school-age students, ranging in age from three to eighteen, as well as young adults, ranging in age from eighteen to twenty-one. Students at the Special Services School District have access to the following programs: Sensory, Autism, Multiple Disabilities, Behavior Disabilities, Preschool Disabilities, Auditory Impaired, Career and Technical Education, and Transitions, a program designed to prepare students to be a self-sufficient, productive member of the community. The enrollment for the Special Services School District for the 2022-2023 academic year was 540 students.

**CERTAIN TAX & UTILITY INFORMATION**

**TEN LARGEST REAL PROPERTY TAXPAYERS (1)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2024 Assessed Valuation</u>
Berk & Berk at Swedes Run, LLC	Apartments	\$40,819,000
New Jersey American Water Co.	Water Treatment Plant	25,361,800
HP BC Hartford, LLC	Shopping Center	24,338,400
Simon & Schuster	Publisher	20,900,000
SDK Tenby Chase	Apartments	16,460,400
Delran Chester Multi-Family, LLC	Apartments	14,225,800
GPT Cinnaminson Owner, LLC	Warehouse	10,500,000
Target	Shopping Center	9,598,900
Lowe's	Home Improvement Store	8,888,600
INVO Delran	Shopping Center	8,041,300

**CURRENT TAX COLLECTIONS (2)**

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2023	\$ 57,499,259	\$ 56,768,125	98.73%	\$ 627,881	1.09%
2022	56,216,233	55,607,514	98.91%	499,543	0.89%
2021	55,677,560	54,943,412	98.68%	682,864	1.23%
2020	55,400,859	54,772,292	98.87%	592,517	1.07%
2019	54,733,881	54,170,771	98.97%	538,185	0.98%

(1) Source: Township Tax Assessor

(2) Source: Annual Reports of Audit



**CERTAIN TAX & UTILITY INFORMATION (CONT'D)**

<u>Year</u>	<b>DELINQUENT TAXES (1)</b>							
	<u>Outstanding</u>	<u>Added</u>	<u>Collected</u>		<u>Transferred to</u>	<u>Other</u>	<u>Outstanding</u>	
	<u>Jan. 1</u>		<u>Amount</u>	<u>Percentage</u>				<u>Arrears/Liens</u>
2023	\$ 505,600	\$ 1,250	\$ 506,845	99.99%	\$ -	\$ -	\$ 5	
2022	682,864	1,250	676,660	98.91%	-	1,397	6,057	
2021	592,517	1,000	592,629	99.85%	888	-	-	
2020	550,024	250	550,083	99.97%	191	-	-	
2019	644,445	9,289	630,499	96.45%		11,396	11,839	

<u>Year</u>	<b>TAX TITLE LIENS (1)</b>			
	<u>Balance</u>	<u>Added by</u>		<u>Balance</u>
	<u>Jan. 1</u>	<u>Sales and</u>	<u>Collected</u>	<u>Dec. 31</u>
2023	\$ 259,023	\$ 24,133	\$ -	\$ 283,155
2022	235,557	23,465	-	259,023
2021	212,350	24,748	1,541	235,557
2020	194,999	22,656	5,305	212,350
2019	188,247	35,737	28,985	194,999

<u>Year</u>	<b>FORECLOSED PROPERTY (1)(2)</b>		
	<u>Balance</u>	<u>Cancellations</u>	<u>Balance</u>
	<u>Jan. 1</u>		<u>Dec. 31</u>
2023	\$ 282,015	\$ 125,215	\$ 156,800
2022	282,015	-	282,015
2021	282,015	-	282,015
2020	282,015	-	282,015
2019	282,015	-	282,015

<u>Year</u>	<b>CURRENT SEWER UTILITY COLLECTIONS (1)</b>						
	<u>Beginning</u>	<u>Levy</u>	<u>Total</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
	<u>Balance</u>			<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2023	\$ 873,219	\$ 3,960,830	\$ 4,834,050	\$ 3,949,870	81.71%	\$ 884,339	18.29%
2022	839,148	3,817,514	4,656,662	3,783,443	81.25%	873,219	18.75%
2021	847,992	3,840,170	4,688,162	3,849,014	82.10%	839,148	17.90%
2020	817,248	3,819,345	4,636,593	3,788,601	81.71%	847,992	18.29%
2019	840,763	3,829,772	4,670,535	3,853,287	82.50%	817,248	17.50%

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

**CERTAIN TAX & UTILITY INFORMATION (CONT'D)**

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

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (2)</u>					<u>Fire District</u>
		<u>Total Rate</u>	<u>County</u>	<u>Local School</u>	<u>Municipal</u>		
2024	\$ 1,468,617,173	N/A	N/A	N/A	N/A	N/A	N/A
2023	1,436,142,273	\$ 3.940	\$ 0.487	\$ 2.470	\$ 0.818	(3)	\$ 0.165
2022	1,434,784,687	3.889	0.457	2.461	0.812	(3)	0.159
2021	1,427,628,287	3.891	0.448	2.474	0.812	(3)	0.157
2020	1,425,281,690	3.883	0.458	2.454	0.812	(3)	0.159
2019	1,415,647,482	3.847	0.451	2.422	0.813	(3)	0.161

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

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita (5)</u>
2024	\$ 1,468,617,100	67.09%	\$ 2,189,025,339	\$ 122,415
2023	1,436,142,200	73.48%	1,954,466,794	109,298
2022	1,434,784,600	82.69%	1,735,136,776	97,033
2021	1,427,628,200	87.34%	1,634,564,003	91,408
2020	1,425,281,600	86.78%	1,642,407,928	91,847

**REAL PROPERTY CLASSIFICATION (1)**

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Farmland</u>
2024	\$ 1,468,617,100	\$13,301,300	\$ 1,124,677,100	\$ 177,908,900	\$80,711,700	\$71,535,200	\$482,900
2023	1,436,142,200	19,435,300	1,100,804,500	177,598,600	80,554,500	57,279,400	469,900
2022	1,434,784,600	22,530,300	1,095,797,000	178,188,400	80,554,500	57,279,400	435,000
2021	1,427,628,200	13,633,200	1,096,512,300	180,196,900	80,554,500	56,284,400	446,900
2020	1,425,281,600	11,132,400	1,095,433,100	181,430,000	80,554,500	56,284,400	447,200

(1) Source: Township Tax Assessor  
 (2) Per \$100 of Assessed Valuation  
 (3) Includes Municipal Open Space tax levy of \$325,000 per approved referendum  
 (4) Source: State of New Jersey, Department of Treasury, Division of Taxation  
 (5) Based on 2020 Census of 17,882

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

The following table summarizes the direct debt of the Township in accordance with the requirements of the Local Bond Law of the State (N.J.S.A. 40A:2-2 et seq.). The gross debt is comprised of short and long-term debt issued, including General, Sewer Utility and debt of the Local School District. Deductions from gross debt to arrive at net debt include deductible school debt, reserve to pay bonds, as well as, debt considered to be self-liquidating. The resulting net debt of \$14,876,654 represents 0.767% of the average of equalized valuations for the Township for the last three years, within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued		Debt Auth. But Not Issued	Gross Debt	Deductions			Net Debt
	Bonds and Loans	Notes			School Debt	Funds Temporarily Reserve to Pay Bonds	Self- Liquidating	
General	\$ 6,673,000	\$ 5,840,000	\$ 2,966,255	\$ 15,479,255		\$ 602,601		\$ 14,876,654
Sewer Utility	2,111,404		10,812,490	12,923,895			\$ 12,923,895	
School District	25,017,000			25,017,000	\$ 25,017,000			
	<u>\$ 33,801,404</u>	<u>\$ 5,840,000</u>	<u>\$ 13,778,745</u>	<u>\$ 53,420,149</u>	<u>\$ 25,017,000</u>	<u>\$ 602,601</u>	<u>\$ 12,923,895</u>	<u>\$ 14,876,654</u>

(1) As of December 31, 2023

Source: Township Auditor

### DEBT RATIOS AND VALUATIONS (1)

Average of Equalized Valuations of Real Property with Improvements for 2021, 2022 and 2023	\$ 1,939,907,287
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2021, 2022 and 2023	0.767%
2024 Net Valuation Taxable	\$ 1,468,617,173
2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$ 2,189,025,412
Gross Debt (2):	
As a percentage of 2024 Net Valuation Taxable	3.64%
As a percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	2.44%
Net Debt (2):	
As a percentage of 2024 Net Valuation Taxable	1.01%
As a percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	0.68%
Gross Debt Per Capita (3)	\$2,987
Net Debt Per Capita (3)	\$832

### TOWNSHIP BORROWING CAPACITY (1)

3.5% of Averaged (2021-23) Equalized Valuation of Real Property including Improvements (\$1,939,907,287)	\$ 67,896,755
Net Debt	<u>14,876,654</u>
Remaining Borrowing Capacity	<u>\$ 53,020,101</u>

### SCHOOL DISTRICT BORROWING CAPACITY (1)

4% of Averaged (2021-23) Equalized Valuation of Real Property including Improvements (\$1,939,907,287)	\$ 77,596,291
Gross Debt	<u>25,017,000</u>
Remaining Borrowing Capacity	<u>\$ 52,579,291</u>

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(1) As of December 31, 2023

(2) Excluding overlapping debt

(3) Based on 2020 Federal Census of 17,882

**TOWNSHIP OF DELRAN**  
**SCHEDULE OF LONG TERM DEBT SERVICE (1)**

Budget Year Ending <u>Dec. 31</u>	<u>General</u>		<u>Open Space</u>		<u>Sewer Utility</u>		Grand Total All Debt <u>Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 1,000,000	\$ 120,000	\$ 98,000	\$ 26,920	\$ 152,152	\$ 38,231	\$ 1,435,304
2025	1,000,000	100,000	105,000	23,000	152,152	35,981	1,416,134
2026	1,000,000	80,000	114,000	17,600	152,152	34,231	1,397,984
2027	1,000,000	60,000	111,000	14,240	157,152	32,481	1,374,874
2028	1,000,000	40,000	120,000	9,800	162,152	30,581	1,362,534
2029-2033	1,000,000	20,000	125,000	5,000	708,778	120,213	1,978,990
2034-2038					327,147	68,000	395,147
2039-2043					299,718	21,750	321,468
	<u>\$ 6,000,000</u>	<u>\$ 420,000</u>	<u>\$ 673,000</u>	<u>\$ 96,560</u>	<u>\$ 2,111,404</u>	<u>\$ 381,469</u>	<u>\$ 9,682,433</u>

**TOWNSHIP OF DELRAN  
OVERLAPPING DEBT  
AS OF DECEMBER 31, 2023**

	<b>DEBT ISSUED</b>				<b>Debt Auth. but not Issued</b>
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	
Delran Township Fire District #1	\$ 310,000		\$ 310,000	\$ 310,000	
County of Burlington:					
General					
Bonds	141,501,000	\$ 16,660,424 (1)	124,840,576	4,216,083 (2)	
Notes				(2)	\$ 60,817,107
Loans	4,318,670		6,288,055	212,359 (2)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	345,534,700	345,534,700 (3)			
Solid Waste Utility	23,825,000	23,825,000			34,885,015
	<u>\$ 515,489,370</u>	<u>\$ 386,020,124</u>	<u>\$ 131,438,631</u>	<u>\$ 4,738,442</u>	<u>\$ 95,702,122</u>

- (1) Includes cash on hand, accounts receivable and County College Bonds paid with State Aid.
- (2) Such debt is allocated as a proportion of the Issuer's share of the total 2023 Net Valuations on which County taxes are apportioned, which is 3.38% .
- (3) Deductible in accordance with N.J.S. 40:37A-80.

**TOWNSHIP OF DELRAN  
2024 MUNICIPAL BUDGET**

**CURRENT FUND**

Anticipated Revenues:	
Fund Balance	\$ 4,900,000
Miscellaneous Revenues:	
Local Revenues	312,443
State Aid without Offsetting Appropriations	1,427,772
Dedicated Uniform Construction Code Fees Offset with Appropriations	250,000
Public and Private Programs Offset with Appropriations	319,229
Other Special Items of Revenue	246,600
Receipts from Delinquent Taxes	300,000
Amount to be Raised by Taxation for Municipal Purposes	<u>11,608,167</u>
Total Appropriated Revenues	<u><u>\$ 19,364,211</u></u>
Appropriations:	
Within CAPS:	
Operations	\$ 15,193,219
Excluded from CAPS:	
Other Operations	100,107
Public and Private Programs	319,229
Capital Improvements	100,000
Debt Service	1,455,656
Deferred Charges	6,000
Reserve for Uncollected Taxes	<u>2,190,000</u>
Total Appropriations	<u><u>\$ 19,364,211</u></u>

**SEWER UTILITY FUND**

Anticipated Revenues:	
Fund Balance	\$ 920,000
Rents	3,600,000
Miscellaneous	30,000
Interest on Delinquencies	<u>29,000</u>
Total Anticipated Revenues	<u><u>\$ 4,579,000</u></u>
Appropriations:	
Operating	\$ 3,376,000
Capital Improvements	795,000
Debt Service	195,000
Pension, Social Security, Unemployment Compensation	<u>213,000</u>
Total Appropriations	<u><u>\$ 4,579,000</u></u>

**OPEN SPACE FUND**

Anticipated Revenues:	
Amount To Be Raised by Taxation	<u><u>\$ 400,000</u></u>
Appropriations:	
Reserve for Future Use	\$ 144,936
Debt Service:	
Payment of Bond Principal	214,200
Interest on Bonds	<u>40,864</u>
Total Appropriations	<u><u>\$ 400,000</u></u>

**TOWNSHIP OF DELRAN  
CAPITAL PROGRAM FOR THE YEARS 2024-2029**

	<u>Estimated Total Cost</u>	<u>Amounts Reserved Reserved in Prior Years</u>	<u>Budget Appropriations Current and Future Years</u>	<u>Capital Improvement Fund</u>	<u>Grants</u>	<u>Bonds and Notes Self Liquidating</u>	
						<u>General</u>	<u>Liquidating</u>
<b><u>General Improvements</u></b>							
Municipal Building Improvements and Equipment	\$ 250,000			\$ 12,500		\$ 237,500	
Improvements to Parks and Recreation - Soccer Field	550,000			27,500		522,500	
Improvements to Sidewalks	250,000			12,500		237,500	
Acquisition of Police Equipment	250,000			12,500		237,500	
Acquisition of Public Works Equipment	895,000			44,750		850,250	
Improvements to Fields and Parks	250,000			12,500		237,500	
Roads, Curbs and Sidewalk Improvements	4,000,000			200,000		3,800,000	
<b>Total General Improvements</b>	<u>6,445,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>322,250</u>	<u>\$ -</u>	<u>6,122,750</u>	<u>\$ -</u>
<b><u>Sewer Improvements</u></b>							
Rehabilitation of Belt Filter Press	250,000		250,000				
Replacement of Two Infulent Pumps	295,000		295,000				
Generator Replacement - Willowbrook	250,000		250,000				
Sanitary Sewer Replacement	3,500,000						3,500,000
<b>Total Sewer Improvements</b>	<u>4,295,000</u>	<u>-</u>	<u>795,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,500,000</u>
<b>Total Improvements</b>	<u>\$ 10,740,000</u>	<u>\$ -</u>	<u>\$ 795,000</u>	<u>\$ 322,250</u>	<u>\$ -</u>	<u>\$ 6,122,750</u>	<u>\$ 3,500,000</u>



**APPENDIX B**

**FINANCIAL STATEMENTS OF THE TOWNSHIP OF DELRAN**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Council  
Township of Delran  
Delran, NJ 08075

### **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 Delran in the County of Burlington, State of New Jersey, as of December 31, 2023, 2022, 2021, 2020 and 2019, 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.

#### ***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 Delran in the County of Burlington, State of New Jersey, as of December 31, 2023, 2022, 2021, 2020 and 2019, 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 Delran, in the County of Burlington, State of New Jersey, as of December 31, 2023, 2022, 2021, 2020 and 2019, 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.

15300

**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/Robert S. Marrone  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees New Jersey  
June 18, 2024

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

	As of December 31				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>					
Cash--Treasurer	\$ 17,888,334	\$ 17,394,644	\$ 14,545,925	\$ 14,043,721	\$ 12,516,558
Cash--Change Funds	450	450	450	450	200
Federal and State Grants Receivable	832,935	664,790	662,000	728,900	497,114
Federal and State Grant Fund--Interfund Receivable	1,704,230	2,190,715	1,335,302	633,735	619,728
	<u>20,425,949</u>	<u>20,250,599</u>	<u>16,543,677</u>	<u>15,406,806</u>	<u>13,633,600</u>
Receivables and Other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	627,886	505,600	682,864	592,517	550,024
Tax Title Liens Receivable	283,155	259,023	235,557	212,350	194,999
Property Acquired for Taxes-- Assessed Valuation	156,800	282,015	282,015	282,015	282,015
Revenue Accounts Receivable	5,953	7,770	9,468	12,150	15,453
Interfunds Receivable	196,714	41,385	25,235	106,744	603,508
	<u>1,270,508</u>	<u>1,095,793</u>	<u>1,235,139</u>	<u>1,205,776</u>	<u>1,645,999</u>
Deferred Charges:					
Special Emergency Authorization	6,000	12,000	18,000	24,000	30,000
	<u>6,000</u>	<u>12,000</u>	<u>18,000</u>	<u>24,000</u>	<u>30,000</u>
	<u>\$ 21,702,457</u>	<u>\$ 21,358,392</u>	<u>\$ 17,796,816</u>	<u>\$ 16,636,582</u>	<u>\$ 15,309,599</u>

(Continued)

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

	As of December 31				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
Appropriation Reserves	\$ 2,007,925	\$ 2,049,204	\$ 1,584,042	\$ 1,858,784	\$ 1,354,312
Accounts Payable	196,217	124,119	46,850	101,169	226,785
Payroll Deductions Payable	15,480	23,265	4,724	23,939	
Reserve for Encumbrances	644,709	587,590	395,025	320,303	220,031
Prepaid Licenses, Fees and Permits	44,525	39,686	42,276	36,718	42,747
Prepaid Taxes	384,488	409,672	412,067	411,631	385,181
Due to County for Added and Omitted Taxes	112,948	48,431	14,802	6,741	36,384
Due to State of NJ	18,131	25,480	28,142	11,440	27,572
Due to Fire District				567,589	
Due to School District	83,497		1,684		
Interfunds Payable	3,420,591	3,237,605	1,877,633	1,290,719	875,759
Reserve for Tax Map, Master Plan, Codification of Ordinances and Reassessment	199,372	114,939	20,512	34,882	48,088
Reserve for Tax Appeals			208,954	208,954	208,954
Reserve for Federal and State Grants	1,497,165	2,773,980	1,930,988	1,362,634	1,116,842
	8,625,048	9,433,971	6,567,699	6,235,503	4,542,655
Reserve for Receivables and Other Assets	1,270,509	1,095,793	1,235,139	1,205,776	1,645,999
Fund Balance	11,806,900	10,828,628	9,993,978	9,195,303	9,120,945
	<u>\$ 21,702,457</u>	<u>\$ 21,358,392</u>	<u>\$ 17,796,816</u>	<u>\$ 16,636,582</u>	<u>\$ 15,309,599</u>

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

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

	For the Years Ended December 31				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Revenue Realized:</b>					
Current Tax Collections	\$ 56,768,126	\$ 55,607,514	\$ 54,943,412	\$ 54,772,292	\$ 54,152,605
Delinquent Tax Collections	506,845	676,660	594,170	555,387	659,485
<b>Total Taxes</b>	<b>57,274,971</b>	<b>56,284,174</b>	<b>55,537,582</b>	<b>55,327,679</b>	<b>54,812,090</b>
Miscellaneous Revenues Anticipated	3,615,549	3,210,532	2,826,539	3,211,652	3,346,955
Non Budget Revenue	114,077	143,636	234,167	266,434	113,884
Other Credits to Income	1,975,738	1,613,816	1,910,350	1,412,951	1,443,830
Fund Balance Utilized	4,474,400	4,345,800	4,301,500	4,000,000	4,008,000
<b>Total Income</b>	<b>67,454,735</b>	<b>65,597,958</b>	<b>64,810,138</b>	<b>64,218,716</b>	<b>63,724,759</b>
<b>Expenditures and Encumbrances:</b>					
Operating	13,145,121	12,396,307	11,964,073	12,039,421	11,709,043
Capital Improvements	129,000	160,500	50,000	100,000	100,000
Debt Service	1,295,390	1,424,181	1,491,271	1,958,619	2,612,783
Deferred Charges	1,912,515	1,917,925	1,929,500	1,967,889	1,695,611
County Taxes	7,093,735	6,595,528	6,395,665	6,502,011	6,405,379
Local School Tax	35,472,235	35,305,715	35,309,302	34,979,035	34,275,523
Fire District Taxes	2,367,109	2,274,951	2,236,124	2,264,811	2,265,471
Open Space Trust Tax	400,000	325,000	325,000	325,000	325,000
Refund of Prior Year Revenues				7,322	67,256
Creation of Reserve	185,708	16,151	8,027		523,943
Other Expenditures	1,250	1,250	1,001	250	962
<b>Total Expenditures</b>	<b>62,002,063</b>	<b>60,417,508</b>	<b>59,709,963</b>	<b>60,144,358</b>	<b>59,980,971</b>
Statutory Excess to Fund Balance	5,452,672	5,180,450	5,100,175	4,074,358	3,743,788
Fund Balance, January 1	10,828,628	9,993,978	9,195,303	9,120,945	9,385,157
	16,281,300	15,174,428	14,295,478	13,195,303	13,128,945
Decreased by:					
Utilized as Revenue	4,474,400	4,345,800	4,301,500	4,000,000	4,008,000
<b>Fund Balance December 31</b>	<b>\$ 11,806,900</b>	<b>\$ 10,828,628</b>	<b>\$ 9,993,978</b>	<b>\$ 9,195,303</b>	<b>\$ 9,120,945</b>

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

**TOWNSHIP OF DELRAN  
TRUST AND OTHER FUNDS  
STATEMENTS OF ASSETS, LIABILITIES AND RESERVES --  
REGULATORY BASIS**

	As of December 31				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>					
Animal Control License Fund:					
Cash --Treasurer and Clerk	\$ 8,725	\$ 28,911	\$ 31,644	\$ 38,382	\$ 40,858
Open Space Funds:					
Cash --Treasurer	1,522,020	1,206,926	1,496,218	2,143,889	2,135,592
Interfunds Receivable	550,369	668,900	325,000	167,920	214,235
Total Open Space	2,072,389	1,875,826	1,821,218	2,311,809	2,349,827
Length of Service Award Program Fund:					
Cash --Treasurer and Clerk	719,391	631,523	770,665	655,653	688,922
Trust--Other Funds:					
Cash --Treasurer	3,897,641	3,719,955	3,779,407	3,027,971	2,892,388
Interfunds Receivable	128,991	6,000	3,000	119,776	44,797
Accounts Receivable		11,250	9,050	4,040	97,568
Total Trust -- Other Funds	4,026,632	3,737,205	3,791,457	3,151,787	3,034,753
	<u>\$ 6,827,137</u>	<u>\$ 6,273,465</u>	<u>\$ 6,414,984</u>	<u>\$ 6,157,631</u>	<u>\$ 6,114,360</u>

(Continued)

**TOWNSHIP OF DELRAN  
TRUST AND OTHER FUNDS  
STATEMENTS OF ASSETS, LIABILITIES AND RESERVES --  
REGULATORY BASIS**

	As of December 31				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>LIABILITIES AND RESERVES</b>					
Animal Control License Fund:					
Interfund Payables		\$ 16,000	\$ 16,000	\$ 19,135	\$ 19,135
Accounts Payable					830
Reserve for Animal Expenditures	\$ 8,725	12,911	15,644	19,247	20,893
Total Animal Control License Fund	8,725	28,911	31,644	38,382	40,858
Open Space Funds:					
Interfund Payables				508,750	508,750
Reserve for Open Space	1,976,389	1,798,426	1,762,718	1,763,759	1,821,277
Reserve for Payment of Debt	96,000	77,400	58,500	39,300	19,800
Total Open Space Fund	2,072,389	1,875,826	1,821,218	2,311,809	2,349,827
Length of Service Award Program Fund:					
Interfund Payables	1,208	1,208	1,208	1,208	68,783
Reserve Length of Service Awards Program	718,183	630,315	769,457	654,445	620,139
Total Length of Service Award Program Fund	719,391	631,523	770,665	655,653	688,922
Trust--Other Funds:					
Accounts Payable	251,679	136,869	118,616	101,170	92,556
Prepaid Outside Police	125,627	55,428	32,078	20,443	15,433
Interfund Payables		14,380	8,027		
Reserve for Unemployment Compensation	30,065	38,656	55,394	45,336	56,439
Reserves for Special Funds	3,619,261	3,491,872	3,577,342	2,984,838	2,870,325
Total Trust -- Other Funds	4,026,632	3,737,205	3,791,457	3,151,787	3,034,753
	<u>\$ 6,827,137</u>	<u>\$ 6,273,465</u>	<u>\$ 6,414,984</u>	<u>\$ 6,157,631</u>	<u>\$ 6,114,360</u>

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



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

	As of December 31				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>					
Cash and Investments	\$ 3,746,848	\$ 4,722,595	\$ 5,040,446	\$ 1,610,733	\$ 3,408,066
Grants Receivable	2,628,307	2,576,707	334,707	334,707	84,707
Interfunds Receivable	1,040,000	377,990	217,331	881,038	523,945
Deferred Charges to Future Taxation:					
Funded	6,673,000	7,774,000	9,113,000	10,707,000	12,799,000
Unfunded	8,806,255	7,537,470	4,976,453	5,156,015	2,993,068
	<u>\$ 22,894,410</u>	<u>\$ 22,988,762</u>	<u>\$ 19,681,937</u>	<u>\$ 18,689,493</u>	<u>\$ 19,808,786</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
General Serial Bonds and Notes	\$12,513,000	\$13,689,500	\$13,215,947	\$ 10,707,000	\$ 12,799,000
Interfunds Payable	114,403				426,784
Improvement Authorizations:					
Funded	4,990,157	3,782,338	2,245,512	3,259,578	3,462,643
Unfunded	2,569,364	2,917,073	1,164,474	3,479,099	1,281,601
Contracts Payable	1,595,625	1,152,630	1,496,543	778,671	1,317,825
Reserve for:					
Preliminary Expenses	1,250	1,250	1,250	1,250	1,250
Repairs and Improvements to Drainage					
Facilities--Delran Harbor	15,000	15,000	15,000	15,000	15,000
Generator	20,000	20,000	20,000	20,000	20,000
Traffic Improvements	15,000	15,000	15,000	15,000	15,000
Storm Sewer Maintenance	21,750	21,750	21,750	21,750	21,750
Payment of Bonds or Notes	506,601	731,601	867,163	207,576	232,576
Capital Improvement Fund	162,731	119,176	117,032	111,932	142,720
Fund Balance	369,529	523,444	502,266	72,637	72,637
	<u>\$22,894,410</u>	<u>\$ 22,988,762</u>	<u>\$ 19,681,937</u>	<u>\$ 18,689,493</u>	<u>\$ 19,808,786</u>

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

**TOWNSHIP OF DELRAN  
SEWER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE--  
REGULATORY BASIS**

<b>ASSETS</b>	As of December 31				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Fund:					
Cash--Treasurer	\$ 7,612,739	\$ 10,292,462	\$ 8,245,226	\$ 6,813,219	\$ 7,183,908
Change Fund -- Collector	200	200	200	200	200
Interfunds Receivable	212,313				1,286,184
	<u>7,825,252</u>	<u>10,292,662</u>	<u>8,245,426</u>	<u>6,813,419</u>	<u>8,470,292</u>
Receivables with Full Reserves:					
Consumer Accounts Receivable	884,339	873,219	839,148	847,992	817,248
Total Operating Fund	<u>8,709,591</u>	<u>11,165,881</u>	<u>9,084,574</u>	<u>7,661,411</u>	<u>9,287,540</u>
Capital Fund:					
Cash--Treasurer	6,349,355	2,715,306	2,770,053	1,351,767	916,350
Fixed Capital	18,767,406	18,568,985	18,269,350	17,278,816	12,783,627
Fixed Capital Authorized and Uncompleted	17,602,071	11,061,819	4,311,819	5,302,353	9,904,000
NJEIT Loan Receivable			248,063	1,523,620	
Interfunds Receivable		3,879,320	1,253,914	194,482	
Total Capital Fund	<u>42,718,832</u>	<u>36,225,430</u>	<u>26,853,199</u>	<u>25,651,038</u>	<u>23,603,977</u>
	<u>\$ 51,428,423</u>	<u>\$ 47,391,311</u>	<u>\$ 35,937,773</u>	<u>\$ 33,312,449</u>	<u>\$ 32,891,517</u>

(Continued)

**TOWNSHIP OF DELRAN  
SEWER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE--  
REGULATORY BASIS**

<b>LIABILITIES, RESERVES AND FUND BALANCES</b>	As of December 31				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Fund:					
Liabilities:					
Appropriation Reserves	\$ 1,248,569	\$ 785,520	\$ 547,549	\$ 642,767	\$ 1,186,336
Reserve for Encumbrances	108,701	215,223	214,869	133,432	61,157
Accounts Payable	70,923	86,849			
Sewer Rent Prepayments	17,147	18,220	15,333	11,566	10,321
Prepaid Connection Fees	256,352	852,666	700,644	48,761	
Accrued Interest on Bonds, Notes and Loans	14,349	4,387	3,994	4,327	4,660
Developer's Escrow Deposits	46,478	44,295	38,909	43,686	27,763
Interfund Payables	84,104	3,895,118	1,256,914	283,883	107,000
	<u>1,846,623</u>	<u>5,902,278</u>	<u>2,778,212</u>	<u>1,168,422</u>	<u>1,397,237</u>
Reserves for Receivables	884,339	873,219	839,148	847,992	817,248
Fund Balance	<u>5,978,629</u>	<u>4,390,384</u>	<u>5,467,214</u>	<u>5,644,997</u>	<u>7,073,055</u>
Total Operating Fund	<u>8,709,591</u>	<u>11,165,881</u>	<u>9,084,574</u>	<u>7,661,411</u>	<u>9,287,540</u>
Capital Fund:					
Interfunds Payable	212,313				1,286,184
Contracts Payable	1,011,608	1,079,158	232,216	470,844	343,613
Improvement Authorizations	15,494,554	9,344,336	3,396,347	3,260,381	4,402,915
Reserve for Amortization	18,729,880	18,410,117	17,299,726	16,873,859	14,901,595
Reserve for Deferred Amortization	4,715,703	1,025,450	1,025,450	1,025,450	1,025,450
Reserve for Sanitary Sewer Repairs	30,272	3,720,524	1,905,829	932,150	
Bond Anticipation Notes Payable					
NJ Wastewater Treatment Loan Payable	2,111,404	2,232,747	2,658,547	2,753,270	1,309,136
Capital Improvement Fund	325,000	325,000	325,000	325,000	325,000
Fund Balance	<u>88,098</u>	<u>88,098</u>	<u>10,084</u>	<u>10,084</u>	<u>10,084</u>
Total Capital Fund	<u>42,718,832</u>	<u>36,225,430</u>	<u>26,853,199</u>	<u>25,651,038</u>	<u>23,603,977</u>
	<u>\$ 51,428,423</u>	<u>\$ 47,391,311</u>	<u>\$ 35,937,773</u>	<u>\$ 33,312,449</u>	<u>\$ 32,891,517</u>

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

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

<b>Revenue and Other Income Realized</b>	For the Years Ended December 31				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Fund Balance Anticipated	\$ 487,000	\$ 2,685,000	\$ 1,750,000	\$ 2,557,000	\$ 815,000
Rents	3,887,695	3,743,073	3,798,193	3,725,419	3,791,701
Miscellaneous	429,430	110,451	64,950	101,201	146,413
Non-Budget Revenues	699,121	720,255	54,857	27,596	60,952
Reserve to Pay Debt					640,000
Other Credits to Income:					
Unexpended Balance of Appropriation Reserves	697,921	530,333	386,061	1,138,374	1,220,992
<b>Total Income</b>	<b>6,201,167</b>	<b>7,789,112</b>	<b>6,054,061</b>	<b>7,549,590</b>	<b>6,675,058</b>
<b>Expenditures</b>					
Operating	2,993,740	2,769,812	2,654,493	2,646,277	2,666,176
Capital Improvements	767,000	2,400,000	1,225,000	1,225,000	657,000
Debt Service	161,922	112,097	107,371	108,371	970,002
Deferred Charges and Statutory Expenditures	203,260	899,033	494,980	2,141,000	795,989
Contribution to Current Fund				300,000	
<b>Total Expenditures</b>	<b>4,125,922</b>	<b>6,180,942</b>	<b>4,481,844</b>	<b>6,420,648</b>	<b>5,089,167</b>
Statutory Excess to Fund Balance	2,075,245	1,608,170	1,572,217	1,128,942	1,585,891
<u>Fund Balance</u>					
Fund Balance, Beginning	4,390,384	5,467,214	5,644,997	7,073,055	6,302,164
	6,465,629	7,075,384	7,217,214	8,201,997	7,888,055
Decreased by:					
Utilized by Sewer Operating Budget	487,000	2,685,000	1,750,000	2,557,000	815,000
<b>Fund Balance December 31</b>	<b>\$ 5,978,629</b>	<b>\$ 4,390,384</b>	<b>\$ 5,467,214</b>	<b>\$ 5,644,997</b>	<b>\$ 7,073,055</b>

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

**TOWNSHIP OF DELRAN-OTHER**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2023**

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

**Description of Financial Reporting Entity** - The Township of Delran-Other ("Township") was incorporated in 1880 and is located in Burlington County, New Jersey approximately fifteen miles from the City of Philadelphia. According to the 2020 census, the population is 17,882.

The Township has a Mayor-Council form of government known as the Mayor-Council Plan D under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor and two Council members are elected at large and three Council members are elected by ward. All members serve four-year terms.

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

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

**Current Fund** - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**General Fixed Assets** - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 225), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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

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

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

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

**Fund Balance** - Fund Balances included in the current fund and utility operating fund represent amounts available for anticipation as revenue in future year's budgets, with certain restrictions.

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

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are 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 Burlington, Township of Delran-Other School District, the Township's Open Space Fund and the Township of Delran-Other Fire District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The Township is responsible for levying, collecting and remitting school taxes for the Township of Delran-Other School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

**County Taxes** - The Township is responsible for levying, collecting and remitting county taxes for the County of Burlington. 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 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 Township is responsible for levying, collecting, and remitting Fire District Taxes for the Township of Delran-Other Fire District. 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.

**Open Space Fund** - In 2005, the Township established an Open Space Trust Fund as a result of a referendum passed in the general election in November 2004, which was subsequently extended in November 2021.

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

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

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



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

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

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

**Compensated Absences and Postemployment Benefits** - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the 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.

**Impact of Recently Issued Accounting Principles****Recently Issued Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued the following statement that have effective dates that may affect future financial presentations:

Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Township in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Township, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Township.

**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 trust 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 (CONT'D)**

As of December 31, 2023, the Township's bank balances of \$41,386,327.30 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 500,000.00
Insured by GUDPA	39,091,681.12
Uninsured and Uncollateralized	<u>1,794,646.18</u>
Total	<u>\$ 41,386,327.30</u>

**Note 3: PROPERTY TAXES**

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

**Comparative Schedule of Tax Rates**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>\$ 3.940</u>	<u>\$ 3.889</u>	<u>\$ 3.891</u>	<u>\$ 3.883</u>	<u>\$ 3.847</u>
Apportionment of Tax Rate:					
Municipal	\$ 0.790	\$ 0.790	\$ 0.790	\$ 0.790	\$ 0.791
Municipal Open Space	0.028	0.022	0.022	0.022	0.022
County & County Library	0.453	0.426	0.425	0.434	0.417
County Open Space Preservation					
Trust Fund	0.034	0.031	0.023	0.024	0.034
Local School	2.470	2.461	2.474	2.454	2.422
Special District Rates:					
Fire District	0.165	0.159	0.157	0.159	0.161

**Assessed Valuation**

<u>Year</u>	<u>Assessed Valuation</u>
2023	\$ 1,436,142,273.00
2022	1,434,784,687.00
2021	1,427,628,287.00
2020	1,425,281,690.00
2019	1,415,647,482.00

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

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 (cont'd):

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2023	\$ 57,499,259.32	\$ 56,768,125.58	98.73%
2022	56,216,232.50	55,607,514.08	98.92%
2021	55,677,559.80	54,943,411.71	98.68%
2020	55,400,859.12	54,772,292.12	98.87%
2019	54,733,880.77	54,170,770.55	98.97%

**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>
2023	\$ 283,155.29	\$ 627,886.37	\$ 911,041.66	1.58%
2022	259,022.72	505,600.12	764,622.84	1.36%
2021	235,557.47	682,863.53	918,421.00	1.65%
2020	212,349.93	592,516.90	804,866.83	1.45%
2019	194,999.03	550,024.20	745,023.23	1.36%

The following comparison is made of the number of tax title liens receivable on December 31 of the last five years:

<u>Year</u>	<u>Number of Tax Title Liens Receivable</u>
2023	12
2022	12
2021	12
2020	12
2019	12

**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>
2023	\$ 156,800.00
2022	282,015.00
2021	282,015.00
2020	282,015.00
2019	282,015.00

**Note 5: SEWER UTILITY SERVICE CHARGES**

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

<u>Year</u>	<u>Receivable Balance as of January 1</u>	<u>Levy</u>	<u>Total</u>	<u>Collections</u>	<u>Percentage of Collection</u>
2023	\$ 873,219.45	\$ 3,960,830.05	\$ 4,834,049.50	\$ 3,949,870.36	81.71%
2022	839,148.35	3,817,513.64	4,656,661.99	3,783,442.54	81.25%
2021	847,992.25	3,840,170.00	4,688,162.25	3,849,013.90	82.10%
2020	817,248.10	3,819,345.06	4,636,593.16	3,788,600.91	81.71%
2019	840,762.66	3,829,772.80	4,670,535.46	3,853,287.36	82.50%

**Note 6: FUND BALANCES APPROPRIATED**

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

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b><u>Current Fund</u></b>			
2023	\$ 11,806,899.13	\$ 4,900,000.00	41.50%
2022	10,828,628.18	4,474,400.00	41.32%
2021	9,993,978.34	4,345,800.00	43.48%
2020	9,195,302.83	4,301,500.00	46.78%
2019	9,120,945.15	4,000,000.00	43.86%
<b><u>Sewer Utility Operating Fund</u></b>			
2023	\$ 5,978,628.98	\$ 920,000.00	15.39%
2022	4,390,384.12	487,000.00	11.09%
2021	5,467,214.19	2,685,000.00	49.11%
2020	5,644,997.29	1,750,000.00	31.00%
2019	7,073,054.89	2,557,000.00	36.15%

**Note 7: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2023:

<u>Fund</u>	<u>Interfunds Receivables</u>	<u>Interfunds Payable</u>
Current Fund	\$ 196,714.47	\$ 2,380,591.48
Federal, State and Local Grant Fund	1,704,230.42	1,040,000.00
Trust Fund - Open Space	550,369.59	
Trust Fund - LOSAP		1,207.93
Trust Fund - Other	128,991.47	
General Capital Fund	1,040,000.00	114,402.56
Sewer Utility Operating Fund	212,313.33	84,103.98
Sewer Utility Capital Fund		212,313.33
	<u>\$ 3,832,619.28</u>	<u>\$ 3,832,619.28</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 2024, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 8: PENSION PLANS**

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB No. 68, *Accounting and Financial Reporting for Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2023 was not available; therefore, the information from the measurement period June 30, 2022 is disclosed below.

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

**Public Employees' Retirement System (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 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd) - Special Funding Situation Component** - Under N.J.S.A. 43:15A, 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. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

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, 2022 was 18.87% 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, 2022, the Township's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$438,260.00, and is payable by April 1, 2023. 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, 2021, the Township's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$421,300.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$177,813.29.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, under Chapter 133, P.L. 2001, for the year ended December 31, 2022 was .48% of the Township's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Township, to the pension plan for the year ended December 31, 2022 was \$11,035.00, and is payable by April 1, 2023.

**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.



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

**Police and Firemen's Retirement System (Cont'd) – 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, 2022 was 40.43% 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, 2022, the Township's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$1,080,158.00, and is payable by April 1, 2023. 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, 2021, the Township's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$952,919.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$270,149.40.

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, 2022 was 7.88% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2022 was \$210,633.00, and is payable by April 1, 2023. For the prior year 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 \$146,010.00, which was paid on April 1, 2022.

**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, 2023, employee contributions totaled \$5,427.26, and the Township's contributions were \$3,996.49. There were no forfeitures during the year.

Note 8: PENSION PLANS (CONT'D)

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, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Township's proportionate share of the PERS net pension liability was \$5,244,802.00. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022. 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, 2022 measurement date, the Township's proportion was .0347536329%, which was a decrease of .0012205933% from its proportion measured as of June 30, 2021.

**Pension (Benefit) Expense** - For the year ended December 31, 2022, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was (\$438,052.00). 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, 2022, the Township's contribution to PERS was \$421,300.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PERS pension (benefit) expense, associated with the Township, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2022 measurement date, was \$11,035.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

**Police and Firemen's Retirement System**

**Pension Liability** - As of December 31, 2022, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 9,506,625.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>1,691,901.00</u>
	<u>\$ 11,198,526.00</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022. 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, 2022 measurement date, the Township's proportion was .0830537300%, which was an increase of .0012906946% from its proportion measured as of June 30, 2021. Likewise, at June 30, 2022, the State of New Jersey's proportion, on-behalf of the Township, was .0830535700%, which was an increase of .0012905210% from its proportion, on-behalf of the Township, measured as of June 30, 2021.

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System (Cont'd)**

**Pension (Benefit) Expense** - For the year ended December 31, 2022, the Township's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was (\$165,551.00). 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, 2022, the Township's contribution to PFRS was \$1,080,158.00, and was paid on April 1, 2023.

For the year ended December 31, 2022, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2022 measurement date, was \$195,201.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - As of December 31, 2022, 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	\$ 37,855.00	\$ 430,295.00	\$ 468,150.00	\$ 33,382.00	\$ 582,410.00	\$ 615,792.00
Changes of Assumptions	16,250.00	26,054.00	42,304.00	785,354.00	1,196,696.00	1,982,050.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	217,078.00	870,528.00	1,087,606.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	314,863.00	152,242.00	467,105.00	374,570.00	300,848.00	675,418.00
Contributions Subsequent to the Measurement Date	219,130.00	540,079.00	759,209.00	-	-	-
	<u>\$ 805,176.00</u>	<u>\$ 2,019,198.00</u>	<u>\$ 2,824,374.00</u>	<u>\$ 1,193,306.00</u>	<u>\$ 2,079,954.00</u>	<u>\$ 3,273,260.00</u>

Deferred outflows of resources in the amounts of \$219,130.00 and \$540,079.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2023. These amounts were based on an estimated April 1, 2024 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2022 to the Township's year end of December 31, 2022.

Note 8: **PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

	PERS		PFRS			PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources		Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience					Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:					Year of Pension Plan Deferral:				
June 30, 2017	5.48	-	5.59	-	June 30, 2017	5.00	-	5.00	-
June 30, 2018	-	5.63	5.73	-	June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.21	-	-	5.92	June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.16	-	5.90	-	June 30, 2020	5.00	-	5.00	-
June 30, 2021	-	5.13	-	6.17	June 30, 2021	5.00	-	5.00	-
June 30, 2022	-	5.04	6.22	-	June 30, 2022	5.00	-	5.00	-
Changes of Assumptions					Changes in Proportion				
Year of Pension Plan Deferral:					Year of Pension Plan Deferral:				
June 30, 2017	-	5.48	-	5.59	June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	-	5.63	-	5.73	June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	-	5.21	-	5.92	June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	-	5.16	-	5.90	June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	-	6.17	-	June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	-	5.04	6.22	-	June 30, 2022	5.04	5.04	6.22	6.22

Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending		PERS	PFRS	Total
Dec 31,				
2023	\$	(517,868.00)	\$ (562,473.00)	\$ (1,080,341.00)
2024		(232,707.00)	(391,883.00)	(624,590.00)
2025		(64,968.00)	(301,535.00)	(366,503.00)
2026		210,658.00	612,633.00	823,291.00
2027		(2,375.00)	30,209.00	27,834.00
Thereafter		-	12,214.00	12,214.00
	\$	<u>(607,260.00)</u>	<u>\$ (600,835.00)</u>	<u>\$ (1,208,095.00)</u>

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 6.55%	3.25% - 16.25%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

**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.

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

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, 2022) 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, 2022 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%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

**Discount Rate -**

**Public Employees' Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2022. 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.

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

**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, 2022 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>
Proportionate Share of the Net Pension Liability	\$ 6,738,034.00	\$ 5,244,802.00	\$ 3,974,001.00

**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, 2022 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>
Proportionate Share of the Net Pension Liability	\$ 13,044,117.00	\$ 9,506,625.00	\$ 6,561,647.00
State of New Jersey's Proportionate Share of Net Pension Liability	2,321,470.00	1,691,901.00	1,167,781.00
	<u>\$ 15,365,587.00</u>	<u>\$ 11,198,526.00</u>	<u>\$ 7,729,428.00</u>

**Pension Plan Fiduciary Net Position**

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

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years.

***Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Ten Plan Years)***

	<u>Measurement Date Ended June 30,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.0347536329%	0.0359742262%	0.0336471637%	0.0345146627%	0.0365431220%
Proportionate Share of the Net Pension Liability	\$ 5,244,802.00	\$ 4,261,686.00	\$ 5,486,972.00	\$ 6,219,019.00	\$ 7,195,159.00
Covered Payroll (Plan Measurement Period)	\$ 2,521,176.00	\$ 2,627,760.00	\$ 2,393,856.00	\$ 2,395,892.00	\$ 2,532,432.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	208.03%	162.18%	229.21%	259.57%	284.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	<u>Measurement Date Ended June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.0363370542%	0.0359861706%	0.0349554359%	0.0361696042%	0.0365878531%
Proportionate Share of the Net Pension Liability	\$ 8,458,685.00	\$ 10,658,072.00	\$ 7,846,795.00	\$ 6,771,939.00	\$ 6,992,666.00
Covered Payroll (Plan Measurement Period)	\$ 2,537,328.00	\$ 2,528,524.00	\$ 2,360,716.00	\$ 2,484,836.00	\$ 2,530,596.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	333.37%	421.51%	332.39%	272.53%	276.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%



Note 8: **PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)**

	<u>Year Ended December 31,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 438,260.00	\$ 421,300.00	\$ 368,083.00	\$ 335,726.00	\$ 363,486.00
Contribution in Relation to the Contractually Required Contribution	(438,260.00)	(421,300.00)	(368,083.00)	(335,726.00)	(363,486.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,323,135.00	\$ 2,510,120.00	\$ 2,580,725.00	\$ 2,461,092.00	\$ 2,417,904.00
Contributions as a Percentage of Covered Payroll	18.87%	16.78%	14.26%	13.64%	15.03%
	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 336,624.00	\$ 319,696.00	\$ 300,523.00	\$ 298,177.00	\$ 275,682.00
Contribution in Relation to the Contractually Required Contribution	(336,624.00)	(319,696.00)	(300,523.00)	(298,177.00)	(275,682.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,531,886.00	\$ 2,581,927.00	\$ 2,556,514.00	\$ 2,371,131.00	\$ 2,409,705.00
Contributions as a Percentage of Covered Payroll	13.30%	12.38%	11.76%	12.58%	11.44%

**Note 8: 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 Ten Plan Years)***

	<u>Measurement Date Ended June 30,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.0830537300%	0.0817630354%	0.0825486090%	0.0833750288%	0.0863716364%
Proportionate Share of the Net Pension Liability	\$ 9,506,625.00	\$ 5,976,185.00	\$ 10,666,369.00	\$ 10,203,285.00	\$ 11,687,506.00
State's Proportionate Share of the Net Pension Liability	1,691,901.00	1,680,801.00	1,655,372.00	1,611,118.00	1,587,554.00
Total	<u>\$ 11,198,526.01</u>	<u>\$ 7,656,986.00</u>	<u>\$ 12,321,741.00</u>	<u>\$ 11,814,403.00</u>	<u>\$ 13,275,060.00</u>
Covered Payroll (Plan Measurement Period)	\$ 2,959,660.00	\$ 2,948,048.00	\$ 2,908,468.00	\$ 2,894,332.00	\$ 2,985,956.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	321.21%	202.72%	366.73%	352.53%	391.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.33%	77.26%	63.52%	65.00%	62.48%
	<u>Measurement Date Ended June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.0860009182%	0.0871336477%	0.0906792440%	0.0882256595%	0.0883850972%
Proportionate Share of the Net Pension Liability	\$ 13,276,879.00	\$ 16,644,756.00	\$ 15,104,001.00	\$ 11,097,970.00	\$ 11,750,001.00
State's Proportionate Share of the Net Pension Liability	1,487,122.00	1,397,747.00	1,324,570.00	1,195,065.00	1,095,243.00
Total	<u>\$ 14,764,001.00</u>	<u>\$ 18,042,503.00</u>	<u>\$ 16,428,571.00</u>	<u>\$ 12,293,035.00</u>	<u>\$ 12,845,244.00</u>
Covered Payroll (Plan Measurement Period)	\$ 2,901,144.00	\$ 2,892,160.00	\$ 3,078,700.00	\$ 2,929,272.00	\$ 2,924,976.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	457.64%	575.51%	490.60%	378.86%	401.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%	62.41%	58.70%

Note 8: **PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Ten Years)**

	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 1,080,158.00	\$ 952,919.00	\$ 922,209.00	\$ 842,180.00	\$ 844,410.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,080,158.00)</u>	<u>(952,919.00)</u>	<u>(922,209.00)</u>	<u>(842,180.00)</u>	<u>(844,410.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,671,948.00	\$ 2,824,153.00	\$ 3,004,368.00	\$ 2,969,996.00	\$ 2,891,717.00
Contributions as a Percentage of Covered Payroll	40.43%	33.74%	30.70%	28.36%	29.20%
	Year Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 761,124.00	\$ 710,436.00	\$ 737,087.00	\$ 677,634.00	\$ 644,838.00
Contribution in Relation to the Contractually Required Contribution	<u>(761,124.00)</u>	<u>(710,436.00)</u>	<u>(737,087.00)</u>	<u>(677,634.00)</u>	<u>(644,838.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,936,631.00	\$ 2,914,484.00	\$ 2,882,684.00	\$ 2,923,223.00	\$ 2,929,231.00
Contributions as a Percentage of Covered Payroll	25.92%	24.38%	25.57%	23.18%	22.01%

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

The June 30, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

**Changes in Assumptions**

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

<b>Discount Rate</b>				<b>Long-term Expected Rate of Return</b>			
<b>Year</b>	<b>Rate</b>	<b>Year</b>	<b>Rate</b>	<b>Year</b>	<b>Rate</b>	<b>Year</b>	<b>Rate</b>
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%
2018	5.66%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

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

None.

**Changes in Assumptions**

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

<b>Discount Rate</b>				<b>Long-term Expected Rate of Return</b>			
<b>Year</b>	<b>Rate</b>	<b>Year</b>	<b>Rate</b>	<b>Year</b>	<b>Rate</b>	<b>Year</b>	<b>Rate</b>
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%
2019	6.85%	2014	6.32%	2019	7.00%	2014	7.90%
2018	6.51%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

**Note 9: LENGTH OF SERVICE AWARDS PROGRAM**

**Plan Description** - The Township's length of service awards program (the "LOSAP Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Ordinance adopted on June 7, 2006 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the LOSAP Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the Township approved the adoption of the LOSAP Plan at the general election held on November 7, 2006, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2007. The LOSAP Plan provides tax deferred income benefits to active volunteer emergency medical personnel and is administered by VALIC ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the LOSAP Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the LOSAP Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the Delran Township Emergency Squad, consisting of the Emergency Squad, come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of the LOSAP Plan created by that governing body. Participants should refer to the LOSAP Plan agreement for a more complete description of the LOSAP Plan's provisions.

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

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

The Township elected to contribute between \$100.00 and \$1,150.00 for the year ended December 31, 2023, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator

For the year ended December 31, 2023, the Township's total expenditure to the Plan was \$7,100.00. There were no forfeitures during the year.

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

**Participant Accounts** - Each participant's account is credited with the Township's contribution and Plan earnings and charged with administrative expenses. For the year ended December 31, 2023, the Township elected to pay substantially all of the LOSAP Plan's administrative costs. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Township has placed the amounts deferred, including earnings, in an account maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the Township to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the Township. These funds, however, are not available for funding the operations of the Township.

**Vesting** - The Township, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-14.62 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the LOSAP Plan.

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

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

**Forfeited Accounts** - For the year ended December 31, 2023, there were no forfeited non-vested accounts that occurred during the year. The LOSAP Plan still contains forfeited accounts that have not been turned over to the Township.

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

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

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS****TOWNSHIP OF DELRAN POSTEMPLOYMENT BENEFIT PLAN**

In March 2023, the Township switched its health insurance provider from the New Jersey State Health Benefits Program to the Southern New Jersey Regional Employee Benefits Fund. In accordance with GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, the Township obtained a valuation of its plans at December 31, 2023.

**Plan Description and Benefits Provided** - The Township provides reimbursement for postretirement health care benefits through a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The Township provides this benefit for ten years after the employee retires or until the death of the employee. The benefit is determined by the negotiated contract for each collective bargaining unit. The Plan is administered by the Township; therefore, premium payments are made directly to the Fund. If the retiree chooses to be reimbursed for outside coverage, payments are made directly to the retiree.

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

**Employees Covered by Benefit Terms** - As of December 31, 2023, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

	<u>December 31, 2023</u>
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	25
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	<u>59</u>
	<u><u>84</u></u>

**Total OPEB Liability**

The Township's total OPEB liability of \$1,859,911.00 was measured as of December 31, 2023 and was determined by an actuarial valuation date of January 1, 2023.

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

Inflation	3.00% Annually
Salary Increases	3.00% Annually
Discount Rate	4.00%
Healthcare Cost Trend Rates	
Delran Police Association Employees	5.00% Annually
All Other Employees	0.00%

The discount rate was based on the S&P Municipal Bond 20-year High Grade Rate Index as of December 31, 2023.

Mortality rates were based on PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021.

An experience study was not performed on the actuarial assumptions used in the December 31, 2023 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****TOWNSHIP OF DELRAN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Changes in Total OPEB Liability**

	<u>December 31, 2023</u>
Balance at Beginning of Year	\$ 1,593,451.00
Changes for the Year:	
Service Cost	\$ 62,863.00
Interest Cost	65,662.00
Change in Benefit Terms	23,619.00
Benefit Payments	(139,920.00)
Actuarial Assumption Changes	51,490.00
Difference between expected and actual experience	<u>202,746.00</u>
Net Changes	<u>266,460.00</u>
Balance at End of Year	<u>\$ 1,859,911.00</u>

Changes of benefit terms reflect the Township no longer receiving benefits through the NJ State Health Benefit Plan and receiving benefits through the Southern New Jersey Benefits Fund in 2023.

Changes of assumptions and other inputs reflect a change in the discount rate from 4.31% at December 31, 2022 to 4.00% at December 31, 2023.

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

	<u>December 31, 2023</u>		
	<u>1.00% Decrease 3.00%</u>	<u>Current Discount Rate 4.00%</u>	<u>1.00% Increase 5.00%</u>
Total OPEB Liability	<u>\$ 2,044,404.00</u>	<u>\$ 1,859,911.00</u>	<u>\$ 1,699,885.00</u>

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

	<u>December 31, 2023</u>		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$ 1,729,315.00</u>	<u>\$ 1,859,911.00</u>	<u>\$ 2,027,814.00</u>



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

**OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended December 31, 2023, the Township recognized OPEB (benefit) expense of \$4,902,065.00. As of December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>December 31, 2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions or Other Inputs	\$ 164,638.00	\$ 352,554.00
Difference between expected and actual experience	<u>407,902.00</u>	<u>50,469.00</u>
	<u>\$ 572,540.00</u>	<u>\$ 403,023.00</u>

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

<b><u>Year Ending December 31,</u></b>	
2024	\$ 26,396.00
2025	26,396.00
2026	26,396.00
2027	26,399.00
2028	24,092.00
Thereafter	<u>39,838.00</u>
	<u>\$ 169,517.00</u>

**Supplementary OPEB Information**

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

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****TOWNSHIP OF DELRAN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Schedule of Changes in the Township's Total OPEB Liability and Related Ratios (Last Six Years):**

	<u>Plan Measurement Date December 31,</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 62,863.00	\$ 40,201.00	\$ 41,704.00
Interest Cost	65,662.00	28,898.00	26,131.00
Change in Benefit Terms	23,619.00	412,673.00	
Benefit Payments	(139,920.00)	(83,243.00)	(61,079.00)
Actuarial Assumption Changes	51,490.00	(390,552.00)	(40,639.00)
Differences Between Expected and Actual Experience	<u>202,746.00</u>	<u>259,518.00</u>	<u>(24,630.00)</u>
Net Change in Total OPEB Liability	266,460.00	267,495.00	(58,513.00)
Total OPEB Liability - January 1,	<u>1,593,451.00</u>	<u>1,325,956.00</u>	<u>1,384,469.00</u>
Total OPEB Liability - December 31,	<u>\$ 1,859,911.00</u>	<u>\$ 1,593,451.00</u>	<u>\$ 1,325,956.00</u>
Covered-Employee Payroll	\$ 6,675,972.00	\$ 6,590,977.00	\$ 6,701,742.00
Total OPEB Liability as a Percentage of Covered-Employee Payroll	27.86%	24.18%	19.79%
	<u>Plan Measurement Date December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost			
Interest Cost	\$ 34,155.00	\$ 32,472.00	\$ 29,737.00
Change in Benefit Terms	38,717.00	43,233.00	41,895.00
Benefit Payments			
Actuarial Assumption Changes	(71,580.00)	(61,989.00)	(53,634.00)
Differences Between Expected and Actual Experience	165,200.00	53,046.00	
	<u>(5,466.00)</u>	<u>(62,022.00)</u>	<u>22,913.00</u>
Net Change in Total OPEB Liability	161,026.00	4,740.00	40,911.00
Total OPEB Liability - January 1,	<u>1,223,443.00</u>	<u>1,218,703.00</u>	<u>1,177,792.00</u>
Total OPEB Liability - December 31,	<u>\$ 1,384,469.00</u>	<u>\$ 1,223,443.00</u>	<u>\$ 1,218,703.00</u>
Covered-Employee Payroll	\$ 6,564,462.00	\$ 6,798,062.00	\$ 6,588,724.00
Total OPEB Liability as a Percentage of Covered-Employee Payroll	21.09%	18.00%	18.50%

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****TOWNSHIP OF DELRAN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Other Notes to Supplementary OPEB Information**

Change in Benefit Terms – In 2023, the Township is no longer receiving benefits through the NJ State Health Benefit Plan and is receiving benefits through the Southern New Jersey Regional Benefits Fund.

Change of Assumptions - The discount rate used as of the December 31 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	4.00%	2020	1.93%
2022	4.31%	2019	3.26%
2021	2.25%	2018	3.64%

**Note 11: COMPENSATED ABSENCES**

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days and comp time earned during the year are also allowed to be carried forward to the subsequent year.

The Township compensates employees for unused sick leave, vacation and comp time upon termination or retirement. The current policy provides one compensated day for every two days accumulated for sick leave and full pay for vacation and comp time. There are various maximums for sick time, dependent on the applicable union or contract, but there is no cap for vacation or comp time.

The Township has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2023, the balance of the fund was \$392,721.03. It is estimated that, at December 31, 2023, accrued benefits for compensated absences are valued at \$872,936.86.

**Note 12: DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

**Note 13: CAPITAL DEBT****General Obligation Bonds**

County Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2017A - Open Space - On March 28, 2017, the Township issued \$1,063,000.00 in county guaranteed pooled loan refunding bonds, with interest rates of 4.00% through the Burlington County Bridge Commission in their capacity as County Improvement Authority. The bonds were issued to refund the General Obligation Bonds - Open Space, Series 2009 bonds. The final maturity of the bonds is July 15, 2029.

**Note 13: CAPITAL DEBT (CONT'D)**

**General Obligation Bonds (Cont'd)**

General Obligation Bonds, Series 2019 - On October 17, 2019, the Township issued \$11,742,000.00 in general obligation bonds, with interest rates ranging from 1.50% to 2.00%. The bonds were issued to permanently finance the costs of various capital improvements and acquisition of various capital equipment. The final maturity of the bonds is October 15, 2029.

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

<u>Year</u>	<u>Bonded Debt</u>				
	<u>General</u>		<u>Open Space</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 1,000,000.00	\$ 120,000.00	\$ 98,000.00	\$ 26,920.00	\$ 1,244,920.00
2025	1,000,000.00	100,000.00	105,000.00	23,000.00	1,228,000.00
2026	1,000,000.00	80,000.00	114,000.00	17,600.00	1,211,600.00
2027	1,000,000.00	60,000.00	111,000.00	14,240.00	1,185,240.00
2028	1,000,000.00	40,000.00	120,000.00	9,800.00	1,169,800.00
2029	1,000,000.00	20,000.00	125,000.00	5,000.00	1,150,000.00
	<u>\$ 6,000,000.00</u>	<u>\$ 420,000.00</u>	<u>\$ 673,000.00</u>	<u>\$ 96,560.00</u>	<u>\$ 7,189,560.00</u>

**New Jersey Infrastructure Bank Loans**

**Sewer Utility Debt** - On May 21, 2014, the Township entered into a loan agreement with the New Jersey Infrastructure Bank to provide \$1,469,550.00, at no interest, from the fund loan, and \$480,000.00 at interest rates ranging from 3.00% to 5.00% from the trust loan. The proceeds were used to fund the renovations to the waste water treatment plant. Semiannual debt payments are due March 1<sup>st</sup> and September 1<sup>st</sup> through 2033 for trust payments and February 1<sup>st</sup> and August 1<sup>st</sup> for fund payments.

On December 22, 2022, the Township entered into 2 loan agreements with the New Jersey Infrastructure Bank. The first loan agreement was to provide \$637,779.00, at no interest, from the fund loan. The second loan agreement was to provide \$575,000.00 at 5.00% interest from the trust loan. The proceeds were used to permanently finance the renovations to the Clay Street Pump Station. Semiannual debt payments are due February 1<sup>st</sup> and August 1<sup>st</sup> through 2042.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 152,152.30	\$ 38,231.26	\$ 190,383.56
2025	152,152.30	35,981.26	188,133.56
2026	152,152.30	34,231.26	186,383.56
2027	157,152.30	32,481.26	189,633.56
2028	162,152.30	30,581.26	192,733.56
2029-2033	708,777.72	120,212.54	828,990.26
2034-2038	327,147.15	68,000.00	395,147.15
2039-2042	299,717.93	21,750.00	321,467.93
	<u>\$ 2,111,404.30</u>	<u>\$ 381,468.84</u>	<u>\$ 2,492,873.14</u>

**Note 13: CAPITAL DEBT (CONT'D)****Summary of Debt**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 12,513,000.00	\$ 13,689,500.00	\$ 13,215,947.00
Sewer Utility:			
Loans and Notes	2,111,404.30	2,232,746.79	2,658,546.66
Total Issued	<u>14,624,404.30</u>	<u>15,922,246.79</u>	<u>15,874,493.66</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	2,966,254.83	1,621,969.83	879,374.83
Sewer Utility:			
Bonds and Notes	10,812,490.34	7,962,490.34	1,597,446.00
Total Authorized but Not Issued	<u>13,778,745.17</u>	<u>9,584,460.17</u>	<u>2,476,820.83</u>
Total Issued and Authorized but Not Issued	<u>28,403,149.47</u>	<u>25,506,706.96</u>	<u>18,351,314.49</u>
Deductions:			
Funds Temporarily Held To Pay Notes	602,600.72	731,600.72	873,031.72
Self-liquidating Debt	12,923,894.64	10,195,237.13	4,255,992.66
Total Deductions	<u>13,526,495.36</u>	<u>10,926,837.85</u>	<u>5,129,024.38</u>
Net Debt	<u>\$ 14,876,654.11</u>	<u>\$ 14,579,869.11</u>	<u>\$ 13,222,290.11</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 0.767%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 25,017,000.00	\$ 25,017,000.00	
Sewer Utility	12,923,894.64	12,923,894.64	
General	15,479,254.83	602,600.72	\$ 14,876,654.11
	<u>\$ 53,420,149.47</u>	<u>\$ 38,543,495.36</u>	<u>\$ 14,876,654.11</u>

Net Debt \$14,876,654.11 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,939,907,286.67 equals 0.767%.

**Note 13: CAPITAL DEBT (CONT'D)**

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 67,896,755.03
Net Debt	<u>14,876,654.11</u>
Remaining Borrowing Power	<u><u>\$ 53,020,100.92</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest, and Other Investment Income, and Other Charges for Year	\$ 5,503,246.05
Deductions:	
Operating and Maintenance Cost	\$ 3,197,000.00
Debt Service per Sewer Fund	<u>161,921.76</u>
Total Deductions	<u>3,358,921.76</u>
Excess in Revenue	<u><u>\$ 2,144,324.29</u></u>

**Note 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the current fund:

<u>Description</u>	<u>Balance</u> <u>December 31, 2023</u>	<u>2024</u> <u>Budget</u> <u>Appropriation</u>
Special Emergency Authorization	\$ 6,000.00	<u>\$ 6,000.00</u>

The appropriations in the 2024 Budget as adopted are not less than that required by the statutes.

**Note 15: 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 the activity and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2023	\$ 3,000.00	\$ 10,341.17	\$ 1,549.20	\$ 23,481.36	\$ 30,065.49
2022	3,000.00	10,058.34	99.46	29,895.43	38,656.48
2021	3,000.00	9,148.24	8.72	2,994.33	55,394.11

At December 31, 2023, outstanding claims were \$59,149.37.

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

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

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

The Fund provides the Township with the following coverage:

- Property - Blanket Building and Grounds
- Boiler and Machinery
- General and Automobile Liability
- Burglary and Theft
- Fire Insurance

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$500,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2023, which can be obtained from:

Burlington County Municipal Joint Insurance Fund  
 Five Greentree Centre/525 Lincoln Drive West  
 P.O. Box 489  
 Marlton, NJ 08053

**Note 16: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST**

On November 2, 2004, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Delran Trust Fund - Open Space effective January 1, 2005, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the referendum, the Township levies a tax not to exceed \$325,000.00 for 20 years. On November 2, 2021, the voters of the Township re-authorized the open space tax not to exceed \$400,000.00 for 20 years, expiring December 31, 2042. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Township of Delran Trust Fund - Open Space.

**Note 17: CONTINGENCIES**

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

**Litigation** - The Township is a defendant in several legal proceedings 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 18: CONCENTRATIONS**

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

**Note 19: ARBITRAGE REBATE**

The Tax Reform Act of 1986 placed restriction on investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined, at the option of the issuing entity, as either the date of the first anniversary of the bond settlement or the issuing entity's year end.

The Township has the following bond issue outstanding that required a rebate calculation:

<u>Bonds Issued</u>	<b>Issued General</b>	<u>Liability</u>
	<u>Capital Fund</u>	
October 17, 2019	\$ 11,742,000.00	(1)

(1) The rebate calculation on these bonds is required to be made at least once five years. It is anticipated that when such calculation is made, the liability, if any, will be appropriated in that year's general budget.



**Note 20: SUBSEQUENT EVENTS**

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

<u>Purpose</u>	<u>Adopted</u>	<u>Amount</u>
Sewer Utility Capital Fund: Bonds and Notes:		
Various Sewer Utility Improvements	April 29, 2024	\$ 1,000,000.00

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



August \_\_, 2024

Mayor and Township Council  
of the Township of Delran  
900 Chester Avenue  
Delran, New Jersey

**RE: \$8,192,000 TOWNSHIP OF DELRAN, COUNTY OF BURLINGTON, NEW JERSEY, GENERAL OBLIGATION BONDS, SERIES 2024**

Mayor and Council Members:

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

The Bonds are authorized to be issued pursuant to: (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 applicable law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Township Council on July 9, 2024 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on August 13, 2024 ("Award Certificate").

The Bonds are dated their date of delivery, mature on February 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 below, payable semi-annually on February 15 and August 15, commencing February 15, 2025, in each year until maturity or earlier redemption.

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>
2025	\$450,000	%	2031	\$900,000	%
2026	510,000		2032	900,000	
2027	560,000		2033	900,000	
2028	610,000		2034	900,000	
2029	662,000		2035	900,000	
2030	900,000				

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

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



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

As the basis for the opinion 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 and certifications 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 or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

2. For the payment of principal of 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 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 this opinion, we have assumed continuing compliance by the Township 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 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, 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 designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

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 August, 2024, between the Township of Delran, County of Burlington, New Jersey ("Township") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Township of its General Obligation Bonds, Series 2024, in the principal amount of \$\_\_\_\_\_ ("Bonds").

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

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

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

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

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

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

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

**"EMMA"** shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062 of the Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt bonds, including the 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 August \_\_, 2024, 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, 2024). 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 seven (7) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8), (10), (13) or (14) of subsection (a) of this Section 5, the Township may, but shall not be required to, rely conclusively on an Opinion of Counsel.

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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.

(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 five (5) 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 Delran  
900 Chester Avenue  
Delran, New Jersey 08075  
Attention: Chief Financial Officer

(ii) If to the Dissemination Agent:

Phoenix Advisors LLC  
625 Farnsworth Avenue  
Bordentown, New Jersey 08505

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 11 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 DELRAN, NEW JERSEY**

By: \_\_\_\_\_  
**KAREEMAH PRESS, Chief Financial Officer**

**PHOENIX ADVISORS LLC,  
as Dissemination Agent**

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

**EXHIBIT A**

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

Name of Issuer: Township of Delran, County of Burlington, New Jersey

Name of Bond Issues Affected: General Obligation Bonds, Series 2024

Date of Issuance of the Affected  
Bond Issue: August \_\_, 2024

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated August \_\_, 2024, 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 Delran, New Jersey