

OFFICIAL STATEMENT DATED SEPTEMBER 12, 2024

In the opinion of Malamut & Associates, LLC, Bond Counsel to the Township, based on certifications of the Township (as hereinafter defined) and assuming continuing compliance with its covenants pertaining to provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and subject to certain provisions of the Code which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Notes (as hereinafter defined), interest on the Tax-Exempt Notes is excludable from gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference for purposes of calculating the alternative minimum tax however, for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. Interest on the Taxable Notes is not excludable from gross income of the owners thereof for federal income tax purposes under current law. In the opinion of Bond Counsel, interest on the Notes and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein for a full discussion.

\$10,290,323
TOWNSHIP OF MEDFORD
IN THE COUNTY OF BURLINGTON,
NEW JERSEY
BOND ANTICIPATION NOTES, SERIES 2024A
(Tax-Exempt)

Consisting of:
\$5,619,423 General Improvement Bond
Anticipation Notes,
and
\$4,670,900 Utility Bond Anticipation Notes
Dated: September 26, 2024
Maturing: September 25, 2025
Rate of Interest: 4.25 per annum
Re-offering Yield: 3.05%

\$2,119,399
TOWNSHIP OF MEDFORD
IN THE COUNTY OF BURLINGTON,
NEW JERSEY
BOND ANTICIPATION NOTES, SERIES 2024B
(Federally Taxable)

Consisting of:
\$1,833,741 General Improvement Bond Anticipation
Notes,
and
\$285,658 Utility Bond Anticipation Notes
Dated: September 26, 2024
Maturing: September 25, 2025
Rate of Interest: 5.00 per annum
Yield: 4.966%

The Township of Medford, County of Burlington, New Jersey ("Township") is issuing: (i) \$10,290,323 principal amount of its Bond Anticipation Notes, Series 2024A ("Tax-Exempt Notes"); and (ii) \$2,119,399 principal amount of its Taxable Bond Anticipation Notes, Series 2024B ("Taxable Notes" together with the Tax-Exempt Notes, the "Notes"). The Tax-Exempt Notes consist of: (i) \$5,619,423 General Improvement Bond Anticipation Notes; and (ii) \$4,670,900 principal amount of Utility Bond Anticipation Notes. The Taxable Notes consist of: (i) \$1,833,741 General Improvement Bond Anticipation Notes; and (ii) \$285,658 principal amount of Utility Bond Anticipation Notes. The Notes shall be issued in fully registered book-entry-only form without coupons.

The principal of the Notes shall be paid on the respective maturity dates upon presentation and surrender of the Notes in the offices of the Township, Medford, New Jersey, as paying agent ("Paying Agent"). Interest on the Notes will be payable upon the maturity dates thereof. The Notes are not subject to redemption prior to their stated maturity dates thereof.

Upon initial issuance, the Notes 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 Notes. So long as Cede & Co. is the registered owner of the Notes, payments of principal of and interest on the Notes will be made by the Township or its hereafter designated paying agent, if any, 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 Notes. Purchasers will not receive certificates representing their ownership interest in the Notes purchased. For so long as any purchaser is a Beneficial Owner of a Note, 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 Note.

The Tax-Exempt Notes are authorized to be issued pursuant to: (i) the Local Bond Law; (ii) bond ordinances 2023-07, 2023-08, 2024-13 and 2024-14 ("Tax-Exempt Note Bond Ordinances"), duly and finally adopted by the Township and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Acting Chief Financial Officer/Treasurer of the Township on September 26, 2024.

The Taxable Notes are authorized to be issued pursuant to: (i) the Local Bond Law; (ii) bond ordinances 2008-11, 2009-28, 2010-15, 2010-16 ("Taxable Note Bond Ordinances"), duly and finally adopted by the Township and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Acting Chief Financial Officer/Treasurer of the Township on September 26, 2024.

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

This cover contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices attached hereto, to obtain information essential to their making of an informed investment decision.

The Notes are offered when, as and if issued, subject to the prior approval of legality by the law firm of Malamut & Associates, LLC, Cherry Hill, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by the Township Solicitor, Timothy M. Prime, Esquire, of the law firm Prime & Tuvel, LLC, Mount Laurel, New Jersey. Acacia Financial Group, Inc., Mount Laurel, New Jersey, has acted as Municipal Advisor to the Township in connection with the issuance of the Notes. It is anticipated that the Notes in definitive form will be available for delivery, in immediately available funds, through DTC in New York, New York on or about September 26, 2024.

BNY Mellon Capital Markets, LLC
 Tax-Exempt Notes Underwriter

Passaic Valley Water Commission
 Taxable Notes Underwriter

MATURITY SCHEDULE

\$10,290,323 TAX-EXEMPT BOND ANTICIPATION NOTES, SERIES 2024A

Consisting of:

\$5,619,423 General Improvement Bond Anticipation Notes,

and

\$4,670,900 Utility Bond Anticipation Notes

INTEREST RATE: 4.25%

YIELD: 3.05%

CUSIP*: 584309WN4

\$2,119,399 TAXABLE BOND ANTICIPATION NOTES, SERIES 2024B

Consisting of:

\$1,833,741 General Improvement Bond Anticipation Notes,

and

\$285,658 Utility Bond Anticipation Notes

INTEREST RATE: 5.00%

YIELD: 4.966%

*CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of The American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Notes 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 Notes 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 Notes.

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

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

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

Upon issuance, the Notes 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 NOTES 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

\$10,290,323
TOWNSHIP OF MEDFORD
IN THE COUNTY OF BURLINGTON,
NEW JERSEY
BOND ANTICIPATION NOTES, SERIES
2024A
(Tax-Exempt)
Consisting of:
\$5,619,423 General Improvement Bond
Anticipation Notes,
and
\$4,670,900 Utility Bond Anticipation Notes

\$2,119,399
TOWNSHIP OF MEDFORD
IN THE COUNTY OF BURLINGTON,
NEW JERSEY
BOND ANTICIPATION NOTES, SERIES
2024B
(Federally Taxable)
Consisting of:
\$1,833,741 General Improvement Bond
Anticipation Notes,
and
\$285,658 Utility Bond Anticipation Notes

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, is to provide certain information relating to the issuance by the Township of Medford, County of Burlington, New Jersey ("Township") of its \$10,290,323 aggregate principal amount of Bond Anticipation Notes, Series 2024A ("Tax-Exempt Notes") and \$2,119,399 aggregate principal amount of Taxable Bond Anticipation Notes, Series 2024B ("Taxable Notes"). The Tax-Exempt Notes consist of: (i) \$5,619,423 General Improvement Bond Anticipation Notes; and \$4,670,900 Utility Bond Anticipation Notes. The Taxable Notes consist of: (i) \$1,833,741 General Improvement Bond Anticipation Notes; and \$285,658 Utility Bond Anticipation Notes.

AUTHORIZATION FOR THE NOTES

Tax-Exempt Notes

The Tax-Exempt Notes 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 2023-07, 2023-08, 2024-13 and 2024-14 (collectively, the "Tax-Exempt Bond Ordinances"), duly and finally adopted by the Township and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Acting Chief Financial Officer/Treasurer of the Township on the date hereof.

Taxable Notes

The Taxable Notes are authorized to be issued pursuant to bond ordinances 2008-11, 2009-28, 2010-15 and 2010-16 (collectively, the "Taxable Note Bond Ordinances", and together with the Tax-Exempt Note Bond Ordinances, the "Bond Ordinances"), duly and finally adopted by the Township and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Acting Chief Financial Officer/Treasurer of the Township on the date hereof.

PURPOSE OF THE ISSUE

Tax-Exempt Notes

The Tax-Exempt Notes are issued pursuant to bond ordinances of the Township set forth below. Proceeds from the sale and issuance of the Tax-Exempt Notes will be used by the Township to: (i) refund \$5,360,223 of the 2023 Tax-Exempt Bond Anticipation Notes; (ii) temporarily finance the costs of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized, but not yet issued; and (iii) provide funds for the costs incurred in connection with the authorization, sale and issuance of the Tax-Exempt Notes.

The improvements to be temporarily financed with the proceeds of the Tax-Exempt Notes include the following:

General Improvement Notes

Bond Ordinance	Purpose/ Improvement	Original Amount Authorized	Prior Notes Outstanding	Notes to be Issued
2023-07	Various Capital Improvements	\$3,289,323	\$3,289,323	\$3,289,323
2024-14	Various Capital Improvements	3,360,100	0	2,330,100
TOTAL		\$6,649,423	\$3,289,323	\$5,619,423

Water and Sewer Utility Notes

Bond Ordinance	Purpose/ Improvement	Original Amount Authorized	Prior Notes Outstanding	Notes to be Issued
2023-08	Various Capital Improvements	\$2,070,900	\$2,070,900	\$2,070,900
2024-13	Various Capital Improvements	2,600,000	0	2,600,000
TOTAL		\$4,670,900	\$2,070,900	\$4,670,900

Taxable Notes

The Taxable Notes are issued pursuant to bond ordinances of the Township set forth below. Proceeds from the sale and issuance of the Taxable Notes, along with other available funds of the Township, will be used by the Township to: (i) refund \$2,341,184 of the 2023 Taxable Bond Anticipation Notes; and (ii) provide funds for the costs incurred in connection with the authorization, sale and issuance of the Taxable Notes.

The improvements to be temporarily financed with the proceeds of the Taxable Notes include the following:

General Improvement Notes

Bond Ordinance	Purpose/ Improvement	Original Amount Authorized	Prior Notes Outstanding	Paydowns	Taxable Notes to be Issued
2008-11	Acquisition of Real Property – Cow Pointe	\$10,300,000	\$122,656	\$2,106	\$120,550
2009-28	Improvements to Public Safety Facilities and Related Expenses	665,000	324,181	24,466	299,715
2010-15	Various Capital Improvements	3,586,411	1,550,309	136,833	1,413,476
TOTAL		\$14,551,441	\$1,997,146	\$163,405	\$1,833,741

Water and Sewer Utility Notes

Bond Ordinance	Purpose/ Improvement	Original Amount Authorized	Prior Notes Outstanding	Paydowns	Taxable Notes to be Issued
2010-16	Various Utility Capital Improvements	\$1,050,000	\$344,038	\$58,380	\$285,658
TOTAL		\$1,050,000	\$344,038	\$58,380	\$285,658

DESCRIPTION OF THE NOTES

General

The Tax-Exempt Notes will be issued in the aggregate principal amount of \$10,290,323. The Taxable Notes will be issued in the aggregate principal amount of \$2,119,399.

The Notes shall be dated and shall bear interest from their date of delivery and shall mature on the date and in the amount shown on the front cover page hereof. The Notes shall bear interest, payable at maturity, at the rate shown on the front cover page hereof. Interest on the Notes shall be calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year. The Notes are not subject to redemption prior to their stated maturity date.

The Notes will be issued as registered notes or as fully registered notes in book-entry only form, if applicable, and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as securities depository for the Notes. Principal of and interest on the Notes will be payable by the Township or a duly designated paying agent on the date of maturity by wire transfer of immediately available funds to DTC or its nominee. Purchases of beneficial interests in the Notes will be made in book-entry only form, without certificates, in denominations of \$5,000, or any integral multiple of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Notes, through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in

the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

The Note certificates will be on deposit with DTC, if applicable. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Notes purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the Township or a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC Participants, which will in turn remit such payments to the beneficial owners of the Notes. See "BOOK-ENTRY ONLY SYSTEM" herein.

Redemption Provisions

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

Book-Entry-Only System ¹

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

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

¹ Source: The Depository Trust Company

between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

Redemption proceeds and distributions on the Notes, 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 Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Township, or the 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 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 Notes at any time by giving reasonable notice to the Township, or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

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

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

NEITHER THE TOWNSHIP, NOR THE 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 NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE HEADING "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.

Discontinuance of Book-Entry-Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Notes, the following provisions would apply: (i) the Notes may be exchanged for an equal principal amount of Notes in other authorized denominations and of the same maturity, upon surrender thereof at the offices of the Township, or the Paying Agent; (ii) the transfer of the Notes may be registered on the books maintained by the Township, or the Paying Agent for such purposes only upon the surrender thereof to the Township, or the Paying Agent together with the duly executed assignment in form satisfactory to the Township, or the Paying Agent; and (iii) for every exchange or registration of transfer of the Notes, the Township, or the 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 Notes. In such event, interest on the Notes will be payable by check or draft, mailed on each Interest Payment Date, to the registered owners thereof as of the close of business on the Record Date, whether or not a business day.

SECURITY FOR THE NOTES

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

The Township may pledge only its own credit and taxing power in respect of the Notes, and has no power to pledge the credit or taxing power of the State or any other political subdivision thereof, nor shall the Notes 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 Notes.

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. Copies of the entire completed Reports of Audit may be obtained upon request to the office of the Township Clerk or EMMA Platform.

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

Local Bond Law

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

presumed to be fully authorized and issued by all of the laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery.

Debt Limits - The authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to three and one half percent (3.50%) of its equalized valuation basis. The equalized valuation basis of the Township is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements as annually determined by the New Jersey 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 Notes, will not exceed its three and one half percent (3.50%) debt limit.

Exceptions to Debt Limits – Extensions of Credit - The Township may exceed its debt limit with the approval of the 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 Taxable 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 Taxable 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 Taxable Notes are issued.

Bonds – Bonds may be issued pursuant to the Local Bond Law for the purpose of paying, funding 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 bonds.

Local Fiscal Affairs Law

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

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

An independent examination of the Township's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the New Jersey State Board of Accountancy. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2023 is on file with the Township Clerk and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the Chief Financial Officer of the local unit file annually with the Director a verified statement of the financial condition of the local unit as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end local units and August 10 for June 30 fiscal year end local units.

Local Budget Law

The Local Budget Law, Chapter 4 of Title 40A of the State states, 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 local unit to increase its overall appropriations, it does not limit the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service on the Notes. The Cap Law provides that a local unit shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year's final appropriations subject to certain exceptions. The "index rate" is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce.

Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

Additionally, legislation constituting P.L. 2010, c. 44, was adopted on July 13, 2010 (S-29R1), which, among other things, imposes a two percent (2%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments.

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% 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 Notes.

Miscellaneous Revenues

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

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

Real Estate Taxes

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

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

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

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

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

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 years; and tax map preparations,

revision of ordinances, revaluations, master plan preparation, studies and planning necessary for the installation and construction of a sanitary sewer system, and payments of accumulated sick and vacation time which may be amortized over five years.

Budget Transfers

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

Capital Budget

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

Related Constitutional and Statutory Provisions

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

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

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

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

Rights and Remedies of Owners of Notes

The Municipal Finance Commission ("Commission") was created in 1931 to assist in the financial rehabilitation of municipalities, which had defaulted in their obligations. The powers of the

Commission are exercised today by the Local Finance Board. The previously discussed elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the "Municipal Finance Commission Statutes" are available to assist in restoring the stability of the local unit.

Any holder of bonds which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the State's Superior Court. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations causes the Commission to become operative in that municipality.

The Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. The Commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors and the readjustment of debts under the Federal Municipal Bankruptcy Act. Such Act permits municipalities to have access to bankruptcy court for protection against suits by bondholders and creditors.

The Local Finance Board also serves as the "Funding Commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such Funding Commission for the proposed reorganization of its debt.

Limitation of Remedies Under Federal Bankruptcy Code

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

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

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

THE SUMMARIES OF AND REFERENCES TO THE STATE CONSTITUTION AND OTHER STATUTORY PROVISIONS ABOVE ARE NOT AND SHOULD NOT BE CONSTRUED

AS COMPREHENSIVE OR DEFINITIVE. ALL REFERENCES TO SUCH DOCUMENTS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PARTICULAR DOCUMENT, THE FULL TEXT OF WHICH MAY CONTAIN QUALIFICATIONS OF AND EXCEPTIONS TO STATEMENTS MADE HEREIN.

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. The last complete revaluation of property within the Township was for the year 2012.

Upon the filing of certified adopted budgets by the Township, the local and regional School Districts, 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 New Jersey Statutes. Additionally, a 6% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. Tax liens retained by the Township are periodically assigned to the Township Solicitor for "in rem foreclosures" in order to acquire title to these properties.

Tax Appeals

The State Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the New Jersey 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.

TAX MATTERS

EXCLUSION OF INTEREST ON THE TAX-EXEMPT NOTES FROM GROSS INCOME FOR FEDERAL TAX PURPOSES

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Tax-Exempt Notes in order to assure that interest on the Tax-Exempt Notes will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Tax-Exempt Notes to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Tax-Exempt Notes. The Township will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the Tax-Exempt Notes, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Tax-Exempt Notes and has covenanted not to take any action or fail to take any action that would cause interest on the Tax-Exempt Notes to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificate and will assume continuing compliance by the Township with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Tax-Exempt Notes from gross income for federal income tax purposes and with respect to the treatment of interest on the Tax-Exempt Notes for the purposes of alternative minimum tax.

Assuming the Township observes its covenants with respect to compliance with the Code, Malamut & Associates, LLC, Bond Counsel to the Township, is of the opinion that, under existing law, interest on the Tax-Exempt Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Tax-Exempt Notes is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax, however, for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of "applicable corporations" subject to alternative minimum tax under Section 55 of the Code as amended by the Inflation Reduction Act of 2022, P.L. 117-169.

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

Bond Counsel's engagement with respect to the Tax-Exempt Notes ends with the issuance of the Tax-Exempt Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the owners of the Tax-Exempt Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Tax-Exempt Notes, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial

owners of the Tax-Exempt Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Tax-Exempt Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Tax-Exempt Notes.

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

Original Issue Premium

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

Bank-Qualification

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

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

Additional Federal Income Tax Consequences of Holding the Tax-Exempt Notes

Prospective purchasers of the Tax-Exempt Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Tax-Exempt Notes, may have additional federal income tax consequences for certain taxpayers,

including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

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

CHANGES IN FEDERAL TAX LAW REGARDING THE TAX-EXEMPT NOTES

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

TAXABLE NOTES

General

In the opinion of Bond Counsel, interest on the Taxable Notes is includable in gross income for federal income tax purposes.

The following is a summary of certain United States federal income tax consequences of the ownership of the Taxable Notes as of the date hereof. Each prospective investor should consult with its own tax advisor regarding the application of United States federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.

This summary is based on the Code, as well as Treasury Regulations and administrative and judicial rulings and practice. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein. This summary is intended as a general explanatory discussion of the consequences of holding the Taxable Notes generally and does not purport to furnish information in the level of detail or with the investor's specific tax circumstances that would be provided by an investor's own tax advisor. For example, this summary is addressed only to original purchasers of the Taxable Notes that are "U.S. holders" (as defined below), deals only with the Taxable Notes held as a capital asset within the meaning of Section 1221 of the Code and does not address tax consequences to holders that may be relevant to investors subject to special rules. In addition, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in the Taxable Notes.

As used herein, a “U.S. holder” is a “U.S. person” that is a beneficial owner of the Taxable Notes. A “non-U.S. investor” is a holder (or beneficial owner) of the Taxable Notes that is not a U.S. person. For these purposes, a “U.S. person” is a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in Treasury Regulations), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a United States court is able to exercise primary supervision over the trust’s administration, and (ii) one or more United States persons have the authority to control all of the trust’s substantial decisions.

Sale or Redemption of the Taxable Notes

A note owner’s tax basis for the Taxable Notes is the price such owner pays for the Taxable Notes plus amounts of any original issue discount included in income, reduced on account of any payments received (other than “qualified periodic interest” payments) and any amortized premium. Gain or loss recognized on a sale, exchange or redemption of the Taxable Notes, measured by the difference between the amount realized and the Taxable Notes’ basis as so adjusted, will generally give rise to capital gain or loss if the Taxable Notes are held as a capital asset.

Possible Recognition of Taxable Gain or Loss Upon Defeasance of Taxable Notes

Defeasance of any Taxable Notes may result in a deemed exchange under Section 1001 of the Code, in which event the holder of such Taxable Notes will recognize taxable gain or loss in an amount equal to the difference between the amount realized from the deemed exchange (less any accrued qualified stated interest which will be taxable as such) and the holder’s adjusted basis in such Taxable Notes.

Backup Withholding

A noteholder may, under certain circumstances, be subject to “backup withholding” (currently the rate of this withholding tax is 28%, but may change in the future) with respect to interest or original issue discount on the Taxable Notes. This withholding generally applies if the owner of the Taxable Notes (a) fails to furnish the Township or its paying agent with its taxpayer identification number; (b) furnishes the Township or its paying agent an incorrect taxpayer identification number; (c) fails to report properly interest, dividends or other “reportable payments” as defined in the Code; or (d) under certain circumstances, fails to provide the Township or its paying agent with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the holder is not subject to backup withholding. Backup withholding will not apply, however, with respect to certain payments made to note owners, including payments to certain exempt recipients (such as certain exempt organizations) and to certain Nonresidents (as defined below). Owners of the Taxable Notes should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining the exemption.

The amount of “reportable payments” for each calendar year and the amount of tax withheld, if any, with respect to payments on the Taxable Notes will be reported to the note owners and to the Internal Revenue Service (the “IRS”).

Foreign Note Owners

Under the Code, interest and original issue discount income with respect to the Taxable Notes held by nonresident alien individuals, foreign corporations or other non-United States persons (“Nonresidents”) generally will not be subject to the United States withholding tax (or backup withholding) if the Township or the Paying Agent (or other person who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement that the beneficial owner of the Taxable Notes is a Nonresident. The withholding tax may be reduced or eliminated by an applicable tax treaty, if any. Notwithstanding the foregoing, if any such payments are effectively connected with a United States trade or business conducted by a Nonresident note owner, they will be subject to regular United States income tax, but will ordinarily be exempt from United States withholding tax.

ERISA

The Employees Retirement Income Security Act of 1974, as amended (“ERISA”), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA (an “ERISA Plan”) and persons who, with respect to that plan, are fiduciaries or other “parties in interest” within the meaning of ERISA or “disqualified persons” within the meaning of the Code. All fiduciaries of ERISA Plans, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Taxable Notes.

In all events, all investors should consult their own tax advisors in determining the federal, state, local and other tax consequences to them of the purchase, ownership and disposition of Taxable Notes.

State Taxation

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

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

LITIGATION

Upon delivery of the Notes, the Township shall furnish an opinion of its Solicitor, Timothy M. Prime, Esquire, of the law firm Prime & Tuvel, LLC, Mount Laurel, New Jersey, dated the date of delivery of the Notes, to the effect that there is no litigation of any nature pending, to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes. In addition, such

opinion shall state that there is no litigation of any nature now pending by or against the Township wherein an adverse judgment or ruling could have a material and adverse impact on the financial condition of the Township or adversely affect the power to levy, collect and enforce the collection of taxes or other revenues for the payment of the Notes, which has not been otherwise disclosed in this Official Statement.

RATING

The Notes have not been rated.

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 Notes by certificates signed by various officers and officials of the Township upon issuance and delivery of the Notes.

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.

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

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 ("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 and 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 \$2,448,616 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 large and complex technology environment to conduct its various operations. As a result, the Township faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Township has invested in multiple forms of cybersecurity and operational safeguards.

UNDERWRITING

The Tax-Exempt Notes have been purchased from the Township at a public sale by BNY Mellon Capital Markets, LLC, as underwriter ("Tax-Exempt Note Underwriter"), at a purchase price of \$10,406,409.16.

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

The Taxable Notes have been purchased from the Township at a public sale by Passaic Valley Water Commission, as underwriter ("Taxable Note Underwriter") at a purchase price of \$2,120,074.59.

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

LEGALITY FOR INVESTMENT

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

NO DEFAULT

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

MUNICIPAL ADVISOR

Acacia Financial Group, Inc., Mount Laurel, New Jersey has served as Municipal Advisor to the Township (the "Municipal Advisor") with respect to the issuance of the Notes. 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.

CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12 ("Rule"), promulgated under the Securities Exchange Act of 1934, as amended, by the Securities and Exchange Commission ("Commission"), the Township will, prior to the issuance of the Notes, enter into an agreement substantially in the form set forth in Appendix "D".

The Township has complied with continuing disclosure requirements for the past five (5) years. The Township has appointed Acacia Financial Group, Inc., Mount Laurel, New Jersey, to serve as Dissemination Agent to the Township to assure future compliance with the rule.

LEGAL MATTERS

The legality of the Notes will be subject to the approving legal opinions of Malamut & Associate, LLC, Cherry Hill, New Jersey, Bond Counsel to the Township ("Bond Counsel"). Such opinions will be printed on or accompany the Notes and provide, *inter alia*, that the Notes are valid and binding obligations of the Township, and the Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Township without limitation as to rate or amount for the payment of the Notes and interest thereon. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other law affecting creditors' rights or remedies heretofore or hereinafter enacted. Certain legal matters will be passed upon for the Township by the Township Solicitor, Timothy M. Prime, Esquire, of the law firm Prime & Tuvel, LLC.

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

The various legal opinions to be delivered concurrently with the delivery of the Notes express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Lindsey Gentile, Acting Chief Financial Officer/Treasurer, Township of Medford, 49 Union Street, Medford, New Jersey, (609) 654-2608 x 337.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be

realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract or agreement with the owners of the Notes.

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

TOWNSHIP OF MEDFORD, NEW JERSEY

By: /s/ LINDSEY GENTILE
LINDSEY GENTILE, Acting Chief Financial
Officer/Treasurer

Dated: September 12, 2024

APPENDIX A
CERTAIN INFORMATION REGARDING THE TOWNSHIP

GENERAL INFORMATION ON THE TOWNSHIP

History, Location and Area

The Township is a 42 square mile municipality located in southern Burlington County ("County") approximately 18 miles east of Philadelphia, 35 miles west of the Atlantic Ocean and located at the edge of the Pine Barrens.

In January, 1980, following the adoption, by referendum, of a Charter Study recommendation, the Township switched to Council-Manager Plan E of the optional Municipal Charter Law of the State. The new Township Council embarked on the task of organization and with the help of the Township Manager established three (3) major goals: (i) the creation of a governmental environment which will encourage broad citizen participation, attract competent personnel and produce a policy which is goal and result oriented; (ii) place a focus on the downtown village with planning decisions and physical improvements aimed at providing a diversification of uses which attract people and help recover some of the economic vitality and historical significance; and (iii) the improvement of a service delivery system through modernization of facilities and equipment, restructuring of the organization and the use of modern methods and techniques aimed at maximizing productivity and minimizing cost and improving personalized service to the citizens.

In the years that have followed, these goals have been the backbone of decision making which has improved the Township's financial position, developed a comprehensive planning document consistent with State and regional objectives and opened the channels of communication with the citizens of the community and business and government leaders at all levels.

Of particular significance is the development of the unified utility system which places the Township in a position to: (i) provide the infrastructure required to serve the current population and to attract the expected growth predicted for the Township; (ii) provide the existing users with quality service; and (iii) provide a more stabilized rate structure.

Continuing improvements have been made to both the water and sewer systems, including a modern tertiary level sewerage treatment facility completed in 1986, major water transmission line interconnections finished in 1992 and construction of three elevated water storage tanks in 1974, 1989 and 1998.

The Township is a community which will continue to build on its strong foundation by implementing its Master Plan which reflects the Pineland Regional Commission's goals of continued controlled growth.

Form of Government

The Township is governed by a Township Council composed of five members, all of whom are elected at large. The Township employs a Township Manager who has the responsibility of operating the Township government efficiently under the guidelines and provisions of the Township Council and the Township Administrative Code.

The general administration of the Township business, tax assessment and collection, zoning and planning, elections and court is provided, utilizing a full time staff of approximately 105 persons.

Planning and Development

The Township Master Plan provides for a well-planned development of the remaining vacant land within the Township. The Master Plan was adopted on September 25, 1990 and re-examined and updated in 1996, 2002, 2008, 2012 and 2017.

The Township presently has 8,531 residential units including farm properties. The Township's real estate values have increased in recent years.

Public Services

The Township has a 40-person police force and 46 police vehicles. A 24-hour police dispatching network through Burlington County Central Communication, located in Westampton, N.J. and numerous school traffic guards contribute to the safety of the Township. The Township is also protected by nine full time firefighters, as well as, by two volunteer fire companies. Emergency medical services have paid daytime coverage to augment the volunteers.

Improvements and maintenance of the Township streets and equipment utilizes a 18 person Public Works Department. Once-a-week garbage and trash collection and Fall only leaf collection, which is every day for three months during the Fall, financed through Township tax dollars is also provided.

Public Service Electric and Gas Company, Conectiv Energy and South Jersey Gas Company provide electric and gas to the Township. Water service for approximately 5,396 customers and sewer service for approximately 5,977 customers is provided by the Township.

Over 488 acres of parks and playgrounds are maintained with 801 acres preserved as natural woodland parks and 438 acres under Farmland Preservation.

Library

The Township is part of the County library system. While the Township owns the building the library operates in, the staff of the library is under the County's system.

Health Care Facilities

Two retirement and long term health care facilities are located in the Township; Medford Convalescent and Nursing Center and Medford Leas. The Medford Medical Building is a public health care center, located in the Township, which houses doctors practicing various specialized medicine. In addition, Virtua-Memorial Hospital Burlington County is located within 10 miles of the Township.

Transportation

The Township is intersected by State Highway Route 70; Route 70 intersects State Highway Route 73. Both Routes 70 and 73 allow access to Interstate Highway Route 295 for travel to Philadelphia. Also accessible from Route 73 is the New Jersey Turnpike for travel north to New York or south to Delaware. Public transportation in the Township is provided by New Jersey Transit bus lines.

Compensated Absences

The Township does not have a policy for compensating all employees for unused sick, vacation or personal leave days upon retirement. However, policies negotiated in the union contracts of the public works, utility, fire and police departments exist. Per the Township handbook non-aligned employees will be compensated in the same manner as employees in the public works union.

In accordance with all union negotiated contracts of the Township employees are entitled to be paid for vacation and comp time upon termination at their current hourly rates.

Additionally, in accordance with the Township's Officer's Association, up to 45 days of accumulated sick time will be compensated at current hourly rates upon termination, and in accordance with Township's Police Superior Officers Association contract, sick time will be compensated upon termination as follows:

- Hours 1 -1,040 – 55% of the Officer's Hourly Rate
- Hours 1,041 – 1,500 50% of the Officer's Hourly Rate
- Hours 1,501+ 45% of the Officer's Hourly Rate

The Township does not record accrued expenses related to compensated absences. The Township has established a compensated absences trust fund to set aside funds for future payments of compensated absences. For additional information regarding compensated absences, see Appendix B: Audited Financial Statements of the Township, Note 11.

Pension Plans

The Township, on behalf of most of its employees, is enrolled in the New Jersey Public Employees Retirement System, a pension actuarial system administered by the Division of Pensions within the Treasury Department of the State. The members of the Police Department and Fire Department, however, are enrolled in the Police and Firemen's Retirement System. For additional information regarding pension plans, see Appendix B: Audited Financial Statements of the Township, Note 8.

Township Employees

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2019</u>	<u>2018</u>
Full-time	105	92	88	90	85
Part-time	<u>28</u>	<u>23</u>	<u>25</u>	<u>24</u>	<u>27</u>
	<u>133</u>	<u>115</u>	<u>113</u>	<u>114</u>	<u>112</u>

Employee Collective Bargaining Units

There are 11 Township employees represented by the Medford Township Superior Officers Association which includes police superior officers. The agreement with the Superior Officers Association expires December 31, 2025. The Medford Police Officers Association is represented by 29 police officers. The agreement with the Police Officers Association expires on December 31, 2025. The agreement with the International Association of Firefighters Local 3091 Shop 25F and Shop 25O expires on December 31, 2026 and represents 9 employees. There is also a public works department Public Utilities union of 18 members affiliated with the UAW – International Union, United Automobile, Aerospace Agricultural Implement Workers of America which expires December 31, 2024. There is also a new collective bargaining unit known as Burlington County Professional Fire Fighters Association, International Association of Fire Fighters Local 3091 A.F.L.-C.I.O.-C.L.C. Shop 25E that expires December 31, 2024 and represents 4 employees.

Township Population(1)

2020 Federal Census	24,497
2010 Federal Census	23,033
2000 Federal Census	22,253
1990 Federal Census	20,526
1980 Federal Census	17,471
1970 Federal Census	8,292

Selected Census 2022 Data on the Township(1)

Median Household Income	\$154,446
Per Capita Income	\$72,531

Business and Industry

There are several shopping centers throughout the Township, including Medford Plaza, Medford Center, Sharps Run Plaza, Taunton Forge and Ironstone Village, as well as, numerous smaller strip centers.

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

Building Permits (1)

The Township records of building permits issued by the Township Construction Code Officer illustrate the following growth patterns within the Township for the years 2019 through 2024.

<u>Year</u>	<u>Number of Permits</u>	<u>Value of Construction</u>
2024	784	\$34,809,073 (2)
2023	1,486	46,862,287
2022	1,379	51,710,791
2021	1,541	81,279,161
2020	1,229	37,745,536
2019	1,244	26,147,518

Labor Force(3)

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>
Township				
2023	13,436	12,996	440	3.3%
2022	13,198	12,853	345	2.6
2021	12,814	12,306	508	4.0
2020	12,636	11,815	821	6.5
2019	12,292	11,984	308	2.5
County				
2023	252,255	242,294	9,961	3.9%
2022	247,859	239,613	8,246	3.3
2021	242,242	229,425	12,813	5.3
2020	239,256	220,265	18,987	7.9
2019	230,589	223,049	7,540	3.3
State				
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	4,495,200	4,055,300	439,900	9.8
2019	4,493,100	4,333,300	159,800	3.6

(1) Source: Township Construction Office

(2) As of August 1, 2024

(3) Source: New Jersey Department of Labor

TEN LARGEST NON-GOVERNMENTAL EMPLOYERS(1)

The following table outlines the largest private employers in the Township.

<u>Company</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
The Estaugh	Retirement/Medical Community	390
Shop Rite	Food Retail	230
Medford Convalescent/Nursing Home	Health Care	180
Acme Markets	Food Retail	180
McDonald's Corporation	Food Retail	90
Murphy's Market	Food Retail	80
Jantek Industries	Home Product Retail	75
J&S Precision Products	Tool Manufacturing	70
Carter Lumber	Home Product Retail	40
Medford Village Country Club	Golf Course	35

EDUCATION(2)

Primary and Secondary Education

The Township of Medford School District ("School District") functions independently through a nine-member board, elected by the citizens in alternate three-year terms. There are presently seven schools for grades kindergarten through eight. In addition to its public schools, the Township has one parochial elementary school, and the Burlington County Institute of Technology High School. The School District issued \$37,926,000 in School Bonds in 2002 for the construction of two new schools and other capital improvements.

Township high school students attend the Lenape Regional High School District ("Regional School District") which presently operates four high schools for grades 9 through 12. The Regional School District comprises the Townships of Medford, Evesham, Mount Laurel, Southampton, Shamong, Tabernacle and Woodland and the Borough of Medford Lakes.

The Regional School District functions through a ten member board, elected by the citizens in alternate three-year terms.

Taxes for the support of the Regional School District, as approved by the voters in the Regional School District, are levied on the valuations in the eight municipalities as equalized by the County.

(1) Source: Township officials

(2) Source: School District officials

**TOWNSHIP OF MEDFORD SCHOOL DISTRICT
SCHOOL 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	36	26	25	10	22
K	268	241	255	221	248
1	237	271	219	228	236
2	266	221	233	227	230
3	218	243	220	215	221
4	243	220	213	205	221
5	223	218	209	201	213
6	220	231	209	211	261
7	229	217	209	257	226
8	224	218	253	225	274
Special Education	<u>563</u>	<u>547</u>	<u>532</u>	<u>496</u>	<u>502</u>
Totals	<u>2,727</u>	<u>2,653</u>	<u>2,577</u>	<u>2,496</u>	<u>2,654</u>

PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY(1)

<u>Name of School</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Enrollment</u>	<u>Functional Capacity</u>
				<u>Oct. 15, 2023</u>	
Cranberry Pines	1979	1996	K-5	289	479
Maurice & Everett Haines 6 th Grade Center	1960	1985	Grade 6	287	461
Milton H. Allen	1922	1954, 1985	K-5	405	486
Taunton Forge	1977	1996	K-5	376	447
Medford Twp. Memorial	1968	1985, 1996	7-8	585	1,131
Chairville School	2004	---	K-5	406	500
Kirby's Mill School	2004	---	K-5	379	515

**LENAPE REGIONAL HIGH SCHOOL DISTRICT
ENROLLMENTS(2)(3)**

	<u>June 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Totals	<u>1,198</u>	<u>1,238</u>	<u>1,580</u>	<u>1,580</u>	<u>1,597</u>

- (1) Source: School District officials
 (2) Source: Regional District officials
 (3) Township students only

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 features a one-stop 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 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 the 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 Service 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 INFORMATION

TEN LARGEST TAXPAYERS(1)

The following table outlines the assessed value of the ten (10) largest commercial properties within the Township.

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	2024 <u>Assessed</u> <u>Valuation</u>
The Estaugh T/A Medford Leas	Continuing Care Facility	\$ 26,441,000.00
Medford Associates, L.P.	Apartments	16,927,900.00
Sharp's Run, LLC	Retail Shopping Center	15,464,900.00
New Albany Partners	Apartments	11,322,000.00
Depetris Family, LLC	Retail Shopping Center	10,369,200.00
Medford Supermarket Properties	Supermarket	9,151,500.00
Medford Convalescent & Nursing	Continuing Care Facility	8,010,600.00
Medford Investor Assoc GB LTD	Retail Shopping Center	6,853,400.00
Autum Park Urban Renewal	Apartments	6,800,000.00
Medford Shopping Center, LLC	Retail Shopping Center	5,900,000.00

(1) Source: Township Tax Assessor

CURRENT TAX COLLECTIONS (1)

<u>Year</u>	<u>Total Levy</u>	<u>Outstanding Dec. 31</u>		<u>Collected in Year of Levy</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2023	\$ 104,927,357	\$ 784,697	0.75%	\$ 104,018,904	99.13%
2022	101,698,293	708,676	0.70%	100,914,224	99.23%
2021	99,648,060	593,784	0.60%	99,008,784	99.36%
2020	98,817,221	858,051	0.87%	97,885,442	99.06%
2019	96,730,415	947,559	0.98%	95,665,417	98.90%

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2023	\$ 722,349	\$ 43,419	\$ 708,046	92.46%	\$ -	\$ 73	\$ 57,649
2022	654,226	1,855	641,077	97.71%	-	1,331	13,673
2021	902,407	1,937	836,395	92.49%	-	7,507	60,442
2020	986,044	1,750	929,116	94.06%	837	13,484	44,357
2019	741,612	1,750	704,439	94.76%	438	-	38,485

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by</u>			<u>Balance Dec. 31</u>
		<u>Sales and Transfers</u>	<u>Collected/ Cancelled</u>	<u>Balance</u>	
2023	\$ 145,737	\$ 14,271	\$ 44,927	\$ 115,081	
2022	134,717	14,696	3,676	145,737	
2021	121,785	12,931	-	134,716	
2020	109,235	13,921	1,371	121,785	
2019	109,853	12,616	13,234	109,235	

FORECLOSED PROPERTY(1)(2)

<u>Year</u>	<u>Balance</u>		<u>Balance Dec. 31</u>
	<u>Jan. 1</u>	<u>Adjustments</u>	
2023	\$ 902,400	\$ -	\$ 902,400
2022	902,400	-	902,400
2021	902,400	-	902,400
2020	902,400	-	902,400
2019	1,071,200	168,800	902,400

(1) Source: Township Reports of Audits.

(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.

CURRENT WATER AND SEWER COLLECTIONS(1)

<u>Year</u>	<u>Beginning</u>		<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
	<u>Balance</u>	<u>Total Levy</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2023	\$ 153,817	\$ 6,977,587	\$ 6,906,575	96.85%	\$ 224,829	3.15%
2022	231,578	6,590,689	6,668,450	97.75%	153,817	2.25%
2021	182,020	6,409,377	6,359,818	96.49%	231,578	3.51%
2020	235,646	6,435,070	6,488,696	97.27%	182,020	2.73%
2019	191,579	6,240,460	6,196,394	96.34%	235,646	3.66%

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (2)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (3)</u>					
		<u>Total Rate</u>	<u>Regional</u>			<u>Municipal</u>	
			<u>County</u>	<u>High School</u>	<u>Local School</u>	<u>Municipal</u>	<u>Open Space</u>
2024	\$ 3,153,248,468	N/A	N/A	N/A	N/A	N/A	N/A
2023	3,140,582,317	\$ 3.318	\$ 0.474	\$ 0.780	\$ 1.624	\$ 0.416	\$ 0.024
2022	3,084,222,807	3.250	0.445	0.765	1.600	0.416	0.024
2021	3,062,256,508	3.232	0.447	0.785	1.570	0.406	0.024
2020	3,046,487,501	3.212	0.442	0.772	1.569	0.405	0.024
2019	3,038,010,579	3.169	0.441	0.761	1.539	0.405	0.023

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	\$ 3,153,248,400	67.50%	\$ 4,671,479,111
2023	3,135,604,000	75.16%	4,171,905,269	170,303
2022	3,078,802,500	84.51%	3,643,122,116	148,717
2021	3,056,625,700	87.79%	3,481,747,010	142,130
2020	3,040,761,900	89.56%	3,395,223,202	138,598

(1) Source: Annual Report of Audit

(2) Source: Township Tax Collector

(3) Per \$100 of assessed valuation

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

(5) Based on Census 2020 of 24,497

REAL PROPERTY CLASSIFICATION(1)

Year	Assessed Value of Land and						
	Improvements	Vacant Land	Residential	Commercial	Industrial	Apartments	Farmland
2024	\$ 3,153,248,400	\$ 13,607,600	\$ 2,786,845,500	\$ 243,639,800	\$ 12,421,900	\$ 64,358,000	\$ 32,375,600
2023	3,135,604,000	14,987,400	2,769,975,800	245,898,400	12,421,900	61,458,000	30,862,500
2022	3,078,802,500	20,005,400	2,715,826,300	244,812,900	12,362,700	54,658,000	31,137,200
2021	3,056,625,700	26,874,700	2,685,388,600	245,540,900	12,362,700	54,658,000	31,800,800
2020	3,040,761,900	16,868,100	2,675,055,000	247,922,900	12,772,700	54,658,000	33,485,200

TOWNSHIP OF MEDFORD STATEMENT OF INDEBTEDNESS (2)

The following table summarizes the direct debt of the Township of Medford 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, and debt authorized but not issued, including General, Water and Sewer Utility, and debt of the Local and Regional School Districts. Deductions from gross debt to arrive at net debt include deductible school debt, reserve for payment of debt, as well as debt considered to be self-liquidating. The resulting net debt of \$39,639,890 represents 0.962% of the average of equalized valuations for the Township for the last three years, of \$4,119,516,969 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	Loans	Notes			School Debt	Reserve for Payment of Debt	Self- Liquidating	
General	\$ 34,530,000		\$ 5,286,469	\$ 1,171	\$ 39,817,640		\$ 177,750		\$ 39,639,890
School - Local	6,705,000				6,705,000	\$ 6,705,000			
School - Regional	16,880,854				16,880,854	16,880,854			
Water - Sewer Utility	9,095,000	\$ 6,924,459	2,414,938	637	18,435,034			\$ 18,435,034	
	<u>\$ 67,210,854</u>	<u>\$ 6,924,459</u>	<u>\$ 7,701,407</u>	<u>\$ 1,808</u>	<u>\$ 81,838,528</u>	<u>\$ 23,585,854</u>	<u>\$ 177,750</u>	<u>\$ 18,435,034</u>	<u>\$ 39,639,890</u>

(1) Source: Township Tax Assessor
(2) As of December 31, 2023

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements for 2021, 2022 and 2023	\$ 4,119,516,969
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2021, 2022 and 2023	0.962%
2024 Net Valuation Taxable	\$ 3,153,248,468
2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$ 4,671,479,179
Gross Debt (2)	
As a Percentage of 2024 Net Valuation Taxable	2.595%
As a Percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	1.752%
Net Debt (2)	
As a Percentage of 2024 Net Valuation Taxable	1.257%
As a Percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	0.849%
Gross Debt per Capita(3)	\$ 3,341
Net Debt per Capita(3)	\$ 1,618

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Average (2021-23) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$4,119,516,969)	\$ 144,183,094
Net Debt	<u>(39,639,890)</u>
Remaining Borrowing Capacity	<u>\$ 104,543,204</u>

(1) As of December 31, 2023
(2) Excluding overlapping debt
(3) Based on 2020 Census of 24,497

LOCAL SCHOOL BORROWING CAPACITY(1)

3% of Average (2021-23) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$4,119,516,969)	\$ 123,585,509
Local School Debt	<u>(6,705,000)</u>
Remaining Borrowing Capacity	<u>\$ 116,880,509</u>

REGIONAL HIGH SCHOOL DISTRICT(1)

3% of Averaged (2021-23) Equalized Valuation of Real Property Including Improvements (\$22,084,667,302)	\$ 662,540,019
Regional High School Debt(2)	<u>(90,498,000)</u>
Remaining Borrowing Capacity	<u>\$ 572,042,019</u>

(1) As of December 31, 2023

(2) Debt portion allocated to the Township is \$16,880,854

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

	DEBT ISSUED				
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	<u>Debt Auth. but not Issued</u>
County of Burlington:					
General:					
Bonds	\$ 141,501,000	\$ 16,660,424 (1)	\$ 124,840,576	\$ 8,989,177 (2)	
Notes					(2) \$60,817,107
Loans	4,318,670		4,318,670	310,967 (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
	\$ 515,179,370	\$ 386,020,124	\$ 129,159,246	\$ 9,300,144	\$95,702,122

(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 7.20% .

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

TOWNSHIP OF MEDFORD
SCHEDULE OF TOWNSHIP DEBT SERVICE (1)
(BONDED DEBT AND LOANS ONLY)

Existing Debt							
Year	General Debt			Water & Sewer Debt			Grand Total
	Interest	Principal	Total	Interest	Principal	Total	
2024	\$ 1,225,769	\$ 2,725,000	\$ 3,950,769	\$ 477,238	\$ 2,223,988	\$ 2,701,226	\$ 6,651,995
2025	1,131,106	2,805,000	3,936,106	411,133	2,263,518	2,674,651	6,610,757
2026	1,037,669	2,440,000	3,477,669	340,473	2,023,594	2,364,067	5,841,735
2027	945,844	2,520,000	3,465,844	278,788	1,964,599	2,243,387	5,709,230
2028	850,494	2,615,000	3,465,494	217,275	1,857,256	2,074,531	5,540,024
2029	751,294	2,710,000	3,461,294	157,725	1,057,051	1,214,776	4,676,070
2030	654,919	2,805,000	3,459,919	129,550	744,453	874,003	4,333,922
2031	540,894	2,910,000	3,450,894	107,575	405,000	512,575	3,963,469
2032	422,147	3,025,000	3,447,147	94,425	415,000	509,425	3,956,572
2033	297,375	3,150,000	3,447,375	80,869	425,000	505,869	3,953,244
2034	195,650	1,190,000	1,385,650	69,338	360,000	429,338	1,814,988
2035	158,650	1,225,000	1,383,650	59,588	375,000	434,588	1,818,238
2036	120,350	1,255,000	1,375,350	51,238	270,000	321,238	1,696,588
2037	85,650	1,295,000	1,380,650	44,888	275,000	319,888	1,700,538
2038	49,800	1,330,000	1,379,800	38,438	285,000	323,438	1,703,238
2039	21,200	530,000	551,200	31,688	290,000	321,688	872,888
2040				24,838	300,000	324,838	324,838
2041				20,188	55,000	75,188	75,188
2042				17,988	55,000	72,988	72,988
2043				15,788	60,000	75,788	75,788
2044				13,313	60,000	73,313	73,313
2045				10,838	60,000	70,838	70,838
2046				8,288	65,000	73,288	73,288
2047				5,525	65,000	70,525	70,525
2048				2,763	65,000	67,763	67,763
	\$ 8,488,809	\$ 34,530,000	\$ 43,018,809	\$ 2,709,749	\$ 16,019,459	\$ 18,729,208	\$ 61,748,017

(1) As of December 31, 2023
Source: Township Debt Schedules

**TOWNSHIP OF MEDFORD
2024 MUNICIPAL BUDGET (1)**

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 3,285,600
Miscellaneous Revenues:	
Local Revenues	2,019,692
State Aid without Offsetting Appropriations	2,223,698
Dedicated Uniform Construction Code Fees	700,000
Shared Service Agreements	743,014
Public and Private Programs Offset with Appropriations	398,640
Other Special Items of Revenue	701,911
Receipts from Delinquent Taxes	700,000
Amount to be Raised by Taxation for Municipal Purposes	15,358,033
Total Appropriated Revenues	\$ 26,130,588
Appropriations:	
Within CAPS:	
Operations	\$ 16,974,522
Deferred Charges and Statutory Expenditures	2,477,477
Excluded from CAPS:	
Other Operations	934,426
Shared Service Agreements	743,014
Public and Private Programs	159,280
Capital Improvements	349,360
Debt Service	3,521,460
Reserve for Uncollected Taxes	971,049
Total Appropriations	\$ 26,130,588

WATER AND SEWER UTILITY FUND

Anticipated Revenues:	
Surplus Anticipated	\$ 786,123
Rents	6,800,000
Miscellaneous	275,000
Total Anticipated Revenues	\$ 7,861,123
Appropriations:	
Operating	\$ 4,545,261
Capital Improvement Fund	100,000
Capital Outlay	104,000
Debt Service	2,837,639
Pension, Social Security, Unemployment Compensation	274,223
Total Appropriations	\$ 7,861,123

(1) 2024 Adopted Budget.

**TOWNSHIP OF MEDFORD
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2024 - 2029 (1)**

	<u>Estimated Total Cost</u>	<u>Capital Improvement Fund</u>	<u>Bonds and Notes</u>	
			<u>General</u>	<u>Self Liquidating</u>
General Improvements:				
Public Works:				
Asphalt Hot Box	\$ 60,000	\$ 3,000	\$ 57,000	
One Arm Leaf Truck	130,000	6,500	123,500	
Road and Bikepath Improvement Program	10,800,000	540,000	10,260,000	
Fire/EMS:				
100' Ladder Truck with Pumper	2,800,000	140,000	2,660,000	
SCBA Bottles	55,000	2,750	52,250	
PPE Fire Gear	55,000	2,750	52,250	
LED Lighting, Shelving	50,000	2,500	47,500	
Thermal Imaging Cameras	6,000	300	5,700	
Police:				
Computer Server Replacement	30,000	1,500	28,500	
(3) Chevy Tahoe SUV's	176,000	8,800	167,200	
Fire Alarm Replacement	50,000	2,500	47,500	
Stalker Radar for Police Vehicles	10,000	500	9,500	
Community Development - Safe Routes to Schools Proj	100,000	5,000	95,000	
Community Development - Burl Co. CDBG Program	90,000	4,500	85,500	
Purchase of Computer Equipment for Mun Offices	35,000	1,750	33,250	
Purchase of Court Security Systems & Equipment	35,000	1,750	33,250	
Purchase Vehicle - Admin/Construction Department	75,000	3,750	71,250	
Purchase of Construction-Records Equipment	300,000	15,000	285,000	
Purchase of Police Communications/Gen Equipment	280,000	14,000	266,000	
Purchase of Public Safety Vehicles & Equipment	540,000	27,000	513,000	
Purchase of Public Safety Fire Equipment	225,000	11,250	213,750	
Purchase of Fire/EMS - Computers & Equipment	20,000	1,000	19,000	
Acquisition of Emergency Response Vehicle	750,000	37,500	712,500	
Purchase of Public Safety EMS Equipment	30,000	1,500	28,500	
Purchase of Uniform Fire Vehicles & Equipment	70,000	3,500	66,500	
Improvements to Municipal Buildings	550,000	27,500	522,500	
Purchase of Public Works Vehicles & Equipment	950,000	47,500	902,500	
Parks and Recreational Improvements	675,000	33,750	641,250	
Total General Improvements	18,947,000	947,350	17,999,650	-
Water and Sewer Utility Improvements:				
Well House	\$ 250,000			\$ 250,000
Lead Service Replacement	30,000			30,000
Water Meter and Readers	100,000			100,000
Improvement to Sewer Plant	849,000			849,000
Park Station Improvement	300,000			300,000
Other Water Improvements	225,000			225,000
Other Sewer Improvements	225,000			225,000
Security Improvements	45,000			45,000
Imp to Water Distribution and Storage System	2,500,000			2,500,000
Imp to Wastewater Treatment Plant	1,800,000			1,800,000
Imp to Wastewater Collection System	2,350,000			2,350,000
Utility Road Improvement Program	500,000			500,000
Imp to Water & Wastewater Telemetry & Controls	350,000			350,000
Imp to Water Treatment/Wells	2,000,000			2,000,000
Total Water and Sewer Utility Improvements	11,524,000	-	-	11,524,000
Totals--All Projects	\$ 30,471,000	\$ 947,350	\$ 17,999,650	\$ 11,524,000

(1) 2024 Adopted Budget

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
OF THE TOWNSHIP OF MEDFORD
IN THE COUNTY OF BURLINGTON, NEW JERSEY**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Medford
Medford, New Jersey 08055

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 Medford, 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 as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Medford, 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 Medford, 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.

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.

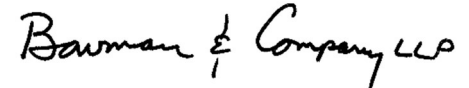
In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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,

Handwritten signature of Bowman & Company LLP in black ink.

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Handwritten signature of Robert P. Nehila, Jr. in black ink.

Robert P. Nehila, Jr.
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 1, 2024

TOWNSHIP OF MEDFORD
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>
ASSETS					
Cash and Investments	\$ 19,305,184	\$ 17,949,596	\$ 17,104,795	\$ 14,838,348	\$ 13,676,954
Federal and State Grants Receivable	2,400,383	694,964	415,318	962,565	381,475
Receivables and other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	842,346	722,349	654,226	902,407	986,044
Tax Title Liens Receivable	115,081	145,737	134,717	121,786	109,235
Property Acquired for Taxes-- Assessed Valuation	902,400	902,400	902,400	902,400	902,400
Revenue Accounts Receivable	8,050	8,557	11,845	8,525	13,242
Interfunds Receivable	29,809	30,504	4,710	9,317	9,799
	<u>\$ 23,603,253</u>	<u>\$ 20,454,107</u>	<u>\$ 19,228,011</u>	<u>\$ 17,745,348</u>	<u>\$ 16,079,149</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$ 1,865,513	\$ 1,182,577	\$ 1,148,981	\$ 1,369,082	\$ 951,014
Accounts Payable	9,563	22,041	30,402	26,598	33,481
Due State of New Jersey	113,445	109,275	103,218	110,564	109,485
Reserve for Encumbrances	2,292,683	2,020,764	964,125	1,525,646	739,580
Interfunds Payable	782,787	23,858	622	3,750	9,248
County Taxes Payable	99,756	198,387	93,471	129,405	58,278
Local District School Taxes Payable	5,929,497	5,107,569	4,479,431	4,334,597	3,812,426
Regional High School Taxes Payable	3,729,993	3,272,734	3,504,342	3,245,483	3,034,194
Prepaid Taxes	754,301	849,489	903,534	866,125	724,965
Tax Overpayments			3,872	1,600	
Other Liabilities and Special Funds	206,660	103,352			
Reserve for Receivables and Other Assets	1,873,829	1,785,690	1,707,277	1,940,685	2,011,473
Reserve for Federal and State Grants	2,304,891	1,827,425	1,735,288	715,013	645,739
Fund Balance	3,640,335	3,950,946	4,553,448	3,476,800	3,949,266
	<u>\$ 23,603,253</u>	<u>\$ 20,454,107</u>	<u>\$ 19,228,011</u>	<u>\$ 17,745,348</u>	<u>\$ 16,079,149</u>

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

**TOWNSHIP OF MEDFORD
CURRENT FUND**

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

	Years Ended December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenue Realized:					
Current Tax Collections	\$ 104,018,904	\$ 100,914,224	\$ 99,008,784	\$ 97,885,442	\$ 95,665,417
Delinquent Tax and Tax Title Liens	709,236	644,753	836,395	930,487	717,672
Total Taxes	104,728,140	101,558,977	99,845,179	98,815,929	96,383,089
Miscellaneous Revenues Anticipated	9,833,789	8,070,825	7,288,553	6,299,079	6,219,910
Other Income	1,405,216	1,401,557	1,466,626	1,012,560	1,264,363
Fund Balance Utilized	3,285,600	3,193,692	2,492,075	2,385,000	2,385,000
Total Income	119,252,745	114,225,051	111,092,433	108,512,568	106,252,362
Expenditures and Encumbrances:					
Operating	19,130,522	18,691,632	15,850,846	15,858,550	14,966,427
Capital Improvements	174,372	150,410		783,000	329,125
Debt Service	3,325,070	2,949,261	2,934,646	2,386,295	2,687,418
Deferred Charges					96,000
Pension, Social Security and Unemployment Compensation	2,434,369	2,210,619	2,119,871	1,881,781	1,780,308
County Taxes	14,968,808	13,916,732	13,734,549	13,529,552	13,387,561
Municipal Open Space Trust Fund Tax	758,929	751,826	741,077	738,139	732,137
Local District School Tax	50,988,988	49,345,134	48,088,859	47,799,190	46,754,849
Regional High School Tax	24,493,943	23,579,425	24,042,642	23,524,924	23,102,345
Other Expenditures	2,755	38,822	11,220	98,603	29,482
Total Expenditures and Encumbrances	116,277,756	111,633,861	107,523,710	106,600,034	103,865,652
Statutory Excess to Fund Balance	2,974,989	2,591,190	3,568,723	1,912,534	2,386,710
Fund Balance Beginning of Year	3,950,946	4,553,448	3,476,800	3,949,266	3,947,556
	6,925,935	7,144,638	7,045,523	5,861,800	6,334,266
Decreased by:					
Utilized as Revenue	3,285,600	3,193,692	2,492,075	2,385,000	2,385,000
Fund Balance Ending of Year	\$ 3,640,335	\$ 3,950,946	\$ 4,553,448	\$ 3,476,800	\$ 3,949,266

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

TOWNSHIP OF MEDFORD
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>
ASSETS					
Cash	\$ 7,934,687	\$ 8,445,476	\$ 4,483,119	\$ 11,005,992	\$ 14,773,820
Accounts Receivable--Other	222,147	222,147	397,147	322,147	737,147
Deferred Charges to Future Taxation:					
Funded	34,530,000	37,199,000	32,540,000	34,670,000	24,350,000
Unfunded	5,287,640	2,161,722	6,928,032	2,881,253	9,134,126
	<u>\$ 47,974,474</u>	<u>\$ 48,028,345</u>	<u>\$ 44,348,298</u>	<u>\$ 48,879,392</u>	<u>\$ 48,995,093</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Serial Bonds	\$ 34,530,000	\$ 37,199,000	\$ 32,540,000	\$ 34,670,000	\$ 24,350,000
Bond Anticipation Notes	5,286,469	2,160,551	2,520,651	2,880,751	9,134,126
Improvement Authorizations:					
Funded	2,745,141	4,503,502	2,987,620	5,024,908	1,905,829
Unfunded	2,239,619	70,362	2,109,702	101,988	3,859,673
Reserve for Encumbrances	2,590,915	2,996,824	3,724,118	5,145,219	8,933,616
Capital Improvement Fund	70,641	69,392	69,392	305,280	70,024
Reserve for Payment of Debt Service	177,750	625,000		354,960	354,960
Other Liabilities and Special Funds	222,147	222,147	222,147	222,147	222,147
Fund Balance	111,792	181,567	174,668	174,139	164,718
	<u>\$ 47,974,474</u>	<u>\$ 48,028,345</u>	<u>\$ 44,348,298</u>	<u>\$ 48,879,392</u>	<u>\$ 48,995,093</u>

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

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY 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>
ASSETS					
Operating Fund:					
Cash and Investments	\$ 3,334,435	\$ 2,857,202	\$ 5,105,463	\$ 2,971,315	\$ 2,220,964
Deferred Charges		174,000			
Receivables with Full Reserves:					
Insurance Claims	2,411	7,723	7,723	9,274	9,922
Water and Sewer Rents Receivable and Liens	224,829	157,075	234,836	185,278	238,904
Total Operating Fund	3,561,675	3,196,000	5,348,022	3,165,867	2,469,790
Capital Fund:					
Cash	6,774,146	5,899,578	4,669,449	7,429,751	6,430,102
Fixed Capital	72,829,280	72,801,574	72,710,223	69,226,362	68,234,286
Fixed Capital Authorized and Uncompleted	22,192,892	20,121,992	18,192,492	19,116,582	17,574,906
Total Capital Fund	101,796,318	98,823,144	95,572,164	95,772,695	92,239,294
	\$ 105,357,993	\$ 102,019,144	\$ 100,920,186	\$ 98,938,562	\$ 94,709,084

(Continued)

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY 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>
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Reserve for Encumbrances	\$ 542,960	\$ 271,638	\$ 359,399	\$ 293,750	\$ 430,746
Appropriation Reserves	190,881	210,620	168,636	242,636	247,300
Prepaid Rents	633,249	536,368	560,596	556,781	624,893
Accounts Payable	11,963	15,615	51,315	73,643	87,557
Overpayments	15,320	4,388	4,622	6,970	16,071
Accrued Interest on Bonds and Notes	190,477	173,184	188,735	214,371	182,408
Reserve for Receivables and Liens	224,829	157,075	234,837	185,278	238,904
Fund Balance	1,751,996	1,827,112	3,779,882	1,592,438	641,911
Total Operating Fund	3,561,675	3,196,000	5,348,022	3,165,867	2,469,790
Capital Fund:					
Serial Bonds	9,095,000	10,110,000	9,943,000	11,008,000	8,087,000
Water Loan Payable	6,924,459	8,044,073	9,238,451	10,410,325	11,549,702
Bond Anticipation Notes	2,414,938	402,418	408,418	466,798	2,190,298
Improvement Authorizations:					
Funded	3,249,830	4,774,836	3,415,296	3,626,939	1,621,610
Unfunded	1,427,366	637	1,253,037	368,999	2,781,022
Capital Improvement Fund	206,399	206,399	206,399	1,506,399	1,506,399
Reserve for Encumbrances	1,738,119	784,272	914,905	1,839,972	440,518
Reserve for Payment of Debt Service	55,489	55,489	55,489	55,489	55,489
Other Liabilities and Special Funds	44,420	44,420	44,420		
Reserve for:					
Amortization	65,808,359	63,896,039	61,790,310	60,410,454	57,127,003
Deferred Reserve for Amortization	10,778,779	10,470,399	8,269,899	6,046,866	6,855,190
Fund Balance	53,160	34,162	32,540	32,454	25,063
Total Capital Fund	101,796,318	98,823,144	95,572,164	95,772,695	92,239,294
	\$ 105,357,993	\$ 102,019,144	\$ 100,920,186	\$ 98,938,562	\$ 94,709,084

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

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY FUND

Statements of Operations and Changes in Operating 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>
Revenue Realized:					
Fund Balance Utilized	\$ 798,705	\$ 2,133,066	\$ -	\$ 269,089	\$ 750,000
Rents	6,906,575	6,668,450	6,359,818	6,488,696	6,196,394
Miscellaneous	483,660	310,701	2,734,997	1,127,344	562,714
Reserve for Payment of Debt Service					300,000
Other Credits to Income	216,354	121,659	191,180	330,350	206,572
Total Income	8,405,294	9,233,876	9,285,995	8,215,479	8,015,680
Expenditures and Encumbrances:					
Operating	4,457,814	4,296,957	3,982,710	3,980,109	3,904,478
Capital Improvements	104,000	1,954,500	90,000	78,500	1,094,000
Debt Service	2,682,887	2,707,097	2,794,949	2,725,886	2,747,032
Pension, Social Security and Unemployment Contributions	437,004	256,015	230,722	211,368	211,469
Refund of Prior Year Revenue		13,011	170		162
Total Expenditures and Encumbrances	7,681,705	9,227,580	7,098,551	6,995,863	7,957,141
Excess in Revenue	723,589	6,296	2,187,444	1,219,616	58,539
Adjustments to Income Before Fund Balance:					
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year		174,000			
Statutory Excess to Fund Balance	723,589	180,296	2,187,444	1,219,616	58,539
Fund Balance Beginning of Year	1,827,112	3,779,882	1,592,438	641,911	1,333,372
	2,550,701	3,960,178	3,779,882	1,861,527	1,391,911
Decreased by:					
Utilized as Anticipated Revenue	798,705	2,133,066		269,089	750,000
	\$ 1,751,996	\$ 1,827,112	\$ 3,779,882	\$ 1,592,438	\$ 641,911

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

TOWNSHIP OF MEDFORD
TRUST FUND
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>
ASSETS					
Cash	\$ 5,025,179	\$ 6,340,045	\$ 6,247,092	\$ 6,564,705	\$ 6,718,956
Interfunds Receivable	758,929				
Investments - LOSAP	1,903,309	1,688,953	2,032,415	1,707,001	1,462,298
	<u>\$ 7,687,417</u>	<u>\$ 8,028,998</u>	<u>\$ 8,279,507</u>	<u>\$ 8,271,706</u>	<u>\$ 8,181,254</u>
LIABILITIES AND RESERVES					
Interfunds Payable	\$ 5,951	\$ 6,646	\$ 3,819	\$ 5,567	\$ 551
Other Liabilities and Special Funds	7,681,466	8,022,352	8,275,688	8,266,139	8,180,703
	<u>\$ 7,687,417</u>	<u>\$ 8,028,998</u>	<u>\$ 8,279,507</u>	<u>\$ 8,271,706</u>	<u>\$ 8,181,254</u>

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

TOWNSHIP OF MEDFORD
Notes to Financial Statements
For the Year Ended December 31, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Medford (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on February 4, 1847 from portions of Evesham Township. The Township, located in Burlington County, New Jersey, has a total area of approximately forty square miles, and is located approximately twenty miles from the City of Philadelphia. The Township borders Evesham Township, Tabernacle Township, Mount Laurel Township, Southampton Township, Shamong Township, and Lumberton Township. According to the 2020 census, the population is 24,497.

The Township has a Council - Manager form of government known as the Council - Manager Plan E under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. There are four Township Council Members who are elected to four-year terms. The Mayor is elected at large to a four-year term. Administrative responsibilities fall under the Township Manager, who is appointed by Council. Executive responsibilities rest with the Township Council.

Component Units - The Borough had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended.

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

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

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

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

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

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

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

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

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

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

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 water and sewer utility operating fund represent amounts available for anticipation as revenue in future years' 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 is realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Medford School District and the Lenape Regional High School District. For both school districts, operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2022 and decreased by the amount deferred at December 31, 2023.

County Taxes - The municipality 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 to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

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

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

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

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

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

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 has an effective date 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 agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2023, the Township's bank balances of \$40,790,146.20 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 39,684,769.56
Uninsured and Uncollateralized	<u>1,105,376.64</u>
Total	<u>\$ 40,790,146.20</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>Year Ended</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	\$ 3.318	\$ 3.250	\$ 3.232	\$ 3.212	\$ 3.169
Apportionment of Tax Rate:					
Municipal	\$.416	\$.416	\$.406	\$.405	\$.405
Municipal Open Space	.024	.024	.024	.024	.023
County	.474	.445	.447	.442	.441
Regional High School	.780	.765	.785	.772	.761
Local School	1.624	1.600	1.570	1.569	1.539

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 3,140,582,317.00
2022	3,084,222,807.00
2021	3,062,256,508.00
2020	3,046,487,501.00
2019	3,038,010,579.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2023	\$ 104,927,356.85	\$ 104,018,903.71	99.13%
2022	101,698,292.93	100,914,224.32	99.23%
2021	99,648,060.36	99,008,783.82	99.36%
2020	98,817,220.60	97,885,442.39	99.06%
2019	96,730,415.42	95,665,416.73	98.90%

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	\$ 115,081.11	\$ 842,346.27	\$ 957,427.38	0.91%
2022	145,737.08	722,349.35	868,086.43	0.85%
2021	134,716.77	654,226.27	788,943.04	0.79%
2020	121,785.53	902,407.34	1,024,192.87	1.04%
2019	109,235.09	986,044.26	1,095,279.35	1.13%

Note 3: PROPERTY TAXES (CONT'D)

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

<u>Year</u>	<u>Number</u>
2023	34
2022	36
2021	31
2020	31
2019	30

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	\$ 902,400.00
2022	902,400.00
2021	902,400.00
2020	902,400.00
2019	902,400.00

Note 5: WATER AND SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year Receivable</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2023	\$ 153,816.82	\$ 6,977,586.80	\$ 7,131,403.62	\$ 6,906,575.05
2022	231,578.38	6,590,688.79	6,822,267.17	6,668,450.35
2021	182,019.90	6,409,376.74	6,591,396.64	6,359,818.26
2020	235,645.97	6,435,069.73	6,670,715.70	6,488,695.80
2019	191,578.99	6,240,460.49	6,432,039.48	6,196,393.51

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:

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2023	\$ 3,640,334.91	\$ 3,285,600.00 (1)	90.26%
2022	3,950,946.35	3,285,600.00	83.16%
2021	4,553,448.39	3,193,692.00	70.14%
2020	3,476,799.93	2,492,075.00	71.68%
2019	3,949,266.09	2,385,000.00	60.39%

Water and Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2023	\$ 1,751,996.52	\$ 786,123.00 (1)	44.87%
2022	1,827,112.09	798,705.00	43.71%
2021	3,779,882.47	2,133,066.00	56.43%
2020	1,592,438.46	None	
2019	641,910.68	269,089.00	41.92%

(1) - As introduced.

As of the date of the Audit, the 2024 Budget has not been finally adopted.

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 Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 5,950.91	\$ 782,786.89
Federal and State Grant	23,858.10	
Animal Control Fund		16.64
Trust Other Funds		5,934.27
Municipal Open Space Trust Fund	<u>758,928.79</u>	<u></u>
Totals	<u>\$ 788,737.80</u>	<u>\$ 788,737.80</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 Pensions 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>

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.

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

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

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.

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

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.

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 18.41% 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 \$523,347.00, 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 \$451,715.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$217,527.73.

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

Public Employees' Retirement System (Cont'd) - 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 .46% 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 \$13,178.00, 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.

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 37.46% 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 \$1,488,027.00, 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 \$1,359,419.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$405,995.90.

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 7.30% 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 \$290,169.00, 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 \$208,295.00, which was paid on April 1, 2022.

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

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 \$5,776.42, and the Township's contributions were \$3,807.78. There were no forfeitures during the year.

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

Pension Liability - As of December 31, 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 \$6,263,066.00. 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 .0415009572%, which was an increase of .0029296361% 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 \$13,004.00. 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 \$451,715.00, 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 \$13,178.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****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	\$ 13,096,339.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>2,330,764.00</u>
	<u>\$ 15,427,103.00</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 .1144149200%, which was a decrease of .0022269183% 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 .1144149900%, which was a decrease of .0022265708% from its proportion, on-behalf of the Township, measured as of June 30, 2021.

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 \$221,140.00. 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 \$1,359,419.00, and was paid on April 1, 2022.

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 \$268,909.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - 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		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 45,204.00	\$ 592,775.00	\$ 637,979.00	\$ 39,863.00	\$ 802,329.00	\$ 842,192.00
Changes of Assumptions	19,405.00	35,892.00	55,297.00	937,829.00	1,648,570.00	2,586,399.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	259,223.00	1,199,240.00	1,458,463.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	959,448.00	733,408.00	1,692,856.00	-	359,186.00	359,186.00
Contributions Subsequent to the Measurement Date	261,674.00	744,014.00	1,005,688.00	-	-	-
	<u>\$ 1,544,954.00</u>	<u>\$ 3,305,329.00</u>	<u>\$ 4,850,283.00</u>	<u>\$ 977,692.00</u>	<u>\$ 2,810,085.00</u>	<u>\$ 3,787,777.00</u>

Deferred outflows of resources in the amounts of \$261,674.00 and \$744,014.00 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.

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

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

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

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2023	\$ (155,437.00)	\$ (442,830.00)	\$ (598,267.00)
2024	25,135.00	(186,803.00)	(161,668.00)
2025	27,199.00	(341,603.00)	(314,404.00)
2026	404,907.00	768,056.00	1,172,963.00
2027	3,784.00	(43,320.00)	(39,536.00)
Thereafter	-	(2,270.00)	(2,270.00)
	<u>\$ 305,588.00</u>	<u>\$ (248,770.00)</u>	<u>\$ 56,818.00</u>

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

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Police and Firemen's Retirement System

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

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 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>	

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

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

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:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability	<u>\$ 8,046,205.00</u>	<u>\$ 6,263,066.00</u>	<u>\$ 4,745,543.00</u>

Note 8: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 17,969,592.00	\$ 13,096,339.00	\$ 9,039,333.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>3,198,061.00</u>	<u>2,330,764.00</u>	<u>1,608,736.00</u>
	<u>\$ 21,167,653.00</u>	<u>\$ 15,427,103.00</u>	<u>\$ 10,648,069.00</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	0.0415009572%	0.0385713211%	0.0380035802%	0.0342825266%	0.0340870481%
Proportionate Share of the Net Pension Liability	\$ 6,263,066.00	\$ 4,569,351.00	\$ 6,197,390.00	\$ 6,177,191.00	\$ 6,711,570.00
Covered Payroll (Plan Measurement Period)	\$ 3,013,080.00	\$ 2,891,016.00	\$ 2,678,448.00	\$ 2,421,152.00	\$ 2,379,840.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	207.86%	158.05%	231.38%	255.13%	282.02%
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	0.0310660743%	0.0291113415%	0.0329284085%	0.0327388066%	0.0351794539%
Proportionate Share of the Net Pension Liability	\$ 7,231,686.00	\$ 8,621,944.00	\$ 7,391,768.00	\$ 6,129,600.00	\$ 6,723,493.00
Covered Payroll (Plan Measurement Period)	\$ 2,242,464.00	\$ 2,028,732.00	\$ 2,227,412.00	\$ 2,258,416.00	\$ 2,513,128.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	322.49%	424.99%	331.85%	271.41%	267.53%
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	\$ 523,347.00	\$ 451,715.00	\$ 415,740.00	\$ 333,468.00	\$ 339,056.00
Contribution in Relation to the Contractually Required Contribution	<u>(523,347.00)</u>	<u>(451,715.00)</u>	<u>(415,740.00)</u>	<u>(333,468.00)</u>	<u>(339,056.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,843,001.00	\$ 2,988,391.00	\$ 2,871,017.00	\$ 2,766,650.00	\$ 2,469,467.00
Contributions as a Percentage of Covered Payroll	18.41%	15.12%	14.48%	12.05%	13.73%
	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 287,794.00	\$ 258,621.00	\$ 283,096.00	\$ 269,894.00	\$ 265,070.00
Contribution in Relation to the Contractually Required Contribution	<u>(287,794.00)</u>	<u>(258,621.00)</u>	<u>(283,096.00)</u>	<u>(269,894.00)</u>	<u>(265,070.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,348,900.00	\$ 2,218,222.00	\$ 2,008,847.00	\$ 2,162,377.00	\$ 2,215,793.00
Contributions as a Percentage of Covered Payroll	12.25%	11.66%	14.09%	12.48%	11.96%

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	0.1144149200%	0.1166418383%	0.1173815084%	0.1123729426%	0.1057186948%
Proportionate Share of the Net Pension Liability	\$ 13,096,339.00	\$ 8,525,529.00	\$ 15,167,239.00	\$ 13,751,997.00	\$ 14,305,482.00
State's Proportionate Share of the Net Pension Liability	<u>2,330,764.00</u>	<u>2,397,803.00</u>	<u>2,353,886.00</u>	<u>2,171,466.00</u>	<u>1,943,163.00</u>
Total	<u>\$ 15,427,103.00</u>	<u>\$ 10,923,332.00</u>	<u>\$ 17,521,125.00</u>	<u>\$ 15,923,463.00</u>	<u>\$ 16,248,645.00</u>
Covered Payroll (Plan Measurement Period)	\$ 4,077,232.00	\$ 4,161,180.00	\$ 4,050,236.00	\$ 3,742,712.00	\$ 3,491,336.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	321.21%	204.88%	374.48%	367.43%	409.74%
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	0.1073035247%	0.1007732337%	0.1009314324%	0.0998063889%	0.0986190991%
Proportionate Share of the Net Pension Liability	\$ 16,565,590.00	\$ 19,250,263.00	\$ 16,811,658.00	\$ 12,554,718.00	\$ 13,110,519.00
State's Proportionate Share of the Net Pension Liability	<u>1,855,486.00</u>	<u>1,616,545.00</u>	<u>1,474,326.00</u>	<u>1,351,932.00</u>	<u>1,222,060.00</u>
Total	<u>\$ 18,421,076.00</u>	<u>\$ 20,866,808.00</u>	<u>\$ 18,285,984.00</u>	<u>\$ 13,906,650.00</u>	<u>\$ 14,332,579.00</u>
Covered Payroll (Plan Measurement Period)	\$ 3,443,384.00	\$ 3,175,960.00	\$ 3,196,312.00	\$ 3,152,368.00	\$ 3,093,556.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	481.08%	606.12%	525.97%	398.26%	423.80%
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)***

	<u>Year Ended December 31,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 1,488,027.00	\$ 1,359,419.00	\$ 1,311,352.00	\$ 1,135,091.00	\$ 1,033,556.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,488,027.00)</u>	<u>(1,359,419.00)</u>	<u>(1,311,352.00)</u>	<u>(1,135,091.00)</u>	<u>(1,033,556.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 3,972,576.00	\$ 4,013,652.00	\$ 4,110,979.00	\$ 4,056,445.00	\$ 3,763,312.00
Contributions as a Percentage of Covered Payroll	37.46%	33.87%	31.90%	27.98%	27.46%
	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 949,656.00	\$ 821,645.00	\$ 820,422.00	\$ 766,582.00	\$ 719,503.00
Contribution in Relation to the Contractually Required Contribution	<u>(949,656.00)</u>	<u>(821,645.00)</u>	<u>(820,422.00)</u>	<u>(766,582.00)</u>	<u>(719,503.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 3,522,176.00	\$ 3,416,079.00	\$ 3,244,888.00	\$ 3,203,629.00	\$ 3,152,433.00
Contributions as a Percentage of Covered Payroll	26.96%	24.05%	25.28%	23.93%	22.82%

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:

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
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:

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
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 "Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Ordinance adopted on August 27, 2002 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 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 Plan at the general election held on November 6, 2001, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2002. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the Medford Fire Department and Township Emergency Squad, consisting of the volunteer fire department and the first aid organization, come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Plan Amendments - The Township may make minor amendments to the provisions of the 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 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 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 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 Plan, the Township shall notify all participants in writing prior to making any amendment to the 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 \$850.00 and \$1,500.00 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 \$65,050.00.

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. 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 Plan.

Payment of Benefits - Upon separation from volunteer service, retirement or disability, termination of the 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 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, no accounts were forfeited.

Investments - The investments of the length of service awards program reported in the trust fund 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 Plan Administrator.

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

In April 2023, the Township switched its health insurance provider from the New Jersey State Health Benefits Program to the Municipal Reinsurance Health Insurance Fund (HIF). 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 postretirement health care benefits through a health plan for retirees, which includes a Medicare Part B reimbursement. The Township's provides 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*, and covers the following retiree population: eligible retirees who retire from active employment with the Township under various classifications who have; 20 years' service with the Township if hired prior to 2013, and 25 years' service with the Township if hired after 2013. This provision is part of various Labor Agreements between the Township and its employees. The plan is administered by the Township; therefore, premium payments are made directly to the HIF.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF MEDFORD 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:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	83
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	87
	170

Total OPEB Liability

The Township's total OPEB liability of \$58,208,769.00 was measured as of December 31, 2023 and was determined by an actuarial valuation as of this date.

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

Inflation	2.50% Annually
Salary Increases	2.50% Annually
Discount Rate	3.54%
Healthcare Cost Trend Rates:	
Medical	5.10% in 2023, reducing by .02% per annum, leveling at 4.50% per annum in 2026
Drug	6.00% in 2023, reducing by .05% per annum, leveling at 4.50% per annum in 2026
Medicare Advantage	4.50% per annum
Dental and Vision	3.50% per annum
Retirees' Share of Benefit-Related Costs	Retiree's who retired prior to passage of Chapter 78 and those employees that had more than 25 years of service = No Contributions All other Retiree's = Subject to the Chapter 78 contribution rate in effect when they retire, but not less than 1.5%

The discount rate was based on the Bond Buyer 20 Index 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 MEDFORD POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Changes in Total OPEB Liability

Balance at December 31, 2022		\$ 23,340,371.00
Changes for the Year:		
Service Cost	\$ 566,948.00	
Interest Cost	824,033.00	
Difference Between Expected and Actual Experience	158,685.00	
Changes in Assumptions	34,491,904.00	
Net Investment Income *	(85,922.00)	
Benefit Payments	<u>(1,087,250.00)</u>	
Net Changes		<u>34,868,398.00</u>
Balance at December 31, 2023		<u>\$ 58,208,769.00</u>

* Discontinuance of Recognition of State Health Benefits Plan Fiduciary Net Position.

Changes of benefit terms reflect no increase in the retirees' share of health insurance premiums.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% at December 31, 2022 to 3.26% 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>		
	1.00% Decrease (2.26%)	Current Discount Rate (3.26%)	1.00% Increase (4.26%)
Total OPEB Liability	<u>\$ 64,566,487.00</u>	<u>\$ 58,208,769.00</u>	<u>\$ 53,182,983.00</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>		
	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	<u>\$ 53,200,720.00</u>	<u>\$ 58,208,769.00</u>	<u>\$ 64,406,750.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF MEDFORD 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>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Prior Inflows/Outflows of Resources from State Health Benefit Plan **	\$ -	\$ 1,681,986.00
Change in Recognition of State Health Benefit Fiduciary Net Position **	-	68,737.00
Difference Between Expected and Actual Experience	142,525.00	-
Changes of Assumptions	<u>30,981,625.00</u>	<u>-</u>
	<u>\$ 31,124,150.00</u>	<u>\$ 1,750,723.00</u>

** Related to Discontinuance in State Health Benefits Plan

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

Year Ending <u>Dec 31,</u>	
2024	\$ 2,776,450.00
2025	2,624,331.00
2026	2,949,562.00
2027	4,004,611.00
2028	3,526,419.00
Thereafter	<u>13,492,054.00</u>
	<u>\$ 29,373,427.00</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 MEDFORD POSTEMPLOYMENT BENEFIT PLAN (CONT'D)*****Schedule of Changes in the Township's Total OPEB Liability and Related Ratios (Last Plan Year):***

	Plan Measurement Date Dec. 31,
	<u>2023</u>
Total OPEB Liability	
Service Cost	\$ 566,948.00
Interest Cost	824,033.00
Difference Between Expected and Actual Experience	158,685.00
Changes in Assumptions	34,491,904.00
Net Investment Income *	(85,922.00)
Benefit Payments	<u>(1,087,250.00)</u>
 Net Change in Total OPEB Liability	 34,868,398.00
 Total OPEB Liability - Beginning of Year	 <u>23,340,371.00</u>
 Total OPEB Liability - End of Year	 <u>\$ 58,208,769.00</u>
 Covered-Employee Payroll	 \$ 6,598,000.00
 Total OPEB Liability as a Percentage of Covered Payroll	 882.22%

Other Notes to Supplementary OPEB Information

Change in Benefit Terms – None

Change of Assumptions - The discount rate from 3.54% at December 31, 2022 to 3.26% at December 31, 2023.

Other - ** Discontinuance of Recognition of State Health Benefits Plan Fiduciary Net Position.

Note 11: COMPENSATED ABSENCES

The Township does not have a policy for compensating all employees for unused sick, vacation or personal leave days upon retirement. However, policies negotiated in the union contracts of the public works, utility, fire and police departments exist. Per the Township handbook non-aligned employees will be compensated in the same manner as employees in the public works union.

In accordance with all union negotiated contracts of the Township employees are entitled to be paid for vacation and comp time upon termination at their current hourly rates.

Additionally, in accordance with the Township's Officer's Association, up to 45 days of accumulated sick time will be compensated at current hourly rates upon termination, and in accordance with Township's Police Superior Officers Association contract, sick time will be compensated upon termination as follows:

- Hours 1 -1,040 – 55% of the Officer's Hourly Rate
- Hours 1,041 – 1,500 50% of the Officer's Hourly Rate
- Hours 1,501+ 45% of the Officer's Hourly Rate

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2023, accrued benefits for compensated absences are valued at \$1,129,182.98.

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 \$75,212.33.

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: SANITARY LANDFILL ESCROW CLOSURE FUND

The Township previously operated a municipal landfill located in the Township. The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on a monthly basis, an amount equal to \$1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy.

Under the provisions of N.J.S.A.13:1E-1 et seq., known as the Solid Waste Management Act, approval was granted by the State of New Jersey, Department of Environmental Protection (NJDEP) for a closure and post closure plan. The NJDEP accepted the Township's As-Built Documents for the closure of the landfill as complete.

The Township presently holds funds in escrow in accordance with the post closure financial plan approved by the NJDEP. At December 31, 2023, it is estimated that the landfill has reached 100% of its holding capacity. However, the escrow closure fund balance at year-end does not necessarily represent the estimated cost of closure as of that date. The required balance of the fund merely represents the amount required to be escrowed in accordance with the statute. Actual costs associated with closure are not known.

Note 14: CAPITAL DEBT**General Improvement Bonds**

General Improvement Bonds, Series 2013 - On May 9, 2013, the Township issued \$11,470,000.00 of general improvement bonds, with interest rates ranging from 2.0% - 3.25%. The bonds were issued to fund ordinances 2008-11 and 2009-19. The final maturity of the bonds is May 1, 2033.

General Improvement Bonds, Series 2015 - On December 17, 2015, the Township issued \$3,420,000.00 of general improvement bonds, with interest rates ranging from 2.0% – 2.25%. The bonds were issued for the purpose of funding the following Ordinances 2010-15, 2013-16, 2014-1 and 2015-15. The final maturity of the bonds is June 1, 2025.

General Improvement Bonds, Bridge Commission Series 2018 - On September 6, 2018, the Bridge Commission issued \$15,508,787.00 of general improvement bonds, with interest rates ranging from 4.0% – 5.0% on behalf of the Township. The bonds were issued for the purpose of funding the following Ordinances 2016-08, 2017-06, 2018-03 and 2018-10. The final maturity of the bonds is August 1, 2033.

General Improvement Bonds, Series 2020 - On October 8, 2020, the Township issued \$12,240,000.00 of general improvement bonds, with interest rates ranging from 2.0% – 3.0%. The bonds were issued for the purpose of funding the following Ordinances 2019-7, 2019-8, 2020-14 and 2020-15. The final maturity of the bonds is May 1, 2038.

General Improvement Bonds, Series 2022 - On October 4, 2022, the Township issued \$6,884,000.00 of general improvement bonds, with interest rates ranging from 4.0% – 5.0%. The bonds were issued for the purpose of funding the following Ordinances 2021-7 and 2022-8. The final maturity of the bonds is August 1, 2039.

Note 14: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,725,000.00	\$ 1,225,768.76	\$ 3,950,768.76
2025	2,805,000.00	1,131,106.26	3,936,106.26
2026	2,440,000.00	1,037,668.76	3,477,668.76
2027	2,520,000.00	945,843.76	3,465,843.76
2028	2,615,000.00	850,493.76	3,465,493.76
2029-2033	14,600,000.00	2,666,628.16	17,266,628.16
2034-2038	6,295,000.00	610,100.00	6,905,100.00
2039	530,000.00	21,200.00	551,200.00
Totals	<u>\$ 34,530,000.00</u>	<u>\$ 8,488,809.46</u>	<u>\$ 43,018,809.46</u>

Water and Sewer Improvement Bonds

General Improvement Bonds, Series 2013 - On May 9, 2013, the Township issued \$1,305,000.00 of general improvement bonds, with interest rates ranging from 2.0% - 3.25%. The bonds were issued to fund ordinance 2009-20. The final maturity of the bonds is May 1, 2033.

Refunding Bonds, Series 2013 - On May 9, 2013, the Township issued \$5,140,000.00 of refunding bonds, with interest rates ranging from 1.0% – 2.5%. The bonds were issued to refund \$4,750,000.00 of General Obligation Bonds, Series 2004 and to advance refund \$2,963,000.00 of General Obligation Bonds, Series 2005. The final maturity of the bonds is August 1, 2025.

General Improvement Bonds, Series 2015 - On December 17, 2015, the Township issued \$1,470,000.00 of general improvement bonds, with interest rates ranging from 2.0% – 2.25%. The bonds were issued for the purpose of funding the following Ordinances 2008-20, 2010-16, 2010-21 and 2015-16. The final maturity of the bonds is June 1, 2035.

On March 28, 2017, the Burlington County Bridge Commission issued, on behalf of the Township, \$905,000.00 in county guaranteed pooled loan revenue refunding bonds with interest rates from 3.0% to 4.0% to advance refund \$946,000.00 of outstanding 2006 series bonds. The final maturity of the bonds is February 15, 2026.

On September 6, 2018, the Burlington County Bridge Commission issued, on behalf of the Township, \$946,932.00 in county guaranteed pooled loan revenue bonds with interest rates from 4.0% to 5.0%. The bonds were issued for the purpose of funding Ordinances 2018-11. The final maturity of the bonds is August 1, 2028.

Refunding Bonds, Series 2019 - On October 30, 2019, the Township issued \$2,260,000.00 of refunding bonds, with interest rates ranging from 3.0% – 5.0%. The bonds were issued to refund \$2,500,000.00 of General Obligation Bonds, Series 2008. The final maturity of the bonds is July 15, 2028.

General Improvement Bonds, Series 2020 - On October 8, 2020, the Township issued \$3,979,000.00 of general improvement bonds, with interest rates ranging from 2.0% – 3.0%. The bonds were issued for the purpose of funding the following Ordinances 2019-8 and 2020-15. The final maturity of the bonds is May 1, 2040.

Note 14: CAPITAL DEBT (CONT'D)**Water and Sewer Improvement Bonds (Cont'd)**

General Improvement Bonds, Series 2022 - On October 4, 2022, the Township issued \$1,227,000.00 of general improvement bonds, with interest rates ranging from 4.0% – 5.0%. The bonds were issued for the purpose of funding Ordinance 2021-8. The final maturity of the bonds is August 1, 2048.

The following schedule represents the remaining debt service, through maturity, for the Water and Sewer Improvement Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,072,000.00	\$ 294,987.50	\$ 1,366,987.50
2025	1,090,000.00	258,357.50	1,348,357.50
2026	818,000.00	218,060.00	1,036,060.00
2027	730,000.00	188,175.00	918,175.00
2028	735,000.00	159,925.00	894,925.00
2029-2033	2,010,000.00	534,643.75	2,544,643.75
2034-2038	1,565,000.00	263,487.50	1,828,487.50
2039-2043	760,000.00	110,487.50	870,487.50
2044-2048	<u>315,000.00</u>	<u>40,725.00</u>	<u>355,725.00</u>
Totals	<u>\$ 9,095,000.00</u>	<u>\$ 2,068,848.75</u>	<u>\$ 11,163,848.75</u>

Water and Sewer Debt - New Jersey Environmental Infrastructure Loans

On November 8, 2007, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,106,200.00, at no interest, from the fund loan, and \$1,100,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the water and sewer systems. Semiannual debt payments are due February 1st and August 1st through 2027.

On November 6, 2008, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$3,141,145.00, at no interest, from the fund loan, and \$3,785,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the water and sewer systems. Semiannual debt payments are due February 1st and August 1st through 2028.

On November 19, 2009, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,857,000.00, at no interest, from the fund loan, and \$1,965,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the water and sewer systems. Semiannual debt payments are due February 1st and August 1st through 2029.

On March 10, 2010, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$2,252,000.00, at no interest, from the fund loan, and \$735,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the water and sewer systems. Semiannual debt payments are due February 1st and August 1st through 2029.

Note 14: CAPITAL DEBT (CONT'D)**Water and Sewer Debt - New Jersey Environmental Infrastructure Loans (Cont'd)**

On December 2, 2010, the Township entered into a loan agreement (Part A and Part B) with the New Jersey Environmental Infrastructure Trust to provide \$4,186,000.00, at no interest, from the fund loan, and \$2,370,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the water and sewer systems. Semiannual debt payments are due February 1st and August 1st through 2030.

The following schedule represents the remaining debt service, through maturity, for the Water and Sewer Infrastructure Loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,151,988.36	\$ 182,250.00	\$ 1,334,238.36
2025	1,173,518.31	152,775.00	1,326,293.31
2026	1,205,594.06	122,412.50	1,328,006.56
2027	1,234,599.06	90,612.50	1,325,211.56
2028	1,122,255.63	57,350.00	1,179,605.63
2029-2030	<u>1,036,503.64</u>	<u>35,500.00</u>	<u>1,072,003.64</u>
Totals	<u>\$ 6,924,459.06</u>	<u>\$ 640,900.00</u>	<u>\$ 7,565,359.06</u>

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>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 39,816,469.00	\$ 39,359,551.00	\$ 35,060,651.00
Water and Sewer Utility:			
Bonds, Loans and Notes	<u>18,434,397.06</u>	<u>18,556,490.96</u>	<u>19,589,869.42</u>
Total Issued	<u>58,250,866.06</u>	<u>57,916,041.96</u>	<u>54,650,520.42</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	1,171.00	1,171.00	4,407,381.00
Water and Sewer Utility:			
Bonds, Loans and Notes	<u>637.00</u>	<u>637.00</u>	<u>1,252,637.00</u>
Total Authorized but not Issued	<u>1,808.00</u>	<u>1,808.00</u>	<u>5,660,018.00</u>
Total Issued and Authorized but not Issued	<u>58,252,674.06</u>	<u>57,917,849.96</u>	<u>60,310,538.42</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Debt Service	177,750.00	625,000.00	
Water and Sewer Utility:			
Self-Liquidating	<u>18,435,034.06</u>	<u>18,557,127.96</u>	<u>20,842,506.42</u>
Total Deductions	<u>18,612,784.06</u>	<u>19,182,127.96</u>	<u>20,842,506.42</u>
Net Debt	<u>\$ 39,639,890.00</u>	<u>\$ 38,735,722.00</u>	<u>\$ 39,468,032.00</u>

Note 14: CAPITAL DEBT (CONT'D)**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 .962%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Purposes	\$ 6,705,000.00	\$ 6,705,000.00	
Regional School Purposes	16,880,854.10	16,880,854.10	
Self-Liquidating	18,435,034.06	18,435,034.06	
General	39,817,640.00	177,750.00	\$ 39,639,890.00
	<u>\$ 81,838,528.16</u>	<u>\$ 42,198,638.16</u>	<u>\$ 39,639,890.00</u>

Net debt \$39,639,890.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$4,119,516,969.00, equals .962%.

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 144,183,093.92
Less: Net Debt	<u>39,639,890.00</u>
Remaining Borrowing Power	<u>\$ 104,543,203.92</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 8,188,939.79
Deductions:	
Operating and Maintenance Costs	\$ 4,720,817.76
Debt Service	<u>2,682,887.24</u>
Total Deductions	<u>7,403,705.00</u>
Excess in Revenue	<u>\$ 785,234.79</u>

Note 15: 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 bond settlement or the issuing entity's year end.

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

<u>Bonds Issued</u>	<u>Issued General Capital Fund</u>	<u>Issued Sewer Utility Capital Fund</u>	<u>Total Issued</u>	<u>Liability</u>
May 17, 2013	\$ 11,470,000.00	\$ 1,305,000.00	\$ 12,775,000.00	(1)
October 8, 2020	12,240,000.00	3,979,000.00	16,219,000.00	(2)
October 4, 2022	6,884,000.00	1,227,000.00	8,111,000.00	(2)

- (1) Arbitrage calculation was completed and no rebate is due.
- (2) The rebate calculation on these bonds is required to be made at least once every 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 16: SCHOOL TAXES

The Township of Medford School District tax and Lenape Regional High School District tax have been raised and the liabilities deferred by statutes, resulting in the school taxes payable set forth in the current fund liabilities as follows:

	<u>Local School District Balance December 31,</u>		<u>Regional School District Balance December 31,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance of Tax	\$ 25,437,376.96	\$ 24,615,447.96	\$ 12,246,990.19	\$ 11,789,711.15
Deferred	<u>19,507,879.44</u>	<u>19,507,879.44</u>	<u>8,516,997.28</u>	<u>8,516,977.28</u>
Taxes Payable	<u>\$ 5,929,497.52</u>	<u>\$ 5,107,568.52</u>	<u>\$ 3,729,992.91</u>	<u>\$ 3,272,733.87</u>

Note 17: GUARANTOR OF DEBT

In 2006, the Township became co-borrower of various loans for the reconstruction of several dams located within the Township. All of the loans were made from the New Jersey Department of Environmental Protection, Dam Restoration Loan Program. In the event the original borrower defaults on a loan the Township will be required to make the remaining payments. The terms of the loans are as follows:

<u>Borrower</u>	<u>Agreement Date</u>	<u>Original Amount Borrowed</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Balance Dec. 31, 2023</u>
Old Tauton Colony Club	01/10/06	\$ 433,440.00	2.00%	20 Years	\$ 70,577.39
YMCA Camp Ockanickon Inc.	01/10/06	1,809,000.00	2.00%	20 Years	274,881.62
Birchwood Lake Colony Club	01/24/06	2,340,000.00	2.00%	20 Years	89,666.01
Jewish Federation of Southern NJ	01/24/06	227,500.00	2.00%	20 Years	56,518.97

The Township acts as a fiduciary for the Old Tauton Colony Club, YMCA Camp Ockanickon Inc., and Birchwood Lakes Colony Club with regards to collecting the annual billings of their association for the repayment of their loan and then pays their debt service payments with the collections. The Jewish Federation of Southern NJ pay their own payments to the New Jersey Department of Environmental Protection.

Note 18: 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>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ -	\$ 5,634.13	\$ 2,606.11	\$ 11,371.66	\$ 111,034.39
2022		5,228.75	880.93	5,312.80	114,165.81
2021		5,353.37		4,906.85	113,368.93

It is estimated that there are no unreimbursed payments on behalf of the Township at December 31, 2023.

Joint Insurance Pool - The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Employee health and accident insurance and public officials bonds in amounts required by New Jersey statutes are provided through commercial insurance. Unemployment compensation benefits are provided by the State of New Jersey, supported by mandatory contributions by the Township. The Township is a member of the Burlington County Municipal Joint Insurance Fund (the "JIF") and the Municipal Excess Liability Joint Fund (the "MEL"), both public entity risk pools. Covered losses not provided by either the JIF or MEL are covered by reinsurance policies in varying amounts.

Note 18: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The following coverage is provided by the JIF and MEL:

Public Officials Bonds in excess of amounts statutorily required
 Public Employees Dishonesty Bonds
 Automobile Liability
 Workers' Compensation and Employer's Liability
 Commercial Property
 General Liability
 Public Officials Liability
 Employment Practices Liability
 Environmental Liability

Contributions to the JIF and MEL, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the each of the fund's actuaries. 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 Funds publish their own financial reports, which can be obtained from:

Burlington County Municipal Joint Insurance Fund
 P.O. Box 325
 Hammonton, New Jersey 08037

Municipal Excess Liability Joint Insurance Fund
 Park 80 West Plaza I
 Saddle Brook, New Jersey 07663

Note 19: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

In November 1998, 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 Medford Open Space, Recreation and Farmland Preservation Trust Fund effective for 1999, with a tax rate of three cents per one hundred dollars of equalized valuation, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. In November 2013, the voters of the Township authorized a rate of the Open Space, Recreation and Farmland Preservation Trust Fund to be between one cent and three cents per one hundred dollars of equalized valuation.

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 purposed stated. Interest earned on the investment of these funds is credited to the Township of Medford Open Space, Recreation and Farmland Preservation Trust Funds.

Note 20: 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 or covered by insurance.

Note 21: 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.

APPENDIX C
FORM OF BOND COUNSEL OPINION

September __, 2024

Mayor and Township Council
Township of Medford, in the
County of Burlington, New Jersey

Re: Township of Medford, in the County of Burlington, New Jersey
\$10,290,323 Bond Anticipation Notes, Series 2024A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Township of Medford, in the County of Burlington, New Jersey (the "Township") of its \$10,290,323 principal amount of Bond Anticipation Notes, Series 2024A (the "Notes") consisting of \$5,619,423 General Improvement Bond Anticipation Notes (the "GBAN") and \$4,670,900 Utility Bond Anticipation Notes (the "UBAN"). The Notes are general obligations of the Township and the full faith, credit and taxing power of the Township are available to pay the principal of and the interest on the Notes. The Notes are dated September 26, 2024, mature on September 25, 2025, bear interest at a rate of 4.250% per annum payable at maturity, and are not subject to redemption prior to maturity.

The Notes are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962 and the acts amendatory thereof and supplemental thereto (the "Local Bond Law") and Bond Ordinances of the Township Numbered 2023-07, 2023-08, 2024-13, and 2024-14 (the "Ordinances"). The Notes will be issued by the Township to fund the Township Capital program.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined such matters of law, including the Local Bond Law and the Code, such documents, including the Ordinances, and such other statutes, resolutions, certificates, instruments and records of the Township, as we have deemed necessary or appropriate for the purpose of the opinion rendered below. In such examination, we have assumed and relied upon the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

Based upon the foregoing, we are of the opinion that:

1. The Notes have been duly authorized, executed and delivered and constitute legal, valid and binding obligations of the Township enforceable in accordance with their terms.

2. The power and obligation of the Township to pay the Notes is unlimited, and, if not paid from other sources, the Township is required to levy ad valorem taxes upon all the taxable property within the Township for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

3. On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Notes in order to preserve the tax-exempt status of the Notes pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103(a) of the Code, failure to comply with these requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax ("AMT"), however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the "adjusted financial statement income" of "applicable corporations" subject to alternative minimum tax under Section 55 of the Code as amended by the Inflation Reduction Act of 2022, P.L. 117-169. We express no opinion regarding other federal tax consequences arising with respect to the Notes. Further, in our opinion, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraph 3 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Notes.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Notes. This opinion is given as of the date hereof and we assume no obligation to update or supplement the opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

September __, 2024

Mayor and Township Council
Township of Medford, in the
County of Burlington, New Jersey

Re: Township of Medford, in the County of Burlington, New Jersey
\$2,119,399 Bond Anticipation Notes, Series 2024B

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Township of Medford, in the County of Burlington, New Jersey (the "Township") of its \$2,119,399 principal amount of Bond Anticipation Notes, Series 2024B (the "Notes") consisting of \$1,833,741 General Improvement Bond Anticipation Notes (the "GBAN") and \$285,658 Utility Bond Anticipation Notes (the "UBAN"). The Notes are general obligations of the Township and the full faith, credit and taxing power of the Township are available to pay the principal of and the interest on the Notes. The Notes are dated September 26, 2024, mature on September 25, 2025, bear interest at a rate of 5.000% per annum payable at maturity, and are not subject to redemption prior to maturity.

The Notes are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962 and the acts amendatory thereof and supplemental thereto (the "Local Bond Law") and Bond Ordinances of the Township Numbered 2008-11, 2009-28, 2010-15 and 2010-16 (the "Ordinances"). The Notes will be issued by the Township to refund Notes originally issued to provide funds to fund capital projects of the Township.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined such matters of law, including the Local Bond Law and the Code, such documents, including the Ordinances, and such other statutes, resolutions, certificates, instruments and records of the Township, as we have deemed necessary or appropriate for the purpose of the opinion rendered below. In such examination, we have assumed and relied upon the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

Based upon the foregoing, we are of the opinion that:

1. The Notes have been duly authorized, executed and delivered and constitute legal, valid and binding obligations of the Township enforceable in accordance with their terms.
2. The power and obligation of the Township to pay the Notes is unlimited, and, if not paid from other sources, the Township is required to levy ad valorem taxes upon all the taxable

property within the Township for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

3. Interest on the Notes is not excludable from gross income of the owners thereof for federal income tax purposes under current law.

4. Interest on the Notes and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 3 and 4 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Notes.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Notes. This opinion is given as of the date hereof and we assume no obligation to update or supplement the opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Medford, in the County of Burlington, New Jersey (the "Issuer") in connection with the issuance by the Issuer of its \$10,290,323 Tax-Exempt Bond Anticipation Notes and its \$2,119,399 Taxable Bond Anticipation Notes (the "2024 Notes"). The 2024 Notes are being issued pursuant to the Bond Ordinance set forth in the Official Statement dated September 12, 2024 prepared in connection with the sale of the 2024 Notes (the "Ordinances"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the 2024 Notes and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2024 Notes (including persons holding 2024 Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2024 Notes for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any 2024 Note, including Beneficial Owners of the 2024 Notes.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer 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 Securities and Exchange Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt and taxable bonds, including the 2024 Notes, 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.

"Financial Obligation" shall mean 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).

"Listed Events" shall mean any of the events listed in Section 3(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board via the internet facilities of the Electronic Municipal Market Access System (EMMA).

"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.

"Participating Underwriter" shall mean the original underwriter of the 2024 Notes required to comply with the Rule in connection with the offering of the 2024 Notes.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

SECTION 3. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer will provide, in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events, to the MSRB through EMMA, notice of any of the following events with respect to the 2024 Notes (each, a “Listed Event”):

- (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 Tax Exempt Bonds or other material events affecting the tax status of the 2024 Notes issued as tax-exempt;
- (7) modifications to the rights of Bondholders, if material;
- (8) 2024 Note calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the 2024 Notes, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Township;

- (13) the consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Township, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Township, if any such event reflects financial difficulties.

(b) The Township shall, within five (5) Business Days upon obtaining actual knowledge of the occurrence of any of the Listed Events which are material, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of any of the Listed Events specified in subsection (a) of this Section 5, the Township may, but shall not be required to, rely conclusively on an Opinion of Counsel. The Dissemination Agent shall have no obligation under this Disclosure Agreement to provide, or to monitor the Township's obligation to provide, notification of the occurrence of any of the Listed Events which are material.

(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 4. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2024 Notes. If such termination occurs prior to the final maturity of the 2024 Notes, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

SECTION 5. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

SECTION 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2024 Notes, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2024 Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the 2024 Notes.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate 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 Certificate. If the Issuer 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 Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 8. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the 2024 Notes may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default on the 2024 Notes, and the sole remedy under this Disclosure Certificate in the event

of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 9. 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 10. 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 11. 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 12. 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 13. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

SECTION 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Bondholders and Beneficial Owners from time to time of the 2024 Notes and shall create no rights in any other person or entity.

Date September 26, 2024

THE TOWNSHIP OF MEDFORD, IN THE
COUNTY OF BURLINGTON, NEW JERSEY

By: _____
Lindsey Gentile
Chief Financial Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: THE TOWNSHIP OF MEDFORD, IN THE COUNTY OF BURLINGTON, NEW JERSEY

Name of Bond Issue: \$10,290,323 TAX-EXEMPT BOND ANTICIPATION NOTES AND ITS \$2,119,399 TAXABLE BOND ANTICIPATION NOTES

Date of Issuance: September 26, 2024

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Notes as required by Section 3(a) of the Continuing Disclosure Certificate dated September 26, 2024. The Issuer anticipates that the Annual Report will be filed by

_____.

Dated:

THE TOWNSHIP OF MEDFORD, IN THE COUNTY OF BURLINGTON, NEW JERSEY

By: _____
Lindsey Gentile
Authorized Officer