

# OFFICIAL STATEMENT DATED SEPTEMBER 11, 2024

NEW ISSUE

RATINGS: S&P: BAN “SP-1+”

SEN: NOT RATED

See “Ratings” herein

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

**\$18,337,000**  
**TOWNSHIP OF VOORHEES**  
**County of Camden, New Jersey**  
**BOND ANTICIPATION NOTES OF 2024,**  
**SERIES A**  
Consisting of:  
**\$16,041,000 General Improvement Notes**  
**\$2,296,000 Sewer Utility Notes**  
Interest Rate: 4.00%  
Yield: 2.80%  
CUSIP\*: 928895RP8  
(Non-Callable)

**\$800,000**  
**TOWNSHIP OF VOORHEES**  
**County of Camden, New Jersey**  
**SPECIAL EMERGENCY NOTES OF 2024,**  
**SERIES A**  
Interest Rate: 4.07%  
Yield: 4.07%  
(Non-Callable)

**Dated: Date of Delivery**

**Due: September 23, 2025**

The (i) \$18,337,000 principal amount of Bond Anticipation Notes of 2024, Series A (“BAN”); and (ii) \$800,000 principal amount of Special Emergency Notes of 2024, Series A (“SEN”; together with the BAN, the “Notes”), of the Township of Voorhees, County of Camden, New Jersey (“Township”), and any interest thereon are payable ultimately from *ad valorem* taxes levied upon all the taxable property within the Township without limitation as to rate or amount, as more fully described herein. The BAN consists of: (i) \$16,041,000 principal amount of General Improvement Notes; and (ii) \$2,296,000 principal amount of Sewer Utility Notes.

The SEN will be issued in bearer form. The BAN will be issued as fully registered notes in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (“DTC”), which will maintain a book-entry system for recording ownership interests of DTC Participants. Individual purchases of beneficial ownership interests in the BAN may be made in book-entry form only on the records of DTC and its Participants and only in the principal amount 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 BAN. Beneficial Owners of the BAN will not receive certificates representing their interests in the BAN. As long as Cede & Co. is the registered owner, as nominee of DTC, references in this Official Statement to the registered owners shall mean Cede & Co., and not the Beneficial Owners of the BAN.

Principal of and interest on the Notes will be payable by the Township or a duly designated paying agent at the date of maturity. The Notes will bear interest at their respective rates per annum indicated above, commencing from their respective dates of delivery. While DTC is acting as securities depository for the BAN, the principal of and interest on the BAN will be payable by wire transfer to DTC or its nominee, which is obligated to remit such principal and interest payments to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such principal and interest payments to the Beneficial Owners of the BAN. The Notes are not subject to redemption prior to their stated maturity date.

The BAN is 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 286-16, 304-17, 340-19, 348-19, 369-20, 402-22, 403-22, 404-22, 405-22, 406-22, 431-23, 432-23, 433-23, 434-23, 435-23, 451-24, 452-24, 453-24, and 454-24, each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on September 11, 2024.

The SEN is authorized to be issued pursuant to: (i) the Local Budget Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented; (ii) ordinance 429-2023, duly and finally adopted by the Township Committee; (iii) a resolution adopted by the Township Committee on September 9, 2024; and (iv) a Certificate of Determination and Award, executed by the Chief Financial Officer of the Township on September 11, 2024.

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

The SEN is being issued by the Township to provide funds which, along with other available funds of the Township, will be used to: (i) temporarily finance the cost of a special emergency appropriation of the Township for a complete program of revaluation of real property by the repayment at maturity of the principal of certain special emergency notes heretofore issued by the Township; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the SEN.

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

*The Notes are offered when, as and if issued and subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Solicitor, Christopher F. Long, Esquire, of the law firm of Wade, Long, Wood & Long, LLC, Laurel Springs, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey has served as Municipal Advisor to the Township in connection with the Notes. The Notes are expected to be available for delivery in definitive form through DTC in New York, New York on or about September 24, 2024.*

\* 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 noteholders only at the time of issuance of the BAN 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 is subject to being changed after the issuance of the BAN 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 the BAN.

**TOWNSHIP OF VOORHEES  
COUNTY OF CAMDEN, NEW JERSEY**

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**Mayor and Township Committee**

<b><u>Name</u></b>	<b><u>Title</u></b>
Michael R. Mignogna	Mayor
Jason A. Ravitz	Deputy Mayor
Michelle M. Nocito	Deputy Mayor
Harry A. Platt	Committeeperson
Jacklyn Fetbroyt	Committeeperson

**Administrator**  
Stephen Steglik

**Chief Financial Officer/Treasurer**  
Alexander P. Davidson

**Township Clerk**  
Dianna Ober

**Tax and Sewer Utility Collector**  
Jennifer J. Dukelow

**Solicitor**  
Christopher F. Long, Esquire  
Wade, Long, Wood & Long, LLC  
Laurel Springs, New Jersey

**Auditor**  
Bowman & Company LLP  
Voorhees, New Jersey

**Bond Counsel**  
Parker McCay P.A.  
Mount Laurel, New Jersey

**Municipal Advisor**  
Phoenix Advisors, LLC  
Bordentown, New Jersey

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

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

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

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 BAN AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

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

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**OFFICIAL STATEMENT**

**Relating to**

**\$18,337,000**

**TOWNSHIP OF VOORHEES**

**County of Camden, New Jersey**

**BOND ANTICIPATION NOTES OF 2024, SERIES A**

**Consisting of:**

**\$16,041,000 General Improvement Notes**

**\$2,296,000 Sewer Utility Notes**

**(BOOK-ENTRY ONLY) (NON-CALLABLE)**

**\$800,000**

**TOWNSHIP OF VOORHEES**

**County of Camden, New Jersey**

**SPECIAL EMERGENCY NOTES OF 2024, SERIES A**

**(BOOK-ENTRY ONLY) (NON-CALLABLE)**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Voorhees, County of Camden, New Jersey (“Township”), in connection with the sale and the issuance of its (i) \$18,337,000 principal amount of Bond Anticipation Notes of 2024, Series A (“BAN”); and (ii) \$800,000 Special Emergency Notes of 2024, Series A (“SEN”, together with the BAN, the “Notes”). The BAN consists of: (i) \$16,041,000 principal amount of General Improvement Notes; and (ii) \$2,296,000 principal amount of Sewer Utility Notes. This Official Statement has been executed by and on behalf of the Township by the Chief Financial Officer and may be distributed in connection with the sale of the Notes.

**THE NOTES**

Each series of the Notes shall be dated and shall bear interest from its respective date of delivery and shall mature on the dates and in the amounts shown on the front cover hereof. The Notes shall bear interest, payable at maturity, at the respective rates shown on the front cover page hereof. Interest on each series of 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 dates.

The SEN will be issued in bearer form. The BAN will be issued 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 BAN. Principal of and interest on the BAN 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 BAN 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 BAN, through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in the BAN are exchangeable for one or more fully registered BAN certificates in authorized denominations.

The BAN 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 BAN on behalf of the individual purchasers. Individual purchasers of the BAN will not receive certificates representing their beneficial ownership interests in the BAN, 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 BAN purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the BAN, payments of the principal of and interest on the BAN 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 BAN. See “BOOK-ENTRY ONLY SYSTEM” herein.

**AUTHORIZATION AND PURPOSE OF THE NOTES**

BAN

The BAN is 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 286-16, 304-17, 340-19, 348-19, 369-20, 402-22, 403-22, 404-22, 405-22, 406-22, 431-23, 432-23, 433-23, 434-23, 435-23, 451-24, 452-24, 454-24, and 453-24 (collectively, the “Bond Ordinances”), each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on September 11, 2024.

The BAN is being issued by the Township to provide funds which will be used to: (i) temporarily finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Township; (ii) temporarily finance the costs of various capital improvements for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the BAN. The following table sets forth certain information with respect to the Bond Ordinances authorizing the BAN.

**General Improvement Notes**

<b>Ordinance Number</b>	<b>Purpose/Improvement</b>	<b>Amount Authorized</b>	<b>Notes Outstanding</b>	<b>Notes to be Issued</b>
402-22	Buildings and Grounds	\$959,500	\$959,500	\$959,500
403-22	Road Improvements	1,914,250	1,914,250	1,914,250
404-22	Acquisition and Installation of Traffic Signalization	123,500	123,500	123,500
405-22	Acquisition of Vehicles and Equipment	2,230,600	2,230,600	2,230,600
431-23	Acquisition of Certain Real Property	28,500	28,500	28,500
432-23	Acquisition of Vehicles and Equipment	2,228,700	2,228,700	2,228,700
433-23	Buildings and Grounds	1,187,500	1,187,500	1,187,500
434-23	Road Improvements	2,303,750	2,303,750	2,303,750

286-16	Acquisition of Vehicles and Equipment	\$1,212,200	\$100	\$100
340-19	Acquisition of Vehicles and Equipment	498,750	500	500
348-19	Acquisition of Vehicles and Equipment	1,881,950	950	950
451-24	Acquisition of Real Property and Various Capital Improvements	328,225	0	327,875
452-24	Road Improvements	2,220,150	0	2,220,150
454-24	Acquisition of Vehicles and Equipment	2,515,125	0	2,515,125
<b>Total</b>		<b>\$19,632,700</b>	<b>\$10,977,850</b>	<b>\$16,041,000</b>

### Sewer Utility Notes

<b>Ordinance Number</b>	<b>Purpose/Improvement</b>	<b>Amount Authorized</b>	<b>Notes Outstanding</b>	<b>Notes to be Issued</b>
406-22	Sewer Utility Improvements	\$489,250	\$489,150	\$489,250
435-23	Sewer Utility Improvements	598,500	598,500	598,500
304-17	Sewer Utility Improvements	1,087,750	50	50
369-20	Sewer Utility Improvements	734,350	350	350
453-24	Sewer Utility Improvements	1,208,210	0	1,207,850
<b>Total</b>		<b>\$4,118,060</b>	<b>\$1,088,150</b>	<b>\$2,296,000</b>

### SEN

The SEN is authorized to be issued pursuant to: (i) the Local Budget Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented; (ii) ordinance 429- 2023 (“Ordinance”), duly and finally adopted by the Township Committee; (iii) a resolution adopted by the Township Committee on September 9, 2024; and (iv) a Certificate of Determination and Award, executed by the Chief Financial Officer of the Township on September 11, 2024.

The SEN is being issued by the Township to provide funds which, along with other available funds of the Township, will be used to: (i) temporarily finance the cost of a special emergency appropriation of the Township for the costs associated with the complete program of revaluation of real property by the repayment at maturity of the principal of certain special emergency notes heretofore issued by the Township; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the SEN. The following table sets forth certain information with respect to the Ordinance authorizing the SEN.

### Special Emergency Notes

<b>Ordinance Number</b>	<b>Amount of Notes Authorized</b>	<b>Notes Outstanding</b>	<b>Available Funds</b>	<b>Notes to be Issued</b>
429-2023	\$1,000,000	\$1,000,000	\$200,000	\$800,000
<b>TOTAL</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$200,000</b>	<b>\$800,000</b>

## BOOK-ENTRY ONLY SYSTEM

### General

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the BAN, payment of principal and interest and other payments on the BAN to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the BAN and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations concerning these matters.

DTC will act as securities depository for the BAN. The BAN 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 certificate will be issued for each maturity of the BAN, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of the BAN under the DTC system must be made by or through Direct Participants, which will receive a credit for the BAN 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 BAN 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 BAN, except in the event that use of the book-entry system for the BAN is discontinued.

To facilitate subsequent transfers, all the BAN deposited by 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 BAN 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 BAN; DTC's records reflect only the identity of the



Direct Participants to whose accounts such BAN is credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the BAN may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the BAN, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. Beneficial Owners of the BAN may wish to ascertain that the nominee holding the BAN for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the BAN 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 BAN, unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the BAN are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the BAN 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 agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, agent, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or agent, disbursement of such payments to Direct Participants is 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 BAN at any time by giving reasonable notice to the Township or the 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 transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered.

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

### Discontinuation of Book-Entry Only System

If the Township, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the BAN at any time, the Township will attempt to locate another qualified Securities Depository. If the Township fails to find such Securities Depository, or if the Township determines, in its sole discretion, that it is in the best interest of the Township or that the interest of the Beneficial Owners might be adversely affected if the book-entry only system of transfer is continued (the Township undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination) the Township shall notify DTC of the termination of the book-entry only system.

In the event that the book-entry only system for the BAN is discontinued, the Township has provided that upon receipt of the Note certificates from DTC and the Participant information, the Township will authenticate (or cause to be authenticated) and deliver definitive BAN to the holders thereof, and the principal of and interest on the BAN will be payable and the BAN may thereafter be transferred or exchanged in the manner described in the BAN certificates so provided.

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

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

The Township may pledge only its own credit and taxing power in respect of the Notes, and has no power to pledge the credit or taxing power of the State of New Jersey ("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

The Township is located in the County of Camden, New Jersey ("County"). General information concerning the Township, including economic, financial, demographic and other relevant data, is set forth in Appendix "A" to this Official Statement.

#### Financial

Appendix "B" to this Official Statement contains audited financial statements of the Township for the years ended December 31, 2023, 2022, 2021, 2020 and 2019. The financial data was provided by Bowman & Company LLP, Voorhees, New Jersey, and is included herein in reliance upon the authority of such firm. Bowman & Company LLP, Voorhees, New Jersey, has consented to the inclusion of its report in this Official Statement. Copies of the complete reports of audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

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

### Local Bond Law

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

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

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

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

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

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

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

#### Local Fiscal Affairs Law

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

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

An independent examination of the Township’s books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division’s “Requirements of Audit”, includes recommendations for improvement of the municipality’s financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2023 is on file with the Township Clerk and is available for review during business hours, and is available online at the Township’s website: [www.voorheesnj.com](http://www.voorheesnj.com).

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

#### The Local Budget Law

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

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

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

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

A statute passed in 1976, as amended (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the “Cap Law”, imposed limitations on increases in municipal appropriations subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c. 89, which revised and made permanent

the “Cap Law”. Since its inception, the “Cap Law” has been amended and modified several times, most recently on July 13, 2010. While the revised “Cap Law” is more restrictive on the ability of a municipality to increase its overall appropriations, it does not limit the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service on the Notes. The Cap Law provides that a municipality shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year’s final appropriations subject to certain exceptions. The “index rate” is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

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

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

Neither the tax levy limitation nor the “Cap Law” limits the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service on its bonds or notes, including the 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 Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit.” Such determination may be made by the governing body and the Chief Financial Officer in any year during which the municipality is subject to local examination.

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

## Real Estate Taxes

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

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

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

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

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

## Deferral of Current Expenses

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

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

## Budget Transfers

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

## Sewer Utility Budget

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

## Capital Budget

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

## Related Constitutional and Statutory Provisions

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

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

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

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

## Rights and Remedies of Owners of Bonds

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

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

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

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

#### Limitation of Remedies Under Federal Bankruptcy Code

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

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

**THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE TOWNSHIP EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE COMMISSION, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY OF THE 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 resulting in a decrease of the assessment ratio to its present level. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could not keep pace with rising values. The last complete revaluation of property within the Township was effective for the year 2013.

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

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

### Tax Appeals

The State statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the State Board of Taxation (“Tax Board”) on or before the first day of April of the current tax year for review. The Tax Board has the authority, after a hearing, to decrease, increase or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year.

If the taxpayer feels his petition was unsatisfactorily reviewed by the Tax Board, appeal may be made to the State Tax Court. State Tax Court appeals tend to take several years prior to settlement and any losses in tax collection from prior years are charged directly to operations.

## LITIGATION

To the knowledge of the Township’s Solicitor, Christopher F. Long, Esquire, of the law firm of Wade, Long, Wood & Long, LLC (“Township Solicitor”), there is no litigation of any nature now pending, restraining or enjoining the issuance or the delivery of the Notes, or the levy or the collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Township Solicitor, no litigation is presently pending that, in the opinion of the Township Solicitor, would have a material adverse impact on the financial condition of the Township if adversely decided.

## TAX MATTERS

### Federal

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

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

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

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

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

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

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

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

#### New Jersey

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

#### Changes in Federal and State Tax Law

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

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

#### **CONTINUING DISCLOSURE**

In accordance with the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), the Township has undertaken to file notice of certain enumerated events, pursuant to Information Reporting Undertaking Agreement for the Notes, substantially in the form set forth in Appendix “D” hereto.

The Township has previously entered into continuing disclosure undertakings under the Rule. While the Township has filed its financial information and operating data in each of the past five (5) years, as required by the Rule, certain information, specifically the “Ten Largest Non-Governmental Employers”, required in some, but not all, of the Township’s continuing disclosure agreements was not included in the operating data for the year ended December 31, 2018. In addition, the Township’s budget for fiscal year ending December 31, 2020 was not adopted until after the filing deadline for the Township’s General Obligation Bonds, Series 2008. The Township appointed Phoenix Advisors, LLC, Bordentown, New Jersey in August of 2014 to act as Continuing Disclosure Agent to assist in the filing of certain information on EMMA as required under its obligations.

## NO DEFAULT

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

## CERTAIN RISK FACTORS

### Recent Healthcare Developments

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

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

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

Pursuant to the funding methodology under the Plan, the Township received \$3,053,705.08 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.

### Climate Change

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

## **RATINGS**

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P") has assigned its short-term rating of "SP-1+" to the BAN based upon the creditworthiness of the Township. The SEN has not been rated.

The credit rating for the BAN reflects only the view of S&P, and an explanation of the significance of the credit rating may be obtained from S&P. Generally, a rating agency bases its rating on the information and documents furnished to it, and on investigations, studies and assumptions of its own. The rating expresses only the view of S&P and there is no assurance that the credit rating will continue for any period of time or that the credit rating will not be lowered or withdrawn entirely if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of the credit rating may have an adverse effect on the market price of the BAN.

## **UNDERWRITING**

### BAN

The BAN has been purchased from the Township at a public sale by Jefferies LLC, ("BAN Underwriter") at a price of \$18,539,807.22 ("BAN Purchase Price"). The BAN Purchase Price reflects the principal amount of the BAN plus a bid premium of \$202,807.22.

The BAN Underwriter intends to offer the BAN to the public initially at the offering yield set forth on the front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The BAN Underwriter reserves the right to join with dealers and other underwriters in offering the BAN to the public. The BAN Underwriter may offer and sell the BAN to certain dealers (including dealers depositing the BAN into investment trusts) at a yield higher than the public offering yield set forth on the front cover page of this Official Statement.

## SEN

The SEN has been purchased from the Township at a public sale by Pennsville National Bank, (“SEN Purchaser”) at a price of \$800,000.00 (“SEN Purchase Price”). The SEN Purchase Price reflects the principal amount of the SEN. The SEN Purchaser does not intend to offer or sell the SEN to the general public.

## **MUNICIPAL ADVISOR**

Phoenix Advisors, LLC, Bordentown, New Jersey has served as municipal advisor to the Township (“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. The Municipal Advisor is a municipal advisory firm, and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instrument.

## **APPROVAL OF LEGAL PROCEEDINGS**

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

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

The various legal opinions to be delivered concurrently with the delivery of the 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.

## **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 Notes are authorized security for any and all public deposits.

## PREPARATION OF OFFICIAL STATEMENT

The Township hereby states that the descriptions and statements herein and in the Appendices attached hereto, including financial and statistical statements, are true and correct in all material respects, and it will confirm the same to the purchasers of the 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.

Bowman & Company LLP compiled Appendix "A" from information obtained from various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto. Bowman & Company LLP, Voorhees, New Jersey, only takes responsibility for the financial statements, appearing in Appendix "B" hereto.

Neither Parker McCay P.A. nor Phoenix Advisors, LLC have participated in the preparation of this Official Statement, nor have such firms verified the accuracy, completeness or fairness of the information contained herein (except, as it relates to Parker McCay P.A. under the heading "TAX MATTERS") and, accordingly, will express no opinion with respect thereto.

## ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Alexander Davidson, Chief Financial Officer, Township of Voorhees, at 856-429-7026, or to the Township's Municipal Advisor, Phoenix Advisors, LLC at 609-291-0130.

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 merely as opinions and not as representations of fact, and no representation is made that any such statements will be realized. Neither this Official Statement nor any statement, which may have been made verbally or in writing, is to be construed as a contract with, or a covenant for the benefit of, the holders of the Notes. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township since the date hereof.

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

This Official Statement has been duly executed and delivered by the Chief Financial Officer of the Township for and on behalf of the Township.

## TOWNSHIP OF VOORHEES, NEW JERSEY

By: /s/ ALEXANDER DAVIDSON  
ALEXANDER DAVIDSON, Chief Financial Officer

Dated: September 11, 2024

**APPENDIX A**

**CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC  
INFORMATION REGARDING THE TOWNSHIP OF VOORHEES**



## **GENERAL INFORMATION ON THE TOWNSHIP**

### **History**

The Lenni Lenape Indians first settled in the Township of Voorhees ("Township") in the County of Camden ("County") about three centuries ago. In the 1700s, European settlement of the area was led by several families in what was then called Waterford Township in the County of Gloucester. They began grist and lumber mills along the creeks and by the 1800s a local economy began to take hold with the establishment of taverns, which served as social centers, and of stagecoach lines which connected the local people to the neighboring region. One stagecoach line passing through the Township began in Philadelphia and went to the Atlantic shore line, a two-day trip.

In 1844, the County was chartered as a county separate from Gloucester County. By the end of the century the local population wanted to establish its own township and sought the assistance of New Jersey Governor Van Voorhees. The Township was chartered on March 1, 1899 in an area encompassing approximately 11.4 square miles located in the central part of the County approximately ten miles southeast of Philadelphia, Pennsylvania.

As World War II ended, the Township began to grow from farmland and countryside to a suburban Township with schools, housing developments, and shopping centers. In the late 1960s the Township developed a "town center zone" which contained a full shopping mall, office buildings, apartments and condominiums.

Population in the Township doubled from 6,214 in 1970 to 12,919 in 1980 and nearly doubled again by 1990 to a population of 24,559. According the U.S. Bureau of the Census, the 2010 population was 29,131 and the 2020 population increased again to 31,069.

### **Local Government**

The Township government is based on the township committee form of government, which exercises legislative power in the Township ("Township Committee"). Committee members are elected on an at-large basis for staggered three-year terms. Two members are elected in each of two consecutive years while a single member is elected in the third year. The Mayor is appointed annually by a majority of the Township Committee.

The day-to-day administrative duties are the responsibility of the Township Administrator, who is appointed by the Township Committee. To that end, the Township Administrator keeps the Township Committee informed as to the conduct of the Township affairs, the condition of the Township finances, and the welfare and future needs of the Township.

The financial affairs of the Township are administered by the Chief Financial Officer, who reports to the Township Committee. Along with the Township Administrator, the Chief Financial Officer prepares the annual municipal budget, and then maintains it on a daily basis after adoption by the Township Committee. A five-year forecast, for both the operating and capital budgets, is used to assess the Township's future financial needs.

### **Business Management**

The Mayor and Township Committee have taken an active role in the preparation and administration of the Township's annual operating and capital budgets. Joint purchasing agreements, extensive use of state contract purchases, and the solicitation of competitive price proposals for a majority of purchases are just a few measures employed to reduce costs. User fees for Township services are continually examined and increased when needed, and an aggressive tax collection program contributes to the Township's financial well-being.

The Township utilizes an Economic Development Committee ("EDC") in order to promote ratable growth through several yearly initiatives. The EDC sponsors a business summit where local businesses come together to share ideas and concerns on how to make their businesses more successful. The EDC is also tasked with reviewing Township-led business initiatives to get feedback from residents and business leaders, and to help ensure the initiatives reflect the desires of the business community.

Local businesses provide contributions to the Voorhees Citizens Event Foundation ("VCEF"), a 501c(3) corporation that helps to underwrite the production costs of an economic development brochure and calendar. These items provide economic and demographic information to both the business and residential communities. The VCEF was established for the purpose of paying for community events, and bringing our businesses and residents together.

In an effort to retain and assist local businesses, the Township has adopted the "Shop Voorhees" program, where residents receive credit on their property tax bill by frequenting certain local merchants. "Shop Voorhees" is voluntary, and many local businesses take part in the program. Residents use an affinity card that was provided to each residential property owner, and businesses that participate allocate a certain percentage of each purchase to the program.

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

The Township's Fire Department is comprised of one (1) Fire Chief, two (2) Deputy Fire Chiefs, three (3) Battalion Chiefs, seven (7) Captains, and twenty-five (25) full-time firefighters. The Department monitors and establishes locations for fire hydrants throughout the Township, and provides 24/7 fire protection services. Emergency Medical Services are also provided on an around-the-clock basis by twenty (20) full-time and twenty-four (24) part-time emergency medical technicians. In addition, the Department is outfitted with heavy-duty rescue equipment and a water rescue dive team.

### **Police**

The Township's Police Department is comprised of one (1) Chief, one (1) Deputy Chief, two (2) Captains, five (5) Lieutenants, ten (10) Sergeants, thirty-seven (37) Patrol Officers, and thirteen (13) Class II Officers, many of whom are college educated. The Department consists of a Traffic Division, a Patrol Division, an Emergency Services Unit, a Criminal Investigation Unit, a K-9 Unit and a Detective Bureau. Twelve of the thirteen Class II Officers patrol the elementary schools, the middle school, two private schools, and the high school on a daily basis. This specialization has allowed the Department to receive over one million dollars in funding for both Federal and State grant programs. Support services include clerical personnel, crossing guards and a computerized criminal justice information system.

### **Public Works**

Township maintenance is designed to maintain neighborhoods in first class condition. The Public Works Department, with a full-time work force of approximately 35, is headed by a Superintendent, and consists of a Road Department, a crew of mechanics, a Sanitation Department, a Parks Department and a Sewer Department.

The Road Department is responsible for the maintenance of over 100 miles of Township roads, including minor road repairs, road signage, street sweeping and snow plowing and removal. The mechanics provide automotive services to the entire fleet of Administrative and Public Works vehicles in a Township-owned garage facility.

The Sanitation Department is responsible for the disposal of trash and the collection of recyclable materials such as paper, vegetative waste, and commingled glass and cans. These

expanded recycling efforts have reduced trash disposal costs and even generates a revenue stream when market conditions are right. In concert with dedicated neighborhood residents, civic groups, and youth organizations, the Sanitation Department has been able to educate the community in matters of recycling and litter control. Each year sees continued participation in such events as the "Adopt a Road Program" and the "Public Lands Cleanup Day."

## **Parks and Recreation**

A major priority of the Township Committee is the development of aesthetic and safe recreational facilities. Recently, there has been an ongoing Township-wide park redevelopment program, which has led to the installation of new playground equipment, picnic areas, nature trails, and athletic facilities. Through the State's Green Acres Program, the Township purchased the North Branch Conservation Area, Lion's Lake, Rabinowitz Park, Stafford Farm, the former Lafferty Asphalt Parcel, Stafford Woods, Kirkwood Forest, Kresson Lake, and Ashland Woods in order to preserve open space. To date, the Township has preserved more than 560 acres for recreation and conservation purposes.

The Township offers to children and adults of the community a wide variety of athletic and cultural opportunities, which are administered through the Community Education & Recreation Office ("CER"). The CER program is also responsible for scheduling the use of gymnasiums and multipurpose rooms, while the Township Parks Department is responsible for the scheduling and maintenance of the recreation fields.

Recreation facilities in the Township include open space areas, athletic fields and courts of all kinds, playground sites, and tot lots. Other activities in the Township include community theater, summer camps and youth baseball, softball, soccer, football, basketball and lacrosse for boys and girls.

## **Sewer and Water Utilities**

The Township owns and operates several pumping stations and a sewerage collection system that runs throughout the Township. The sewerage collection system serves virtually the entire Township, while a few properties continue to use septic systems. The current Township rate for each user is \$155.00 per domestic consumer unit per year.

Sewer treatment services are provided by the Camden County Municipal Utilities Authority ("CCMUA"). The CCMUA is an autonomous body that owns and operates the treatment facility, and has established an annual rate of \$352.00 per equivalent dwelling unit for 2023.

The New Jersey-American Water Company ("NJAWC") furnishes virtually the entire Township with water.

## **Township Employees**

A summary of full-time and part-time employees of the Township for the past five (5) years is included below.

	<b>December 31,</b>				
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Permanent	198	185	188	188	183
Part-time	48	64	67	67	63
Total	<u>246</u>	<u>249</u>	<u>255</u>	<u>255</u>	<u>246</u>

## Employee Collective Bargaining Units

Employees are recognized as separate collective bargaining units. The police patrol officers have an approved contract through December 31, 2024. The municipal employees and supervisors bargaining unit have an approved contract through December 31, 2024. The Public Works Department has an approved contract through December 31, 2023 and are currently in negotiations. The senior police officers and the police sergeants have an approved contract through December 31, 2025. The Fire Department's Senior Officers, Lieutenants, Firefighters and EMT bargaining units all have approved contracts through December 31, 2026.

## Compensated Absences

Township employees are entitled to fifteen paid sick leave days each year. For all bargaining units, unused sick leave may be accumulated and carried forward to the subsequent year. Upon retirement, employees are reimbursed at their retirement rate of pay for twenty-five percent (25%) of their unused sick days. All police officers, firefighters, EMT's and public works employees may elect to sell back up to five unused vacation days each year at their current rate of pay. Municipal and non-contractual employees may elect to sell back up to ten vacation days each year at their current rate of pay. All police officers, firefighters and EMT's may also sell back up to one week of unused holiday time as well. (For additional information regarding compensated absences, see Appendix B: Audited Financial Statements, Note 11).

## Pension Plans

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

## Township Population (1)

2020 Federal Census	31,069
2010 Federal Census	29,131
2000 Federal Census	28,126
1990 Federal Census	24,559
1980 Federal Census	12,919

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

Median household income	\$102,606
Per capita income	\$59,529

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

## Township, County and State Labor Force (1)

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Township</b>					
Labor Force	16,075	15,807	15,383	15,198	15,426
Employment	15,531	15,356	14,665	14,157	15,020
Unemployment	544	451	718	1,041	406
Unemployment Rate	3.4%	2.9%	4.7%	6.8%	2.6%
<b>County</b>					
Labor Force	276,187	270,737	266,839	256,000	253,053
Employment	262,852	259,883	248,814	230,300	242,811
Unemployment	13,335	10,854	18,025	25,800	10,242
Unemployment Rate	4.8%	4.0%	6.8%	10.1%	4.0%
<b>State</b>					
Labor Force	4,829,671	4,739,800	4,666,100	4,650,300	4,493,100
Employment	4,615,722	4,564,100	4,357,200	4,212,400	4,333,300
Unemployment	213,949	175,700	308,900	437,900	159,800
Unemployment Rate	4.4%	3.7%	6.6%	9.4%	3.6%

## Business and Industry

The Township's commercial base includes industrial operations, multi-tenant office centers and shopping centers. Comcast, AAA of South Jersey, Giant Fitness, Edge Fitness, YALE School, Kellman-Brown Academy, and the Guide Post Montessori School all have a major presence in the Township. The Philadelphia Flyers utilize a 66,000 square-foot training and practice facility in the Township. This building also houses medical offices, potential restaurant and retail areas and provides for public ice skating.

In addition, smaller office complexes include Glendale Executive Campus, Laurel Oak Corporate Center, Alluvium Corporate Center, Echelon Professional Center, the Voorhees Corporate Center, and the Pavilions at Voorhees. The various complexes are home to Hampton Inn, Wingate and Marriot Hotels, and a Spring Hill Suites.

The Town Center at Voorhees continues to be the subject of several proposed redevelopment plans. A Rizzieri Salon, an Iron Hill Brewery and other restaurants are located along "The Boulevard," and there is also continued construction of a residential component. In addition, the Township municipal building was relocated to the Town Center in May, 2011. Other shopping centers include Eagle Plaza, which recently completed a \$3 million facelift, Avian Plaza, Echelon Village Plaza, The Echo Shoppes, a Target store, that includes a Starbucks Coffee Shop, a Kohl's store, and the Cedar Hill Shopping Center which includes a Lowe's and BJ'S Wholesale Club.

(1) Source: New Jersey Department of Labor

Health care facilities in the Township are numerous. The Virtua Health System recently moved their operations to a new hospital/health care campus valued at several hundred million dollars. This state-of-the-art facility replaced a 35-year-old hospital, and opened in May, 2011. The Virtua/Rohrer Fitness Center, South Jersey Radiology and the Tatem-Brown Family Practice Center remain at the site of the old hospital. Jefferson University Hospital recently moved its NJ headquarters to Voorhees, and also opened the school's new College of Health Professionals Physician Assistants Program. Cooper Hospital also has a significant presence in the Township. The Cooper Pain Management Center, as well as several other Cooper satellite offices, are located throughout the Township. Additionally, the Township is home to a Children's Hospital of Philadelphia satellite facility, a Bayada Nursing office, a Penn Medicine Proton Therapy Unit, senior citizen communities, several nursing centers, assisted-living quarters, and a Bancroft pediatric facility.

### **Community Development**

Much of the Township has been developed for residential use, although substantial sites have been developed or are available for nonresidential use. There are more than 8,000 housing units with approximately 6,600 single-family homes and 1,400 condominium or townhouse residences. In addition, there are more than 2,600 apartment rental units.

Current single-family residential zoning allows minimum lot areas of 9,375 square feet in the R-75 zone and up to a minimum of one acre in the rural residence zone. Multi-family and cluster development is also permitted on larger tracts within the Township, subject to Township Planning Board approval.

The most recent Master Plan update provided a greater diversity of commercial uses in what are now industrial or office zones. The Master Plan also calls for increased buffering between residential and commercial uses to moderate the transition between them.

The Township, along with its Planning and Zoning Boards, and its Economic Development Advisory Committee, works diligently with developers and business owners to create a business-friendly climate, while insuring that proposed development will provide maximum benefit and minimal adverse impact on the Township.

### **Transportation and Infrastructure**

Centrally located between New York City, Washington D.C., Philadelphia and the New Jersey Shore, the Township has excellent highway and transit access. Highway access includes Interstate 295, State Route 73 and the New Jersey Turnpike, the primary interstate route in the New York-Washington corridor.

The Port Authority Transit Company's High Speed Line, with their Ashland station located in the Township, provides an important link to center city Philadelphia for both commuters and shoppers. New Jersey Transit provides public bus transportation, and there is a Township-owned bus available for senior citizens six days a week.

The Township's Capital Improvement Program has reinvested an average of \$5.123 million a year for the last ten years to provide a sound infrastructure. The Engineering Department's Road Management Program ("Program") details those roads recently repaired, as well as those scheduled for future reconstruction or modification. This Program acts in concert with the routine maintenance work performed on a daily basis. Continuing sewer work has seen the completion of a Sewer Master Plan, which details the pump stations and collection system as well as the Township's future sewer requirements.

Township officials have played a significant role in the initiation of and planning for major revitalization and improvement of County roads within the Township. Intersection improvements are being completed on a continuing basis, and increased signalization has taken place over the past few years. A study of traffic in the Township, both existing conditions and future needs, has resulted in a computer program which projects expected traffic from proposed developments. Each developer now pays their fair share of needed circulation improvements, thus taking the burden off of the taxpayers.

### MAJOR PRIVATE SECTOR COUNTY EMPLOYERS (1)

<u>Company</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>
Cooper Health System	Healthcare	7,000
Virtua Health System	Healthcare	2,500
Campbell Soup Company	Manufacturing/Distribution	2,300
Virtua Our Lady of Lourdes	Healthcare	2,000
American Water	Water/Sewer	2,000
TD Bank	Bank	1,300
Jefferson Health System	Healthcare	1,256
Aluminum Shapes	Manufacturing	1,000
Lockheed Martin	Aerospace	800

### Building, Zoning and Development Codes

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

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

The Township adopted the Municipal Land Use Law on February 7, 1977. The Municipal Land Use Law gave the Township Zoning Board of Adjustment authority to regulate most land use other than family residential use. In this way, the Township is able to guide the approximate use or development of land to promote the public health, safety and general welfare.

### Building Permits Issued (2)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2024 (3)	1,010	\$ 47,871,404
2023	1,745	46,938,897
2022	1,705	56,296,877
2021	1,621	42,162,204
2020	1,204	53,354,750
2019	1,175	22,571,887

(1) Camden County

(2) Source: Township Construction Official

(3) As of July 31, 2024

## GENERAL INFORMATION ON THE SCHOOL DISTRICT (1)

### Primary and Secondary Education

As a type II district, the Board of Education of the Township of Voorhees ("School District") functions independently through a nine-member Board, elected by the voters for alternate three-year terms. The School District is located in the Township of Voorhees (the "Township"), in the County of Camden (the "County"), in the State of New Jersey (the "State") and serves students residing in the Township.

The School District has a total of five (5) schools: four (4) elementary schools and one (1) middle school. See "Present School Facilities, Enrollment and Capacities" herein. Special education students are mainstreamed into the public school system.

The Township's high school students along with students from the Boroughs of Berlin and Gibbsboro, attend the Eastern Camden County Regional High School District.

### TOWNSHIP OF VOORHEES SCHOOL DISTRICT SCHOOL ENROLLMENTS (1)(2)

<u>Grade</u>	<u>October 15,</u>				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Pre-K/Pre-School	20	18	24	34	42
K	261	223	309	286	272
1	274	280	284	307	290
2	288	287	285	285	310
3	291	282	286	276	269
4	260	299	280	273	280
5	288	260	285	282	280
6	282	298	255	268	279
7	294	289	295	264	276
8	299	296	291	295	262
Special Education	379	382	381	395	401
Totals	<u>2,936</u>	<u>2,914</u>	<u>2,975</u>	<u>2,965</u>	<u>2,961</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</u>
				<u>Oct. 15, 2023</u>	<u>Capacity</u>
Voorhees Middle School	1972	1983/1988/2003	6-8	960	1,259
Kresson School	1981	1985/2003/2022	K-5	502	539
Signal Hill School	1988	2003	K-5	437	615
E.T. Hamilton School	1969	1983/1988/2003	K-5	511	550
Osage School	1957	1961/1967/1982/ 1988/ 2003	K-5	551	620
Totals				<u>2,961</u>	<u>3,583</u>

(1) Source: School District officials

(2) Excludes Out of District Students



**EASTERN CAMDEN COUNTY REGIONAL HIGH SCHOOL DISTRICT  
ENROLLMENTS (1)(2)**

<u>Grade</u>	<u>October 15,</u>				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
9	312	302	311	271	292
10	301	316	297	299	265
11	300	300	311	292	284
12	318	299	303	306	300
Special Education	208	179	185	182	167
Totals	<u>1,439</u>	<u>1,396</u>	<u>1,407</u>	<u>1,350</u>	<u>1,308</u>

- (1) Source: School District officials  
(2) Voorhees Township students only.

**HIGHER AND OTHER EDUCATION FACILITIES**

**Rutgers University-Camden Campus**

Rutgers University-Camden ("Rutgers"), a comprehensive, publicly-supported, co-educational four-year institution accredited by the Middle States Association of Colleges and Secondary Schools and funded primarily by the State, was founded in 1950 on a 23.8 acre campus in the City of Camden. For the 2023-2024 school year, there were approximately 3,922 undergraduate students and 1,854 graduate students.

**Camden County College**

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

As of the Spring of 2024, full time enrollment was 3,508 and part-time enrollment was 7,598 for a total of 11,106.

**Camden County Technical Schools**

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

For high school students, there are over 30 career programs from which to choose. For the 2023-2024 school year, 1,417 students are enrolled at the Gloucester Township Campus, and 766 at the Pennsauken Campus. Seniors are offered the opportunity to participate in several of our school-to-career programs and are offered lifetime job placement assistance. In addition, students are offered a full-range of athletics and activities to complement their education. Through Camden County College, high school juniors and seniors at CCTS have various opportunities to earn college credit for college level work completed while in high school. Students may bank the credits earned for future enrollment at colleges and universities.

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

**CERTAIN TAX INFORMATION**  
**TEN LARGEST TAXPAYERS (1)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2024 Assessed Valuation</u>	<u>% of Total Assessed Value</u>
Virtua Health-Division of Property Mgmt	Hospital	\$ 74,996,000	2.32%
Village Group Limited Partnership	Apartments	49,313,500	1.53%
Foster Sq 1-6%Lowe Ent Invest.	Apartments	33,669,400	1.04%
Vista 2016, LLC	Apartments	27,484,400	0.85%
Echelon Glen I & II Investors, LLC	Apartments	26,929,600	0.83%
HCP III Eagle, LLC	Shopping Center	26,843,800	0.83%
QRP Voorhees, LP	Apartments	23,368,000	0.72%
Cooper Holdings, LLC % Deloitte	Department Store	17,517,500	0.54%
Del Coop, LLC	Insurance Office	17,242,700	0.53%
SJF CCRC, Inc.	Residential Senior Housing	16,694,500	0.52%
		<u>\$314,059,400</u>	<u>9.72%</u>

**CURRENT TAX COLLECTIONS (2)**

<u>Year</u>	<u>Total Levy</u>	<u>Current in Year of Levy</u>		<u>Balance Dec. 31</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2023	\$136,808,714	\$135,106,857	98.76%	\$1,098,592	0.80%
2022	133,119,758	132,314,278	99.39%	1,011,337	0.76%
2021	131,366,706	130,556,385	99.38%	827,776	0.63%
2020	131,267,978	129,918,084	98.97%	1,146,759	0.87%
2019	126,243,207	124,901,258	98.94%	1,075,570	0.85%

(1) Source: Township Tax Assessor

(2) Source: Annual Reports of Audit

**DELINQUENT TAXES (1)**

<u>Year</u>	<u>Balance</u>	<u>Added</u>	<u>Collected</u>		<u>Transfer to Liens</u>	<u>Other Credits</u>	<u>Balance Dec. 31</u>
	<u>Jan. 1</u>		<u>Amount</u>	<u>Percent</u>			
2023	\$1,079,942	\$ 777	\$ 719,789	66.60%	\$ 19,541	\$274,751	\$ 66,637
2022	920,093	33,842	659,536	69.14%	80	225,714	68,605
2021	1,223,848	6,302	951,275	77.33%		186,558	92,317
2020	1,224,597	10,019	1,139,452	92.29%		18,075	77,089
2019	1,279,636	17,098	1,130,700	87.20%	274	16,733	149,027

**TAX TITLE LIENS (1)**

<u>Year</u>	<u>Balance</u>	<u>Added by</u>		<u>Other Credits</u>	<u>Balance Dec. 31</u>
	<u>Jan. 1</u>	<u>Sale &amp; Transfers</u>	<u>Collections</u>		
2023	\$ 247,212	\$ 40,050		\$ 104,302	\$ 182,960
2022	225,998	22,950	\$ 1,736		247,212
2021	203,728	22,270			225,998
2020	181,859	22,151	282		203,728
2019	303,806	38,082	16,232	143,797	181,859

**FORECLOSED PROPERTY (1)(2)**

<u>Year</u>	<u>Balance</u>	<u>Added by Transfer</u>	<u>Adjustment to Assessed Valuation</u>	<u>Balance Dec. 31</u>
	<u>Jan. 1</u>			
2023	\$ 443,500	\$ 104,037	\$ 162,463	\$ 710,000
2022	443,500			443,500
2021	443,500			443,500
2020	443,500			443,500
2019		155,078	288,422	443,500

**CURRENT SEWER COLLECTIONS (1)**

<u>Year</u>	<u>Beginning</u>		<u>Collected in Year of Levy</u>		<u>Balance Dec. 31</u>	
	<u>Balance</u>	<u>Total Levy</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2023	\$ 92,246	\$2,463,876	\$2,488,135	97.34%	\$ 66,841	2.61%
2022	63,769	2,460,891	2,432,253	96.34%	92,246	3.65%
2021	70,853	2,452,949	2,457,334	97.37%	63,769	2.53%
2020	73,341	2,292,861	2,291,022	96.82%	70,853	2.99%
2019	72,636	2,300,633	2,299,214	96.88%	73,341	3.09%

(1) Source: Annual Reports of Audit

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

**NET ASSESSED VALUATIONS AND  
ANNUAL TAX RATES (1)(2)**

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate</u>				
		<u>Total</u>	<u>Municipal</u>	<u>County</u>	<u>Local School</u>	<u>Regional High School District</u>
2024	\$ 3,235,323,750	N/A	N/A	N/A	N/A	N/A
2023	3,231,478,788	\$ 4.223	\$ 1.028	\$ 0.940	\$ 1.576	\$ 0.679
2022	3,206,327,157	4.138	0.973	0.936	1.557	0.672
2021	3,186,910,219	4.112	0.940	0.959	1.536	0.677
2020	3,199,338,511	4.090	0.911	1.010	1.500	0.669
2019	3,194,896,036	3.946	0.852	0.967	1.473	0.654

**RATIO OF ASSESSED VALUATION TO TRUE VALUE  
AND TRUE VALUE PER CAPITA (3)**

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value Per Capita (4)</u>
2024	\$3,235,323,679	71.31%	\$4,536,984,545	\$ 146,029
2023	3,224,724,338	76.57%	4,211,472,297	135,552
2022	3,199,064,714	83.80%	3,817,499,659	122,872
2021	3,179,291,111	88.04%	3,611,189,358	116,231
2020	3,192,254,801	84.19%	3,791,726,810	122,042

**REAL PROPERTY CLASSIFICATION (5)**

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>						
	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Farm</u>	
2024	\$45,892,900	\$2,283,833,800	\$688,318,400	\$20,319,300	\$195,114,900	\$1,844,379	
2023	49,605,400	2,278,939,800	678,903,100	20,327,400	195,114,900	1,833,738	
2022	50,791,200	2,265,817,005	666,309,900	20,327,400	195,114,900	704,309	
2021	52,227,100	2,254,200,401	656,493,501	20,327,400	195,114,900	927,809	
2020	50,896,800	2,251,857,475	672,529,601	20,922,300	195,114,900	933,725	

(1) Source: Township's Tax Collector

(2) Per \$100 of assessed valuation

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

(4) Based upon the 2020 Federal Census of 31,069

(5) Source: Township's Tax Assessor

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

The following table summarizes the direct debt of the Township in accordance with the requirements of the Local Bond Law. The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, 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, open space debt, as well as debt considered to be self-liquidating. The resulting net debt of \$36,911,690 represents 0.886% of the average of equalized valuations for the Township for the last three years, which is within the 3.5% limit imposed by *N.J.S.A. 40A:2-6*.

	Debt Issued			Authorized But Not Issued	Gross Debt	Deductions				Net Debt
	Bonds	Loans	Notes			School Debt	Open Space Debt	Reserve for Debt Service	Self-Liquidating Debt	
General	\$ 26,123,000	\$ 359,087	\$ 10,977,850		\$ 37,459,937		\$ 504,087	\$ 44,160		\$ 36,911,690
School - Regional	2,642,111				2,642,111	\$ 2,642,111				0
School - Local	0				0	0				0
Sewer Utility	5,994,000		1,088,150	\$ 700	7,082,850				\$ 7,082,850	0
	<u>\$ 34,759,111</u>	<u>\$ 359,087</u>	<u>\$ 12,066,000</u>	<u>\$ 700</u>	<u>\$ 47,184,898</u>	<u>\$ 2,642,111</u>	<u>\$ 504,087</u>	<u>\$ 44,160</u>	<u>\$ 7,082,850</u>	<u>\$ 36,911,690</u>

(1) As of December 31, 2023

Source: Annual Debt Statement

**DEBT RATIOS AND VALUATIONS (1)**

Average of Equalized Valuations of Real Property with Improvements for 2021, 2022 and 2023	\$ 4,164,661,746
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2021, 2022 and 2023	0.886%
2024 Net Valuation Taxable	\$ 3,235,323,750
2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$ 4,536,984,616
Gross Debt (2):	
As a percentage of 2024 Net Valuation Taxable	1.46%
As a percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	1.04%
Net Debt (2):	
As a percentage of 2024 Net Valuation Taxable	1.14%
As a percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	0.81%
Gross Debt Per Capita (3)	\$ 1,519
Net Debt Per Capita (3)	\$ 1,188

**TOWNSHIP BORROWING CAPACITY (1)**

3.5% of Averaged (2021-23) Equalized Valuation of Real Property including Improvements (\$4,164,661,746)	\$ 145,763,161
Net Debt	<u>36,911,690</u>
Remaining Borrowing Capacity	<u>\$ 108,851,471</u>

**SCHOOL DISTRICT BORROWING CAPACITY (1)**

3% of Averaged (2021-23) Equalized Valuation of Real Property including Improvements (\$4,164,661,746)	\$ 124,939,852
Local School District Debt	<u>0</u>
Remaining Borrowing Capacity	<u>\$ 124,939,852</u>

**REGIONAL HIGH SCHOOL DISTRICT BORROWING CAPACITY (1)**

3% of Average (2021-23) Equalized Valuation of Real Property including Improvements (\$5,335,650,646)	\$ 160,069,519
Regional School District Debt (4)	<u>3,385,000</u>
Remaining Borrowing Capacity	<u>\$ 156,684,519</u>

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(1) As of December 31, 2023

(2) Excluding overlapping debt

(3) Based on 2020 Federal Census of 31,069

(4) Debt portion allocated to the Township is \$2,642,111

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

		<b>DEBT ISSUED</b>			
			Statutory Net Debt	Net Debt Outstanding Allocated	Debt Auth. but not Issued
		<u>Outstanding</u>	<u>Deductions</u>	<u>Outstanding</u>	<u>to the Issuer</u>
County of Camden(1):					
General:					
Bonds	\$ 63,215,196	\$ 25,514,196	(2)	\$ 37,700,999	\$ 3,310,148 (4) \$ 71,990,250
Notes	27,980,000			27,980,000	2,456,644 (4)
Loan Agreements	335,270,000			335,270,000	29,436,706 (4)
Bonds Issued by Other Public Bodies Guaranteed by the County	225,287,067	225,287,067	(3)		
	<b>\$ 651,752,263</b>	<b>\$ 250,801,263</b>		<b>\$ 400,950,999</b>	<b>\$ 35,203,498 \$ 71,990,250</b>

(1) Source: County of Camden

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

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

(4) Such debt is allocated as a proportion of the Issuer's share of the total 2023 Net Valuation on which County taxes are apportioned, which is 8.78%.

## **Camden County Municipal Utilities Authority**

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

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

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

The gross debt as of December 31, 2023 for the CCMUA was \$208,733,984 (unaudited). The County guarantees up to \$685,500,000 of debt issued by the CCMUA.

## **Camden County Improvement Authority**

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

The amount of debt which the County has guaranteed or for which it has a repayment obligation as of December 31, 2022 was \$373,752,238.



**TOWNSHIP OF VOORHEES**  
**SCHEDULE OF OUTSTANDING DEBT SERVICE (1)**  
**LOANS AND BONDED DEBT ONLY**

	<u>General</u>		<u>Sewer Utility</u>		<u>Loans</u>		
2024	\$ 4,338,000	\$ 746,464	\$ 745,000	\$ 166,993	\$ 359,087	\$ 4,544	\$ 6,360,088
2025	4,070,000	638,473	690,000	148,055			5,546,528
2026	4,081,000	531,300	704,000	130,490			5,446,790
2027	3,199,000	430,103	512,000	114,225			4,255,328
2028	2,390,000	335,656	424,000	98,897			3,248,553
2029	2,085,000	258,981	265,000	88,239			2,697,220
2030	2,085,000	188,944	265,000	80,264			2,619,208
2031	1,550,000	118,188	275,000	72,102			2,015,289
2032	1,550,000	59,888	275,000	63,582			1,948,469
2033	370,000	25,188	280,000	54,982			730,169
2034	405,000	13,163	290,000	46,174			754,337
2035			290,000	37,024			327,024
2036			295,000	27,787			322,787
2037			300,000	18,237			318,237
2038			190,000	10,849			200,849
2039			194,000	5,529			199,529
	<u>\$ 26,123,000</u>	<u>\$ 3,346,345</u>	<u>\$ 5,994,000</u>	<u>\$ 1,163,427</u>	<u>\$ 359,087</u>	<u>\$ 4,544</u>	<u>\$ 36,990,403</u>

(1) As of December 31, 2023.

Source: Township Auditor

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

**CURRENT FUND**

Anticipated Revenues:	
Fund Balance	\$ 4,000,000
Miscellaneous Revenues:	
Local Revenues	1,925,900
State Aid without Offsetting Appropriations	2,490,468
Dedicated Uniform Construction Code Fees	525,000
Shared Service Agreements	835,652
Additional Revenues	1,550,000
Public and Private Programs Offset with Appropriations	1,370,861
Other Special Items of Revenue	3,519,853
Receipts from Delinquent Taxes	850,193
Amount to be Raised by Taxation for Municipal Purposes	34,467,073
Total Anticipated Revenues	\$ 51,535,000

Appropriations:	
Within CAPS:	
Operations	\$ 32,728,520
Deferred Charges and Statutory Expenditures	5,653,055
Excluded from CAPS:	
Other Operations	236,319
Shared Service Agreements	901,052
Additional Revenues	1,550,000
Public and Private Programs	1,650,486
Capital Improvements	275,000
Debt Service	5,558,000
Deferred Charges	215,000
Transferred to Board of Education	225,594
Reserve for Uncollected Taxes	2,541,974
Total Appropriations	\$ 51,535,000

**SEWER UTILITY FUND**

Anticipated Revenues:	
Fund Balance	\$ 222,230
Rents	2,430,000
Miscellaneous	50,000
Sewer Capital Fund -- Fund Balance	12,000
Total Anticipated Revenues	\$ 2,754,230

Appropriations:	
Operating	\$ 1,629,230
Capital Improvement Fund	65,000
Debt Service	965,000
Deferred Charges and Statutory Expenditures	95,000
Total Appropriations	\$ 2,754,230

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(1) As adopted

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

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**OPEN SPACE FUND**

Dedicated Revenues from Trust Fund:

Amount to be Raised by Taxation	\$ 647,100
Reserve Funds	<u>82,810</u>
	<u><u>\$ 729,910</u></u>

Appropriations:

Maintenance of Lands for Recreation and Conservation:

Salaries and Wages	\$ 264,910
Other Expenses	52,500

Debt Service:

Payment of Bond Principal	405,000
Interest on Bonds	<u>7,500</u>
	<u><u>\$ 729,910</u></u>

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(1) As adopted

**TOWNSHIP OF VOORHEES  
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>
Purchase of Vehicles and Equipment	\$ 13,965,791	\$ 698,290	\$ 13,267,501	
Road Construction and Overlay	13,141,250	657,063	12,484,188	
Traffic Signalization				
Improvements to Buildings and Grounds	1,464,944	73,247	1,391,697	
Purchase of Land	130,000	6,500	123,500	
Installation of Sewer Lines, Renovation and Construction of Pump Stations and Purchase of Miscellaneous Equipment	5,496,800	274,840		\$ 5,221,960
	<u>\$ 34,198,785</u>	<u>\$ 1,709,939</u>	<u>\$ 27,266,886</u>	<u>\$ 5,221,960</u>

(1) As adopted

**APPENDIX B**

**FINANCIAL STATEMENTS OF THE TOWNSHIP OF VOORHEES**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Voorhees  
Voorhees, New Jersey 08043

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

#### ***Opinions***

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Voorhees, in the County of Camden, 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 Voorhees, in the County of Camden, 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 Voorhees, in the County of Camden, 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.

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,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Registered Municipal Accountant

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

	As of December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>					
Cash	\$ 17,542,599	\$ 17,563,013	\$ 17,491,665	\$ 15,427,571	\$ 14,751,970
Federal and State Grants Receivable	3,830,065	3,372,004	1,770,778	1,013,284	1,328,677
Receivables and other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	1,165,229	1,079,942	920,093	1,223,848	1,224,597
Tax Title Liens Receivable	182,960	247,212	225,998	203,728	181,859
Property Acquired for Taxes (At Assessed Valuation)	710,000	443,500	443,500	443,500	443,500
Revenue Accounts Receivable	17,694	27,128	65,015	40,326	53,529
Other Accounts Receivable	15,531	15,531	15,531	15,531	15,531
Interfunds Receivable		73,649	71,744	343,379	337,230
Deferred Charges	1,045,000	60,000			
	<u>\$ 24,509,078</u>	<u>\$ 22,881,979</u>	<u>\$ 21,004,324</u>	<u>\$ 18,711,168</u>	<u>\$ 18,336,892</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
Appropriation Reserves	\$ 639,734	\$ 765,863	\$ 1,009,168	\$ 916,107	\$ 1,143,139
Reserve for Encumbrances	1,912,938	599,841	652,799	506,415	736,868
Accounts Payable		25,715	30,522		
Reserve for Federal and State Grants	4,117,905	3,687,610	2,720,979	716,644	793,685
Regional High School Tax Payable	5,355,947	5,162,506	5,173,198	5,104,788	4,843,443
Reserve for Master Plan	49,074	53,547			
Prepaid Taxes	1,355,639	1,190,092	1,300,805	1,325,687	1,224,388
Tax Overpayments	250,919	11,152	24,376	18,288	51,397
Due to State of New Jersey	20,921	31,717	23,267	22,035	19,106
Interfunds Payable				304,244	295,519
Due to County for:					
Added or Omitted Taxes	76,503	100,254	75,323	102,494	42,340
Payment in Lieu of Taxes	54,778	34,499	14,618		
Reserve for Workers' Compensation Claims	26	33,025			23,077
Reserve for Contracts Payable	12,707	2,172,155	610,926		248,661
Reserve for Municipal Relief Fund	232,721	116,385			
Reserve for Proceeds from Sale of Township Property	2,222,072	1,684,085	1,648,179	1,892,685	2,119,385
Reserve for Revaluation of Real Property	109,889				
Reserve for Receivables and Other Assets	2,091,414	1,886,962	1,741,880	2,270,312	2,256,245
Special Emergency Note Payable	1,000,000				
Fund Balance	5,005,891	5,326,571	5,978,284	5,531,467	4,539,638
	<u>\$ 24,509,078</u>	<u>\$ 22,881,979</u>	<u>\$ 21,004,324</u>	<u>\$ 18,711,168</u>	<u>\$ 18,336,892</u>

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



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

	For the Years Ended December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenue Realized:					
Current Tax Collections	\$ 135,106,857	\$ 132,314,278	\$ 130,556,385	\$ 129,918,084	\$ 124,901,258
Delinquent Tax Collections	719,789	661,273	951,275	1,139,734	1,146,932
<b>Total Taxes</b>	<b>135,826,646</b>	<b>132,975,551</b>	<b>131,507,660</b>	<b>131,057,818</b>	<b>126,048,190</b>
Miscellaneous Revenues Anticipated	13,703,867	11,814,632	10,229,018	8,644,813	8,905,826
Non-Budget and Other Income	968,372	1,452,013	1,353,685	2,049,439	1,192,089
Liquidation of Reserves	52,347	16,786	285,273	7,086	15
Fund Balance Utilized	4,000,000	4,350,000	3,844,000	3,175,000	4,075,000
<b>Total Income</b>	<b>154,551,232</b>	<b>150,608,982</b>	<b>147,219,636</b>	<b>144,934,156</b>	<b>140,221,120</b>
Expenditures and Encumbrances:					
Operating	41,803,234	35,014,219	31,881,376	29,673,113	29,476,293
Transferred to Board of Education for Use of Local Schools	225,206	171,490	165,599	165,442	163,812
Capital Improvements	275,000	300,000	235,000	75,000	175,000
Debt Service	5,290,567	4,446,532	4,407,264	4,442,543	4,064,975
Deferred Charges and Statutory Expenditures	15,000	4,841,084	4,424,535	3,947,239	3,768,589
Local Open Space Tax	647,828	643,337	638,862	641,857	638,875
Regional High School Tax	21,919,009	21,532,122	21,553,507	21,416,688	20,893,998
County Taxes	30,455,741	30,091,740	30,636,485	32,388,574	30,926,965
Local School Tax	50,918,531	49,925,227	48,952,550	47,999,064	47,058,338
Other Expenditures	321,796	1,252	20,004	4,573	2,095
Creation of Reserve for Interfunds		18,692	13,637	13,235	284,960
<b>Total Expenditures and Encumbrances</b>	<b>151,871,912</b>	<b>146,985,695</b>	<b>142,928,819</b>	<b>140,767,327</b>	<b>137,453,901</b>
Excess in Revenues	2,679,320	3,623,287	4,290,817	4,166,829	2,767,219
Adjustments to Income Before Fund Balance:					
Expenditures included above which are by Statute					
Deferred Charges to Budget of Succeeding Year	1,000,000	75,000	-	-	-
<b>Statutory Excess to Fund Balance</b>	<b>3,679,320</b>	<b>3,698,287</b>	<b>4,290,817</b>	<b>4,166,829</b>	<b>2,767,219</b>
Fund Balance, January 1	5,326,571	5,978,284	5,531,467	4,539,638	5,847,419
Decreased by:					
Utilized as Revenue	4,000,000	4,350,000	3,844,000	3,175,000	4,075,000
<b>Fund Balance December 31</b>	<b>\$ 5,005,891</b>	<b>\$ 5,326,571</b>	<b>\$ 5,978,284</b>	<b>\$ 5,531,467</b>	<b>\$ 4,539,638</b>

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

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

	As of December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>					
Cash and Investments	\$ 10,768,037	\$ 10,477,475	\$ 8,647,864	\$ 4,831,231	\$ 11,594,720
Deferred Charges to Future Taxation:					
Funded	26,482,087	31,077,098	24,778,640	28,969,285	33,199,253
Unfunded	10,977,850	5,229,400	11,050,300	6,578,650	5,209,700
	<u>\$ 48,227,974</u>	<u>\$ 46,783,972</u>	<u>\$ 44,476,803</u>	<u>\$ 40,379,167</u>	<u>\$ 50,003,674</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
Serial Bonds	\$ 26,123,000	\$ 30,363,000	\$ 23,707,000	\$ 27,558,600	\$ 31,454,300
Environmental Infrastructure Loan	359,087	714,098	1,071,640	1,410,685	1,744,953
Bond Anticipation Notes	10,977,850	5,227,850	11,048,600	6,577,900	10,178,750
Improvement Authorizations:					
Funded	2,506,146	1,101,977	1,188,023	1,189,426	1,764,038
Unfunded	4,657,505	5,049,445	3,857,313	2,659,234	2,205,261
Contracts Payable		3,694,243	2,975,908	213,806	1,980,094
Capital Improvement Fund	15,800	43,350	18,500	18,850	15,900
Reserve for Encumbrances	3,448,260	293,726	438,081	384,512	521,407
Interfund Payables		21,889	2,607	1,441	8,520
Reserve for Payment of Bonds and Notes	44,160	107,030	66,728	127,818	50,392
Reserve for Capital Acquisition	1,600	1,600	1,600	180,724	
Fund Balance	94,567	165,765	100,803	56,171	80,058
	<u>\$ 48,227,974</u>	<u>\$ 46,783,972</u>	<u>\$ 44,476,803</u>	<u>\$ 40,379,167</u>	<u>\$ 50,003,674</u>

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

**TOWNSHIP OF VOORHEES**  
**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>
<b>ASSETS</b>					
Operating Fund:					
Cash	\$ 604,946	\$ 387,598	\$ 165,616	\$ 125,219	\$ 286,042
Interfund Receivables		26,704	363	19,842	15,636
Receivables with Full Reserves:					
Consumer Accounts Receivable	66,841	92,246	63,769	70,853	73,341
Total Operating Fund	<u>671,787</u>	<u>506,549</u>	<u>229,748</u>	<u>215,914</u>	<u>375,019</u>
Capital Fund:					
Cash	707,420	720,664	1,198,865	2,576,439	3,456,875
Interfund Receivables		600			
Fixed Capital	42,835,830	41,901,330	38,203,580	38,179,779	37,346,277
Fixed Capital Authorized and Uncompleted	1,498,200	1,802,700	4,985,700	4,545,700	4,296,900
Total Capital Fund	<u>45,041,450</u>	<u>44,425,294</u>	<u>44,388,145</u>	<u>45,301,918</u>	<u>45,100,052</u>
	<u>\$ 45,713,237</u>	<u>\$ 44,931,842</u>	<u>\$ 44,617,893</u>	<u>\$ 45,517,832</u>	<u>\$ 45,475,071</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
Operating Fund:					
Reserve for Encumbrances	\$ 22,366	\$ 28,915	\$ 16,668	\$ 9,013	\$ 8,251
Overpayments	9,643	37,595	14,621	5,921	10,378
Appropriation Reserves	71,112	75,932	64,537	18,136	11,935
Accrued Interest on Bonds and Notes	55,567	64,607	37,173	40,223	42,574
Prepayments			9,105	33,814	4,264
Reserve for Receivables	66,841	92,246	63,769	70,853	73,341
Fund Balance	446,258	207,254	23,875	37,954	224,276
Total Operating Fund	<u>671,787</u>	<u>506,549</u>	<u>229,748</u>	<u>215,914</u>	<u>375,019</u>
Capital Fund:					
Serial Bonds	5,994,000	6,729,000	5,794,000	6,602,400	7,392,400
Bond Anticipation Notes	1,088,150	489,150	1,626,400	1,115,100	738,250
Improvement Authorizations:					
Unfunded	425,137	211,805	300,479	399,879	1,000
Funded	16,780	80,926	367,964	1,308,038	2,479,998
Capital Improvement Fund	1,400	2,900	3,650	5,650	9,300
Contracts Payable		203,006	288,472	719,400	126,385
Interfunds Payable		26,704	363	871	2,636
Reserve for:					
Payment of Bonds and Notes	42,672	127,672	101,306	93,973	73,275
Amortization	37,176,270	36,394,545	35,517,645	34,785,444	34,039,931
Deferred Amortization	74,910	90,135	249,285	222,285	209,846
Encumbrances	209,420	43,082	126,123	41,743	26,019
Fund Balance	12,711	26,369	12,458	7,133	1,012
Total Capital Fund	<u>45,041,450</u>	<u>44,425,294</u>	<u>44,388,145</u>	<u>45,301,918</u>	<u>45,100,052</u>
	<u>\$ 45,713,237</u>	<u>\$ 44,931,842</u>	<u>\$ 44,617,893</u>	<u>\$ 45,517,832</u>	<u>\$ 45,475,071</u>

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

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

	For the Years Ended December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenue Realized:					
Fund Balance Utilized	\$ 83,000	\$ 5,000	\$ 34,000	\$ 159,000	\$ 116,741
Rents	2,488,135	2,432,253	2,460,217	2,291,022	2,299,410
Utility Capital Surplus	18,000	2,000	7,133		6,509
Reserve for the Payment of Debt	85,000	10,000	68,867	70,000	70,000
Miscellaneous and Other Credits to Income	298,177	147,124	42,855	68,115	160,078
<b>Total Income</b>	<b>2,972,312</b>	<b>2,596,377</b>	<b>2,613,072</b>	<b>2,588,137</b>	<b>2,652,738</b>
Expenditures and Encumbrances:					
Operating	1,584,200	1,506,900	1,518,100	1,514,300	1,410,100
Capital Improvements	30,000	25,000	25,000	55,000	120,000
Debt Service	947,308	789,527	967,151	957,959	957,371
Other Debits to Expenditures					
Refund of Prior Year Revenue		1,470			1
Deferred Charges and Statutory Expenditures	88,800	85,100	82,900	88,200	71,900
<b>Total Expenditures and Encumbrances</b>	<b>2,650,308</b>	<b>2,407,997</b>	<b>2,593,151</b>	<b>2,615,459</b>	<b>2,559,372</b>
Statutory Excess to Fund Balance	322,004	188,380	19,921	(27,322)	93,366
Fund Balance January 1	207,254	23,875	37,954	224,276	247,651
	529,258	212,254	57,875	196,954	341,017
Decreased by:					
Utilized by Revenue:					
Sewer Operating Fund	83,000	5,000	34,000	159,000	116,741
<b>Fund Balance December 31</b>	<b>\$ 446,258</b>	<b>\$ 207,254</b>	<b>\$ 23,875</b>	<b>\$ 37,954</b>	<b>\$ 224,276</b>

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

**TOWNSHIP OF VOORHEES**  
**TRUST FUND**  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE--  
REGULATORY BASIS

	As of December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>					
Cash	\$ 6,053,396	\$ 6,648,011	\$ 5,706,737	\$ 4,943,364	\$ 4,816,886
Investments - LOSAP	382,493	396,460	418,973	399,814	388,638
Other Accounts Receivable	35,844	59,484	63,188	110,697	145,594
	<u>\$ 6,471,733</u>	<u>\$ 7,103,955</u>	<u>\$ 6,188,898</u>	<u>\$ 5,453,875</u>	<u>\$ 5,351,118</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
Other Accounts Payable	\$ 1,272	\$ 5	\$ 4	\$ 103	
Reserve for Encumbrances	23,032	61,109	69,888	57,885	\$ 326,061
Interfund Loans		52,360	69,137	56,665	46,191
Other Liabilities and Special Funds	6,447,429	6,990,481	6,049,869	5,339,222	4,978,866
	<u>\$ 6,471,733</u>	<u>\$ 7,103,955</u>	<u>\$ 6,188,898</u>	<u>\$ 5,453,875</u>	<u>\$ 5,351,118</u>

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

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

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

**Description of Financial Reporting Entity** - The Township of Voorhees (hereafter referred to as the "Township") was incorporated in March, 1899 and is located in southwest New Jersey approximately ten miles southeast of the City of Philadelphia. According to the 2020 census, the population is 31,069.

The Township is governed by a five member Township Committee, who designate a Mayor and a Deputy Mayor. Administrative responsibilities are assigned to the Township Administrator. The Township Committee establishes policy. The Administrator is responsible for the day-to-day operations of the Township and implementing and administering policy.

**Component Units** – The Township of Voorhees 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.

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

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

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

**Budgets and Budgetary Accounting** - The Township must adopt an annual budget for its current, municipal open space, and sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than 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 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 Camden, the Township of Voorhees School District, and the Eastern 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 Voorhees School District and the Eastern Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31. For the regional high school district, operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 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 Camden. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. 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.

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

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

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

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

**Impact of Recently Issued Accounting Principles**

**Recently Issued Accounting Pronouncements**

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled 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 \$36,400,853.73 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 32,375,348.97
Uninsured and Uncollateralized	<u>4,025,504.76</u>
Total	<u>\$ 36,400,853.73</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	<u>\$ 4.223</u>	<u>\$ 4.138</u>	<u>\$ 4.112</u>	<u>\$ 4.090</u>	<u>\$ 3.946</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.008	\$ .953	\$ .920	\$ .891	\$ .832
Municipal Open Space	.020	.020	.020	.020	.020
County	.940	.936	.959	1.010	.967
Regional School	.679	.672	.677	.669	.654
Local School	1.576	1.557	1.536	1.500	1.473

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2023	\$ 3,231,478,788.00
2022	3,206,327,157.00
2021	3,186,910,219.00
2020	3,199,338,511.00
2019	3,194,896,036.00

**Comparison of Tax Levies and Collections**

	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2023	\$ 136,808,714.36	\$ 135,106,856.86	98.76%
2022	133,119,758.09	132,314,277.90	99.39%
2021	131,366,706.36	130,556,384.70	99.38%
2020	131,267,977.88	129,918,083.57	98.97%
2019	126,243,206.79	124,901,257.51	98.94%

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

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

**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	\$ 182,959.59	\$ 1,165,229.12	\$ 1,348,188.71	0.99%
2022	247,211.90	1,079,941.88	1,327,153.78	1.00%
2021	225,998.49	920,093.07	1,146,091.56	0.87%
2020	203,727.93	1,223,848.38	1,427,576.31	1.09%
2019	181,858.80	1,224,596.81	1,406,455.61	1.11%

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	23
2022	27
2021	24
2020	24
2019	25

**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	\$ 710,000.00
2022	443,500.00
2021	443,500.00
2020	443,500.00
2019	443,500.00

**Note 5: SEWER UTILITY SERVICE CHARGES**

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

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2023	\$ 92,246.09		\$ 2,463,875.65	\$ 2,556,121.74	\$ 2,488,135.40
2022	63,768.84		2,460,890.81	2,524,659.65	2,432,253.17
2021	70,853.13		2,452,949.29	2,523,802.42	2,460,217.47
2020	73,340.63		2,292,860.68	2,366,201.31	2,291,022.13
2019	72,635.84	\$ 1,216.30	2,300,633.37	2,374,485.51	2,299,409.95

**Note 6: LEASES RECEIVABLE**

Under the provisions of GASB 87, as of December 31, 2023, there were no lease receivables. As a result of the regulatory basis of accounting previously described in note 1, such balance is not recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund.

The following is a summary of the leases as of December 31, 2023:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell Towers	-	\$ 21,889.80	\$ 1,332.41

On March 23, 2023, the Township sold the property that was being leased. At December 31, 2023 there is no lease receivable. Under the provisions of GASB 87, for the year ended December 31, 2023, the Township would have recognized \$1,332.41 in interest revenue related to the leases. In addition, \$21,889.80 would have been recognized as both lease revenue and a reduction in deferred inflows of resources related to leases.

As a result of the regulatory basis of accounting previously described in note 1, the rental payments collected of \$26,459.13 were reported as revenue in the current fund.

**Note 7: 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	\$ 5,005,890.57	\$ 4,000,000.00	79.91%
2022	5,326,570.74	4,000,000.00	75.10%
2021	5,978,283.77	4,350,000.00	72.76%
2020	5,531,467.33	3,844,000.00	69.49%
2019	4,539,638.29	3,175,000.00	69.94%

**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	\$ 446,258.40	\$ 222,230.00	49.80%
2022	207,254.41	83,000.00	40.05%
2021	23,874.89	5,000.00	20.94%
2020	37,954.07	34,000.00	89.58%
2019	224,275.80	159,000.00	70.89%

**Note 8: PENSION PLANS**

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. 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. As a local participation employer of these pension plans, the Township is referred to as "Employer" throughout this note. 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, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Employer, 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, and disability benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Employer. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

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

**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 state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

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

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

The following represents the membership tiers for PFRS:

**Tier Definition**

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

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

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

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate 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.



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

**Public Employees' Retirement System (Cont'd)** - 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 Employer's contractually required contribution rate for the year ended December 31, 2023 was 17.07% of the Employer'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, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 is \$1,187,718.00, and is payable by April 1, 2024. 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, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022 was \$1,184,848.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were \$528,617.89.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2023 was .58% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$40,142.00. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2022 was \$29,834.00.

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

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

**Police and Firemen's Retirement System - *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 Employer's contractually required contribution rate for the year ended December 31, 2023 was 35.45% of the Employer'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, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 is \$3,104,336.00, and is payable by April 1, 2024. 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, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022 was \$3,033,586.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were \$877,898.40.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2023 was 6.20% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$542,943.00, and is payable by April 1, 2024. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2022 was \$591,557.00, which was paid on April 1, 2023.

**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 Employer contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2023, employee contributions totaled \$16,204.99, and the Township's contributions were \$1,230.06. There were no forfeitures during the year.

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

**Pension Liability** - As of December 31, 2023, 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 Employer's proportionate share of the PERS net pension liability was \$12,871,680.00. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer'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, 2023 measurement date, the Employer's proportion was .0888659765%, which was a decrease of .0050914287% from its proportion measured as of June 30, 2022.

**Pension (Benefit) Expense** - For the year ended December 31, 2023, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date was \$716,609.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer's contribution to PERS was \$1,184,848.00, and was paid on April 1, 2023.

**Police and Firemen's Retirement System**

**Pension Liability** - As of December 31, 2023, the Employer's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 25,765,555.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>4,747,603.00</u>
	<u>\$ 30,513,158.00</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer'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, 2023 measurement date, the Employer's proportion was .2331981300%, which was a decrease of .0000553600% from its proportion measured as of June 30, 2022. Likewise, at June 30, 2023, the State of New Jersey's proportion, on-behalf of the Employer, was .2331981700%, which was a decrease of .0000555100% from its proportion, on-behalf of the Employer, measured as of June 30, 2022.

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

**Pension (Benefit) Expense** - For the year ended December 31, 2023, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date was \$4,085,146.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer's contribution to PFRS was \$3,033,586.00, and was paid on April 1, 2023.

For the year ended December 31, 2023, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2023 measurement date, was \$540,030.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - As of December 31, 2023, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 123,070.00	\$ 1,103,229.00	\$ 1,226,299.00	\$ 52,615.00	\$ 1,228,788.00	\$ 1,281,403.00
Changes of Assumptions	28,276.00	55,611.00	83,887.00	780,079.00	1,739,792.00	2,519,871.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	59,276.00	1,312,191.00	1,371,467.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	1,296,845.00	5,713,805.00	7,010,650.00	681,540.00	320,299.00	1,001,839.00
Contributions Subsequent to the Measurement Date	593,859.00	1,552,168.00	2,146,027.00	-	-	-
	<u>\$ 2,101,326.00</u>	<u>\$ 9,737,004.00</u>	<u>\$ 11,838,330.00</u>	<u>\$ 1,514,234.00</u>	<u>\$ 3,288,879.00</u>	<u>\$ 4,803,113.00</u>

**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)** - Deferred outflows of resources in the amounts of \$593,859.00 and \$1,552,168.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2024. These amounts were based on an estimated April 1, 2025 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2023 to the Employer's year end of December 31, 2023.

The Employer will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 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	-
June 30, 2023	5.08	-	6.16	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
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, 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	-
June 30, 2023	5.00	-	5.00	-
Changes in Proportion				
Year of Pension Plan Deferral:				
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
June 30, 2023	5.08	5.08	6.16	6.16

**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:

<b>Year Ending Dec 31,</b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2024	\$ (69,609.00)	\$ 1,596,578.00	\$ 1,526,969.00
2025	(159,083.00)	1,359,374.00	1,200,291.00
2026	491,880.00	2,006,713.00	2,498,593.00
2027	(258,182.00)	(107,804.00)	(365,986.00)
2028	(11,773.00)	35,788.00	24,015.00
Thereafter	-	5,308.00	5,308.00
	<u>\$ (6,767.00)</u>	<u>\$ 4,895,957.00</u>	<u>\$ 4,889,190.00</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	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, 2023) 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, 2023 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	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

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

**Actuarial Assumptions (Cont'd)**

**Discount Rate -**

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 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 Employer's proportionate share of the net pension liability as of the June 30, 2023 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
Proportionate Share of the Net Pension Liability	<u>\$ 16,756,189.00</u>	<u>\$ 12,871,680.00</u>	<u>\$ 9,565,450.00</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 Employer's annual required contribution. As such, the net pension liability as of the June 30, 2023 measurement date, for the Employer and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
Proportionate Share of the Net Pension Liability	\$ 35,899,789.00	\$ 25,765,555.00	\$ 17,326,159.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>6,614,954.00</u>	<u>4,747,603.00</u>	<u>3,192,546.00</u>
	<u>\$ 42,514,743.00</u>	<u>\$ 30,513,158.00</u>	<u>\$ 20,518,705.00</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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.0888659765%	0.0939574052%	0.0912860720%	0.0860909892%	0.0767511903%
Proportionate Share of the Net Pension Liability	\$ 12,871,680.00	\$ 14,179,466.00	\$ 10,814,204.00	\$ 14,039,189.00	\$ 13,829,400.00
Covered Payroll (Plan Measurement Period)	\$ 6,740,532.00	\$ 6,900,692.00	\$ 6,651,984.00	\$ 6,386,056.00	\$ 6,209,768.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	190.96%	205.48%	162.57%	219.84%	222.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%
	<u>Measurement Date Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.0818597461%	0.0796105799%	0.0827615737%	0.0841144874%	0.0848639301%
Proportionate Share of the Net Pension Liability	\$ 16,117,776.00	\$ 18,532,071.00	\$ 24,511,605.00	\$ 18,882,017.00	\$ 15,888,849.00
Covered Payroll (Plan Measurement Period)	\$ 5,723,960.00	\$ 5,548,612.00	\$ 5,721,836.00	\$ 5,799,668.00	\$ 5,769,272.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	281.58%	333.99%	428.39%	325.57%	275.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 1,187,718.00	\$ 1,184,848.00	\$ 1,069,066.00	\$ 941,792.00	\$ 746,563.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,187,718.00)</u>	<u>(1,184,848.00)</u>	<u>(1,069,066.00)</u>	<u>(941,792.00)</u>	<u>(746,563.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 6,957,215.00	\$ 6,801,717.00	\$ 6,806,982.00	\$ 6,641,141.00	\$ 6,363,129.00
Contributions as a Percentage of Covered Payroll	17.07%	17.42%	15.71%	14.18%	11.73%
	<u>Year Ended December 31,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 814,240.00	\$ 737,507.00	\$ 735,242.00	\$ 723,159.00	\$ 699,606.00
Contribution in Relation to the Contractually Required Contribution	<u>(814,240.00)</u>	<u>(737,507.00)</u>	<u>(735,242.00)</u>	<u>(723,159.00)</u>	<u>(699,606.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 6,565,107.00	\$ 5,779,769.00	\$ 5,591,359.00	\$ 5,690,511.00	\$ 5,705,922.00
Contributions as a Percentage of Covered Payroll	12.40%	12.76%	13.15%	12.71%	12.26%

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.2331981300%	0.2332534900%	0.2367238505%	0.2157174072%	0.1388599432%
Proportionate Share of the Net Pension Liability	\$ 25,765,555.00	\$ 26,699,025.00	\$ 17,302,506.00	\$ 27,873,534.00	\$ 16,993,428.00
State's Proportionate Share of the Net Pension Liability	4,747,603.00	4,751,644.00	4,866,326.00	4,325,845.00	2,683,295.00
Total	<u>\$ 30,513,158.00</u>	<u>\$ 31,450,669.00</u>	<u>\$ 22,168,832.00</u>	<u>\$ 32,199,379.00</u>	<u>\$ 19,676,723.00</u>
Covered Payroll (Plan Measurement Period)	\$ 8,431,092.00	\$ 8,237,160.00	\$ 7,982,548.00	\$ 7,526,960.00	\$ 6,985,640.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	305.60%	324.13%	216.75%	370.32%	243.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.16%	68.33%	77.26%	63.52%	65.00%
	<u>Measurement Date Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.1347551367%	0.1844815761%	0.1773220925%	0.1890541187%	0.1802672520%
Proportionate Share of the Net Pension Liability	\$ 25,626,728.00	\$ 28,480,389.00	\$ 33,873,056.00	\$ 31,489,826.00	\$ 22,675,948.00
State's Proportionate Share of the Net Pension Liability	3,480,967.00	3,190,043.00	2,844,497.00	2,761,552.00	2,441,819.00
Total	<u>\$ 29,107,695.00</u>	<u>\$ 31,670,432.00</u>	<u>\$ 36,717,553.00</u>	<u>\$ 34,251,378.00</u>	<u>\$ 25,117,767.00</u>
Covered Payroll (Plan Measurement Period)	\$ 8,087,932.00	\$ 5,901,396.00	\$ 5,838,412.00	\$ 6,215,192.00	\$ 5,870,844.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	316.85%	482.60%	580.18%	506.66%	386.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%	56.31%	62.41%

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 3,104,336.00	\$ 3,033,586.00	\$ 2,758,932.00	\$ 2,409,932.00	\$ 1,402,638.00
Contribution in Relation to the Contractually Required Contribution	<u>(3,104,336.00)</u>	<u>(3,033,586.00)</u>	<u>(2,758,932.00)</u>	<u>(2,409,932.00)</u>	<u>(1,402,638.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 8,757,070.00	\$ 8,443,121.00	\$ 8,232,564.00	\$ 7,961,132.00	\$ 7,533,953.00
Contributions as a Percentage of Covered Payroll	35.45%	35.93%	33.51%	30.27%	18.62%
	<u>Year Ended December 31,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,851,504.00	\$ 1,632,696.00	\$ 1,445,779.00	\$ 1,536,728.00	\$ 1,384,577.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,851,504.00)</u>	<u>(1,632,696.00)</u>	<u>(1,445,779.00)</u>	<u>(1,536,728.00)</u>	<u>(1,384,577.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 7,032,906.40	\$ 8,109,871.00	\$ 5,869,499.00	\$ 5,905,155.00	\$ 6,117,628.00
Contributions as a Percentage of Covered Payroll	26.33%	20.13%	24.63%	26.02%	22.63%

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

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

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>
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
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%

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

The June 30, 2023 measurement date include the following plan amendment: Chapter 92, P.L. 2023 establishing an extension of the previous plan amendment Chapter 52, P.L. 2021, allowing members enrolled between January 18, 2000 and April 19, 2021 to retire prior to age 55 if they have attained 20 years of creditable service and retire by May 1, 2026.

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>
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
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%

**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 Resolution adopted on January 3, 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 February 16, 2002, 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 Volunteer Firemen's Insurance Services ("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 Fire Company and Rescue 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 \$2,023.00 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 \$2,023.00 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, net of forfeitures of \$0.00, to the Plan was \$8,092.00.

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

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

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

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



**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS****A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN**

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2023 was not available; therefore, the information from the measurement period June 30, 2022 is disclosed below.

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

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

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

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

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

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

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

The Township was billed monthly by the Plan and paid \$2,135,242.88 for the year ended December 31, 2022, representing 13.59% of the Township's covered payroll. During the year ended December 31, 2022, retirees were required to contribute \$0.00 to the Plan.

**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

**OPEB Liability** - At December 31, 2022, the Township's and State's proportionate share of the net OPEB liability was \$44,684,962.00.

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

The Township's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the Township's proportion was .276694%, which was a decrease of .000540% from its proportion measured as of the June 30, 2021 measurement date, as adjusted.

**OPEB (Benefit) Expense** - At December 31, 2022, the Township's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date, is \$1,621,875.00. 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 made contributions to the Plan totaling \$2,135,242.88.

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

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

**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2022, the Township had deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 2,307,579.00	\$ 8,282,692.00
Changes of Assumptions	5,963,393.00	15,250,116.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	11,764.00	-
Changes in Proportion	7,447,344.00	1,071,638.00
Contributions Subsequent to the Measurement Date	1,071,736.01	-
	<u>\$ 16,801,816.01</u>	<u>\$ 24,604,446.00</u>

Deferred outflows of resources in the amount of \$1,071,736.01 will be included as a reduction of the Township's net OPEB liability during the year ending December 31, 2023. The Township will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2018	-	8.14	June 30, 2018	5.00	-
June 30, 2019	-	8.05	June 30, 2019	5.00	-
June 30, 2020	7.87	-	June 30, 2020	5.00	-
June 30, 2021	-	7.82	June 30, 2021	5.00	-
June 30, 2022	7.82	-	June 30, 2022	5.00	-
Changes of Assumptions			Changes in Proportion		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04	June 30, 2017	8.04	8.04
June 30, 2018	-	8.14	June 30, 2018	8.14	8.14
June 30, 2019	-	8.05	June 30, 2019	8.05	8.05
June 30, 2020	7.87	-	June 30, 2020	7.87	7.87
June 30, 2021	7.82	-	June 30, 2021	7.82	7.82
June 30, 2022	-	7.82	June 30, 2022	7.82	7.82

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

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

<b>Year Ending Dec. 31,</b>	
2023	\$ (3,206,608.00)
2024	(3,210,183.00)
2025	(1,877,652.00)
2026	(375,106.00)
2027	948,473.00
Thereafter	<u>(1,153,290.00)</u>
	<u>\$ (8,874,366.00)</u>

**Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases \*

PERS - Rates for all future years 2.75% to 6.55% based on years of service

PFRS - Rates for all future years 3.25% to 16.25% based on years of service

Mortality:

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

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

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

Actuarial assumptions used in the valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Actuarial Assumptions (Cont'd)**

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

**Discount Rate** - The discount rate used to measure the OPEB liability at June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Health Care Trend Assumptions** - The health care trend assumptions used is as follows:

<u>Fiscal Year Ending</u>	<u>Annual Rate of Increase</u>			
	<u>Medical Trend</u>			<u>Prescription</u>
	<u>Pre-65</u>	<u>PPO Post-65</u>	<u>HMO Post-65</u>	<u>Drug Trend</u>
2023	6.25%	-1.89%	-1.99%	8.00%
2024	6.00%	-6.00%	-6.15%	7.50%
2025	5.75%	6.99%	7.02%	7.00%
2026	5.50%	15.04%	15.18%	6.50%
2027	5.25%	13.00%	13.11%	6.00%
2028	5.00%	11.47%	11.56%	5.50%
2029	4.75%	10.27%	10.35%	5.00%
2030	4.50%	9.29%	9.35%	4.50%
2031	4.50%	8.50%	8.55%	4.50%
2032	4.50%	6.25%	6.27%	4.50%
2033 and Later	4.50%	4.50%	4.50%	4.50%

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The net OPEB liability, calculated using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	<b>1% Decrease (2.54%)</b>	<b>Current Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
Proportionate Share of the Net OPEB Liability	\$ 51,798,866.00	\$ 44,684,962.00	\$ 38,961,160.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	-	-	-
	<u>\$ 51,798,866.00</u>	<u>\$ 44,684,962.00</u>	<u>\$ 38,961,160.00</u>

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

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
Proportionate Share of the Net OPEB Liability	\$ 37,907,599.00	\$ 44,684,962.00	\$ 53,364,856.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	-	-	-
	<u>\$ 37,907,599.00</u>	<u>\$ 44,684,962.00</u>	<u>\$ 53,364,856.00</u>

**OPEB Plan Fiduciary Net Position**

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

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Supplementary OPEB Information**

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

***Schedule of the Proportionate Share of the Net OPEB Liability (Last Six Plan Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	0.276694%	0.277234%	0.283111%
Proportionate Share of the Net OPEB Liability	\$ 44,684,962.00	\$ 49,901,514.00	\$ 50,808,835.00
Covered Payroll (Plan Measurement Period)	\$ 15,424,547.00	\$ 14,882,638.00	\$ 14,234,353.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	289.70%	335.30%	356.95%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	-0.36%	0.28%	0.91%
	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the Net OPEB Liability	0.254848%	0.268435%	0.256394%
Proportionate Share of the Net OPEB Liability	\$ 34,521,891.00	\$ 42,054,686.00	\$ 52,344,857.00
Covered Payroll (Plan Measurement Period)	\$ 13,943,827.40	\$ 13,651,899.00	\$ 12,549,205.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	247.58%	308.05%	417.12%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Supplementary OPEB Information (Cont'd)*****Schedule of Contributions (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Required Contributions	\$ 2,135,242.88	\$ 1,685,818.20	\$ 1,548,090.53
Actual Contributions in Relation to the Required Contribution	<u>(2,135,242.88)</u>	<u>(1,685,818.20)</u>	<u>(1,548,090.53)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 15,714,285.00	\$ 15,039,546.00	\$ 14,602,273.00
Contributions as a Percentage of Covered Payroll	13.59%	11.21%	10.60%
	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Required Contributions	\$ 1,449,725.01	\$ 2,413,271.19	\$ 2,462,220.56
Actual Contributions in Relation to the Required Contribution	<u>(1,449,725.01)</u>	<u>(2,413,271.19)</u>	<u>(2,462,220.56)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 13,897,082.00	\$ 13,598,013.40	\$ 13,889,640.00
Contributions as a Percentage of Covered Payroll	10.43%	17.75%	17.73%



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

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

**Supplementary OPEB Information (Cont'd)**

**Other Notes to Supplementary OPEB Information**

**Changes in Benefit Terms** - The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, included changes due to employers adopting and /or changing Chapter 48 provisions.

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

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

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated experience study.

There were no changes to mortality projections.

**B. TOWNSHIP OF VOORHEES POSTEMPLOYMENT BENEFIT PLAN**

**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, dental insurance and life insurance. 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 at least twenty (25) years of service in a state retirement system. 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 insurance carriers. For dental insurance purposes, reimbursements by retirees are paid after the Township provides the retirees with a detailed accounting of the costs.

**Employees Covered by Benefit Terms** - As of January 1, 2023, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	123
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	187
	310

**Total OPEB Liability**

The Township's total OPEB liability of \$15,400,858.00 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023.

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

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

Inflation	3.00%
Salary Increases	3.00% Annually
Discount Rate	4.00%
Healthcare Cost Trend Rates	8.00% Decreasing to 5.00% Ultimate
Retirees' Share of Benefit-Related Costs	\$5.21 per month for \$10,000 Life Insurance Coverage, \$7.82 for \$15,000 Life Insurance Coverage

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

Mortality rates were based on the PUB-2010 Mortality Table with MP-2024 Projection.

An experience study was not performed on the actuarial assumptions used in the January 1, 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.

**Changes in Total OPEB Liability**

Balance at December 31, 2022		\$ 13,369,499.00
Changes for the Year:		
Service Cost	\$ 244,969.00	
Interest Cost	570,042.00	
Benefit Payments	(286,948.00)	
Difference between Expected and Changes in Assumption Actual Experience	1,503,296.00	
	-	
Net Changes		2,031,359.00
Balance at December 31, 2023		\$ 15,400,858.00

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 4.31% at December 31, 2022 to 4.00% at December 31, 2023.

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

**B. TOWNSHIP OF VOORHEES POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

**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:

	<b>December 31, 2023</b>		
	<b>1.00% Decrease <u>(3.00%)</u></b>	<b>Current Discount Rate <u>(4.00%)</u></b>	<b>1.00% Increase <u>(5.00%)</u></b>
Total OPEB Liability	<u>\$ 18,693,436.00</u>	<u>\$ 15,400,858.00</u>	<u>\$ 12,849,095.00</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:

	<b>December 31, 2023</b>		
	<b>1.00% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1.00% Increase</b>
Total OPEB Liability	<u>\$ 12,743,586.00</u>	<u>\$ 15,400,858.00</u>	<u>\$ 18,892,226.00</u>

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

**B. TOWNSHIP OF VOORHEES 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 \$237,220.00. As of December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Changes of Assumptions	\$ 3,393,454.00	\$ 5,744,508.00
Difference Between Expected and Actual Experience	<u>1,267,679.00</u>	<u>2,494,833.00</u>
	<b><u>\$ 4,661,133.00</u></b>	<b><u>\$ 8,239,341.00</u></b>

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

<b>Year Ending <u>Dec 31,</u></b>	
2024	\$ (577,792.00)
2025	(568,069.00)
2026	(715,931.00)
2027	(715,930.00)
2028	(1,215,240.00)
2029	214,754.00
2030	<u>-</u>
	<b><u>\$ (3,578,208.00)</u></b>

**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)****B. TOWNSHIP OF VOORHEES POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Schedule of Changes in the Township's Total OPEB Liability and Related Ratios (Last Six Years):**

Total OPEB Liability	Plan Measurement Date December 31,		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Service Cost	\$ 244,969.00	\$ 483,877.00	\$ (2,891,333.00)
Interest Cost	570,042.00	511,489.00	485,406.00
Benefit Payments	(286,948.00)	(278,607.00)	(223,586.00)
Changes in Assumptions	1,503,296.00	-	1,272,067.00
Difference Between Expected and Actual Experience	-	(10,219,429.00)	(1,032,744.00)
Net Change in Total OPEB Liability	2,031,359.00	(9,502,670.00)	(2,390,190.00)
Total OPEB Liability - Beginning of Year	<u>13,369,499.00</u>	<u>22,872,169.00</u>	<u>25,262,359.00</u>
Total OPEB Liability - End of Year	<u>\$ 15,400,858.00</u>	<u>\$ 13,369,499.00</u>	<u>\$ 22,872,169.00</u>
Covered-Employee Payroll	\$ 17,975,290.00	\$ 18,612,702.00	\$ 17,580,921.79
Total OPEB Liability as a Percentage of Covered Payroll	85.68%	71.83%	130.10%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 4,397,142.00	\$ 500,059.00	\$ 457,929.00
Interest Cost	535,858.00	530,558.00	505,185.00
Benefit Payments	(205,077.00)	(203,104.00)	(192,814.00)
Changes in Assumptions	4,563,371.00	1,035,529.00	-
Difference Between Expected and Actual Experience	(568,842.00)	(465.00)	(68,090.00)
Net Change in Total OPEB Liability	8,722,452.00	1,862,577.00	702,210.00
Total OPEB Liability - Beginning of Year	<u>16,539,907.00</u>	<u>14,677,330.00</u>	<u>13,975,120.00</u>
Total OPEB Liability - End of Year	<u>\$ 25,262,359.00</u>	<u>\$ 16,539,907.00</u>	<u>\$ 14,677,330.00</u>
Covered-Employee Payroll	\$ 17,178,934.29	\$ 15,281,481.00	\$ 15,281,481.00
Total OPEB Liability as a Percentage of Covered Payroll	147.05%	108.23%	96.05%

**Other Notes to Supplementary OPEB Information**

Changes in Benefit Terms:  
None

Changes in Assumptions:  
The discount rate changed from 4.31% as of December 31, 2022 to 4.00% as of December 31, 2023

**Note 11: COMPENSATED ABSENCES**

Full-time employees are entitled up to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Five vacation days not used during the year may be accumulated and carried forward. The Township of Voorhees compensates employees for unused sick leave upon retirement and is paid at the rate of 25 percent of the employee's highest daily 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 \$1,353,815.85.

**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: FINANCED PURCHASE OBLIGATIONS**

The Township has entered into the following agreements which meet the requirements of financed purchases under the provisions of GASB Statement No. 87, *Leases*.

**Copiers** - As of December 31, 2023, the Township is financing four (4) copiers located at various locations within the Township Building with a total cost of \$25,767.72. The monthly payments are \$487.45. The agreement is for a term of five (5) years with a variable interest rate. The final maturity of the financed purchase is May 15, 2026.

**Vehicles** - As of December 31, 2023, the Township is financing one (1) 2020 Chevy Tahoe with a total cost of \$77,664.00 with yearly payments of \$21,267.00. The agreement is for a term of four (4) years with a variable interest rate. The final maturity of the financed purchase is April 15, 2023.

**Note 13: FINANCED PURCHASE OBLIGATIONS (CONT'D)**

The Township is also financing one (1) 2023 Dodge Charger with a total cost of \$40,225.00. With yearly payments of \$11,154.00. The agreement is for a term of four (3) years with an interest rate of 10%. The final maturity of the financed purchase is April 15, 2023.

The following is an analysis of the financed purchase obligation liability at December 31, 2023:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2023</u>	<u>2022</u>
Copiers	\$ 13,273.13	\$ 18,305.50
Vehicles	20,112.50	50,046.76
	<u>\$ 33,385.63</u>	<u>\$ 68,352.26</u>

The following schedule represents the remaining future minimum payments under the financed purchase obligations, and the present value of the net minimum payments as of December 31, 2023:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 15,351.35	\$ 1,652.45	\$ 17,003.80
2025	15,627.80	1,376.00	17,003.80
2026	2,406.48	30.77	2,437.25
Total	<u>\$ 33,385.63</u>	<u>\$ 3,059.22</u>	<u>\$ 36,444.85</u>

Under the provisions of GASB 87, for the year ended December 31, 2023, the Township would have reported assets in the amount of \$217,264.72 and a financed purchase obligation in the amount of \$33,385.63. In addition, for the year ended December 31, 2023, the Township would have recognized a reduction of the financed purchase obligation of \$34,866.63 and interest expense of \$3,304.17.

As a result of the regulatory basis of accounting previously described in note 1, the above noted cost of the assets, along with the financed purchase obligation liability, have not been recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund, instead, the annual payment of the financed purchase obligation of \$38,270.80 were budgeted and paid from the current fund. In addition, the assets have been recorded in the general fixed asset group of accounts at historical cost at the inception of each finance purchase agreement.

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

General and Sewer Improvement Bonds, Series 2011 - On June 21, 2011, the Township issued \$3,445,600.00 in general improvement refunding bonds and \$1,678,400.00 in sewer improvement bonds, with interest rates ranging from 2.0% to 3.0%. The purpose of the bonds is to fund various capital ordinances, specifically 2009-145, 2009-146, 2009-147, 2009-148, 2010-163, 2010-164, 2010-165, 2010-166, 2010-167, 2010-169 and 2010-176. The final maturity of the bonds was February 1, 2022.

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

General, Open Space and Sewer Improvement Refunding Bonds, Series 2012 - On March 29, 2012, the Township issued \$1,615,000.00 of general improvement bonds, \$1,160,000.00 of open space improvement bonds and \$310,000.00 of sewer improvement bonds, with interest rates ranging from 2.0% to 4.0, to advance refund \$3,055,000.00 outstanding Series 2003 General Obligation Bonds. The final maturity of the bonds is June 1, 2024.

General and Sewer Improvement Bonds, Series 2013 - On August 7, 2013, the Township issued \$6,613,000.00 in general improvement bonds and \$1,969,000.00 in sewer improvement bonds, with interest rates ranging from 1.000% to 3.375%. The purpose of the bonds is to fund various capital ordinances, specifically 2010-169, 2011-190, 2011-191, 2011-192, 2011-193, 2012-209, 2012-210, 2012-211, 2012-212, 2012-217, 2013-232, 2013-234, 2013-235 and 2013-236. The final maturity of the bonds is May 1, 2028.

General and Sewer Improvement Bonds, Series 2014 - On August 12, 2014, the Township issued \$8,640,000.00 in general improvement bonds and \$1,080,000.00 in sewer improvement bonds, with interest rates ranging from 2.0% to 3.25%. The purpose of the bonds is to fund various capital ordinances, specifically 2010-170, 2014-248, 2014-249, 2014-250 and 2014-251. The final maturity of the bonds is August 15, 2034.

General and Sewer Improvement Bonds, Series 2016 - On July 19, 2016, the Township issued \$7,791,000.00 in general improvement bonds and \$1,654,000.00 in sewer improvement bonds, with interest rates ranging from 1% to 2%. The purpose of the bonds is to fund various capital ordinances, specifically 2014-248, 2014-249, 2014-255, 2014-256, 2015-261, 2015-262, 2015-263, 2015-264, 2015-265, 2016-281, 2016-282, 2016-283, 2016-284, 2016-285 and 2016-286. The final maturity of the bonds is February 1, 2026.

Refunding Bonds, Series 2016 - On May 17, 2016 Fire District No. 3 of the Township of Voorhees issued \$3,500,000.00 of Refunding Bonds to provide funding to refund the callable portion of the outstanding 2008 Bond Issue. The Refunding Bonds were issued at interest rates ranging from 1.5% to 4.0%. The final maturity of the bonds is November 1, 2028. On March 1, 2017 Voorhees Township acquired Fire District No. 3 of the Township of Voorhees and assumed responsibility for the payment of this refunding bond issuance.

General and Sewer Improvement Bonds, Series 2017 - On September 12, 2017, the Township issued \$6,854,000.00 in general improvement bonds and \$1,087,000.00 in sewer improvement bonds, with interest rates ranging from 1.50% to 2.25%. The purpose of the bonds is to fund various capital ordinances, specifically 2016-286, 2017-303, 2017-304, 2017-305, 2017-306 and 2017-307. The final maturity of the bonds is September 15, 2027.

General and Sewer Improvement Bonds, Series 2019 - On October 30, 2019, the Township issued \$4,970,000.00 in general improvement bonds and \$2,999,000.00 in sewer improvement bonds, with interest rates ranging from 2.25% to 2.85%. The purpose of the bonds is to fund various capital ordinances, specifically 2015-261, 2016-284, 2018-319, 2018-327, 2018-328, 2018-329, 2018-330 and 2019-346. The final maturity of the bonds is November 1, 2039.

General and Sewer Improvement Bonds, Series 2022 - On May 5, 2022, the Township issued \$11,048,000.00 in general improvement bonds and \$1,570,000.00 in sewer improvement bonds, with an interest rate of 4.00%. The purpose of the bonds is to fund various capital ordinances, specifically 2016-286, 2019-340, 2019-345, 2019-347, 2019-348, 2019-349, 2020-360, 2020-361, 2020-367, 2020-368, 2020-369, 2020-370, 2021-378, 2021-382, 2021-383, 2021-384, and 2021-385. The final maturity of the bonds is March 1, 2037.



**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:

<b>Year</b>	<b>General</b>		<b>Sewer Utility</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2024	\$ 4,338,000.00	\$ 746,463.77	\$ 745,000.00	\$ 166,992.76	\$ 5,996,456.53
2025	4,070,000.00	638,472.52	690,000.00	148,055.26	5,546,527.78
2026	4,081,000.00	531,300.02	704,000.00	130,490.26	5,446,790.28
2027	3,199,000.00	430,102.52	512,000.00	114,225.26	4,255,327.78
2028	2,390,000.00	335,656.26	424,000.00	98,897.13	3,248,553.39
2029-2033	7,640,000.00	651,187.52	1,360,000.00	359,167.50	10,010,355.02
2034-2038	405,000.00	13,162.50	1,365,000.00	140,070.00	1,923,232.50
2039			194,000.00	5,529.00	199,529.00
	<u>\$ 26,123,000.00</u>	<u>\$ 3,346,345.11</u>	<u>\$ 5,994,000.00</u>	<u>\$ 1,163,427.17</u>	<u>\$ 36,626,772.28</u>

**General Debt - New Jersey Environmental Infrastructure Loans**

On October 14, 2004, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$4,744,596.00, at no interest, from the fund loan, and \$1,605,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the upgrading of a storm sewer pumping station and construction of a tide gate. Semiannual debt payments are due February 1st and August 1st through 2024.

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

<b>Year</b>	<b>Environmental Infrastructure</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	
2024	<u>\$ 359,087.18</u>	<u>\$ 4,544.16</u>	<u>\$ 363,631.34</u>

**Note 14: CAPITAL DEBT (CONT'D)**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 37,459,937.18	\$ 36,304,947.54	\$ 35,827,239.68
Sewer Utility:			
Bonds and Notes	<u>7,082,150.00</u>	<u>7,218,150.00</u>	<u>7,420,400.00</u>
Total Issued	<u>44,542,087.18</u>	<u>43,523,097.54</u>	<u>43,247,639.68</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes		1,550.00	1,700.00
Sewer Utility:			
Bonds and Notes	<u>700.00</u>	<u>1,200.00</u>	<u>1,950.00</u>
Total Authorized but not Issued	<u>700.00</u>	<u>2,750.00</u>	<u>3,650.00</u>
Total Issued and Authorized but not Issued	<u>44,542,787.18</u>	<u>43,525,847.54</u>	<u>43,251,289.68</u>
<b><u>Deductions</u></b>			
Funds Temporarily Held to Pay Debt	44,160.19	107,030.19	66,728.32
Open Space Debt	504,087.18	979,097.54	1,456,639.68
Self-Liquidating	<u>7,082,850.00</u>	<u>7,219,350.00</u>	<u>6,708,570.00</u>
Total Deductions	<u>7,631,097.37</u>	<u>8,305,477.73</u>	<u>8,231,938.00</u>
<b>Net Debt</b>	<b><u>\$ 36,911,689.81</u></b>	<b><u>\$ 35,220,369.81</u></b>	<b><u>\$ 35,019,351.68</u></b>

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 0.886%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 2,642,110.77	\$ 2,642,110.77	
Sewer Utility	7,082,850.00	7,082,850.00	
General	<u>37,459,937.18</u>	<u>548,247.37</u>	<u>\$ 36,911,689.81</u>
	<u>\$ 47,184,897.95</u>	<u>\$ 10,273,208.14</u>	<u>\$ 36,911,689.81</u>

Net debt \$36,911,689.81 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$4,164,661,745.67 equals 0.886%.

**Note 14: CAPITAL DEBT (CONT'D)**

**Summary of Statutory Debt Condition - Annual Debt Statement**

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 145,763,161.10
Less: Net Debt	<u>36,911,689.81</u>
Remaining Borrowing Power	<u><u>\$ 108,851,471.29</u></u>
Equalized Valuation Basis	<u>\$ 4,164,661,745.67</u>
Statutory Net Debt Percentage	<u><u>0.886%</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 2,808,259.88
Deductions:	
Operating and Maintenance Costs	\$ 1,673,000.00
Debt Service	<u>947,308.17</u>
Total Deductions	<u>2,620,308.17</u>
Excess (Deficit) in Revenue	<u><u>\$ 187,951.71</u></u>

The above information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

**Note 15: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

<u>Description</u>	<u>Balance December 31, 2023</u>	<u>2024 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorizations	\$ 1,045,000.00	\$ 215,000.00

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

**Note 16: SCHOOL TAXES**

Eastern Regional High School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<b><u>Balance December 31.</u></b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
Balance of Tax	\$ 10,959,502.33	\$ 10,766,061.33
Deferred	<u>5,603,555.27</u>	<u>5,603,555.27</u>
	<b><u>\$ 5,355,947.06</u></b>	<b><u>\$ 5,162,506.06</u></b>

**Note 17: 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 Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<b><u>Year</u></b>	<b><u>Township Contributions</u></b>	<b><u>Employee Contributions</u></b>	<b><u>Interest Earnings</u></b>	<b><u>Amount Reimbursed</u></b>	<b><u>Ending Balance</u></b>
2023	-	\$ 34,183.39	\$ 3,754.41	\$ 3,666.31	\$ 169,054.13
2022	-	25,373.41	941.08	1,548.87	134,782.64
2021	-	24,600.50	15.01	803.89	110,017.02

There are no unreimbursed payments on behalf of the Township at December 31, 2023.

**Note 17: RISK MANAGEMENT (CONT'D)**

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

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

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

The fund provides the Township with the following coverage:

Property – Blanket Building and Grounds  
General and Automobile Liability  
Worker's Compensation and Employer's Liability  
Boiler and Machinery  
Public Employee Dishonesty  
Environmental Liability  
Crime Coverage

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report which can be obtained from:

Camden County Municipal Joint Insurance Fund  
9 Campus Drive, Suite 16  
Parsippany, New Jersey 07054

**Note 17: RISK MANAGEMENT (CONT'D)**

**Self-Insurance Plan** - The Township has adopted a plan of self-insurance for dental benefits. At December 31, 2023, there is a \$53,966.45 reserve balance. The Township fund the plan on a pay-as-you-go basis. Any additional funding required for claims in excess of the trust fund's reserve will be paid and charged to future budgets.

The following is a summary of the claims liability of the Township's trust fund for self-insured dental benefits for the current and previous year:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 180,000.00	\$ 6,754.75	\$ 238,652.15	\$ 53,966.45
2022	160,000.00	35,526.30	233,492.56	105,863.85
2021	180,000.00	30,273.56	213,724.78	143,830.11

There have been no settlements that exceed the Township's coverage for years ended December 31, 2023, 2022, and 2021.

**Note 18: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST**

On November 4, 2003 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 Voorhees Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2000, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the two referendums, the Township levies a tax not to exceed 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 Voorhees Open Space, Recreation and Farmland Preservation Trust Funds.

**Note 19: 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.

**Tax Appeals** - There were 51 tax appeals that have been filed. The outcome of these appeals has yet to be determined, however it is expected that some may be in favor of the property owner. The Township is unable to estimate the timing and amount of these pending judgments. As of December 31, 2023, The Township does not have a reserve allocated to fund the potential appeals.

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

**Note 20: TAX ABATEMENTS**

The Township enters into several property tax abatement agreements with local businesses under the state Economic Development Opportunity Act of 2013. Under the Act, municipalities may grant property tax abatements of up to fifty percent (50%) of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Township.

For the year ended December 31, 2023, the Township abated property taxes totaling \$74,697.92 under this program.

**Note 21: SUBSEQUENT EVENTS**

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

<u>Purpose</u>	<u>Date Adopted</u>	<u>Authorization</u>
<b>General Improvements</b>		
Acquisition of Vehicles and Equipment	06/10/24	\$ 2,515,125.00
Buildings and Grounds Improvements	06/10/24	328,225.00
Road Improvements	06/10/24	2,220,150.00
<b>Sewer Improvements</b>		
Sewer Utility System Improvements	06/10/24	1,208,210.00

**APPENDIX C**

**FORMS OF BOND COUNSEL OPINION**





September 24, 2024

Mayor and Township Committee  
of the Township of Voorhees  
2400 Voorhees Town Center  
Voorhees, New Jersey

**RE: \$18,337,000 TOWNSHIP OF VOORHEES, COUNTY OF CAMDEN, NEW JERSEY, BOND ANTICIPATION NOTES OF 2024, SERIES A**

Mayor and Township Committee Members:

We have served as Bond Counsel to the Township of Voorhees, County of Camden, New Jersey ("Township"), in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Notes"). The Notes consist of: (i) \$16,041,000 General Improvement Notes; and (ii) \$2,296,000 Sewer Utility Notes.

The Notes are issued pursuant to and in accordance with: (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 286-16, 304-17, 340-19, 348-19, 369-20, 402-22, 403-22, 404-22, 405-22, 406-22, 431-23, 432-23, 433-23, 434-23, 435-23, 451-24, 452-24, 453-24, and 454-24 (collectively, the "Bond Ordinances"), each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award ("Award Certificate") executed by the Chief Financial Officer of the Township on September 11, 2024.

The Notes are issued to temporarily finance the costs of certain improvements described in the Bond Ordinances. The Notes are dated September 24, 2024 and mature on September 23, 2025. The Notes are issued in registered book-entry only form without coupons and are not subject to redemption prior to maturity.

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

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

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



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

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

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

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

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

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

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

Ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned



income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Notes will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Notes is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Notes.

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

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

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

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

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

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

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

Very truly yours,



September 24, 2024

Mayor and Township Committee  
of the Township of Voorhees  
2400 Voorhees Town Center  
Voorhees, New Jersey

**RE: \$800,000 TOWNSHIP OF VOORHEES, COUNTY OF CAMDEN, NEW JERSEY, SPECIAL EMERGENCY NOTES OF 2024, SERIES A**

Mayor and Township Committee Members:

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

The Notes are issued pursuant to and in accordance with: (i) the Local Budget Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Budget Law"); (ii) ordinance 429-2023, duly and finally adopted by the Township Committee (the "Ordinance"); (iii) a resolution adopted by the Township Committee on September 9, 2024 ("Resolution"); and (iv) a Certificate of Determination and Award, executed by the Chief Financial Officer of the Township on September 11, 2024 ("Award Certificate").

The Notes are dated September 24, 2024 and mature on September 23, 2025. The Notes are issued in bearer form without coupons and are not subject to redemption prior to maturity. The Notes are being issued by the Township to provide funds which will be used to temporarily finance the cost of a special emergency appropriation of the Township for the costs associated with the complete program of revaluation of real property.

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

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

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



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

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

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

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

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

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

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

Ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned



income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Notes will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Notes is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Notes.

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

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

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

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

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

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

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

Very truly yours,

**APPENDIX D**

**FORMS OF INFORMATION REPORTING UNDERTAKING AGREEMENT**



## INFORMATION REPORTING UNDERTAKING AGREEMENT

ISSUER: Township of Voorhees, County of Camden, New Jersey ("Issuer")

ISSUE: \$18,337,000 Bond Anticipation Notes of 2024, Series A  
(Non-Callable) ("Notes")

DATED: September 24, 2024

CUSIP: 928895RP8

This Information Reporting Undertaking Agreement ("Agreement") is executed and delivered by the Issuer as of the date set forth below for the purpose of providing continuing disclosure with respect to the Issuer in order to comply with the provisions of Rule 15c2-12 ("Rule"), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time.

Section 1. (a) The Issuer, as an obligated person for purposes of and as defined in the Rule ("Obligated Person"), hereby agrees, in accordance with the provisions of the Rule, so long as any of the Notes are outstanding to provide or cause to be provided to the Municipal Securities Rulemaking Board ("MSRB"), through the internet facilities of the Electronic Municipal Market Access System ("EMMA")<sup>1</sup>, 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 (each a "National Repository") and any public or private repository or entity designated by the State of New Jersey as a state information repository for purpose of the Rule ("State Repository" and together with each National Repository, the "Repository" or "Repositories"), as applicable, notice of the occurrence of any of the following listed events (each a "Listed Event" or "Listed Events") with respect to the Notes:

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;

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<sup>1</sup> An internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt bonds, including the Notes, and other filers on behalf of such issuers shall upload certain information and notices to assist underwriters in complying with the Rule and to provide the general public with access thereto.



- vii. Modifications to the rights of Noteholders, if material;
- viii. Note calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- ix. Defeasances;
- x. Release, substitution, or sale of property securing repayment of the Notes, if material;
- xi. Rating changes;
- xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;
- xiii. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- xv. Incurrence of a financial obligation<sup>2</sup> of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- xvi. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall, within ten (10) business days of the occurrence of any of the Listed Events, report the event to the MSRB, through the internet facilities of EMMA, or any other Repositories, as applicable, pursuant to the provisions of Section 1(a) hereof. In determining the materiality of a Listed Event specified in subsections (a)(ii), (vii), (viii), (x), (xiii), (xiv) and (xv) of this Section 1, the Issuer may, but shall not be required to, rely conclusively on a written opinion of counsel expert in federal securities law acceptable to the Issuer.

**Section 2.** The Issuer reserves the right to terminate its obligation to provide notices of Listed Events, if material, as set forth above, if and when the Issuer no longer remains an Obligated Person with respect to the Notes within the meaning of the Rule. The Issuer will provide notice of such termination to the MSRB via the internet facilities of EMMA and the State Repository, if any.

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<sup>2</sup> The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

Section 3. The Issuer agrees that its undertaking pursuant to the Rule set forth in Section 1 of this Agreement is intended to be for the benefit of the holders of the Notes and shall be enforceable by such Noteholders; provided that, the Noteholder's right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Obligated Person's obligations hereunder.

Section 4. This Agreement shall be governed by the laws of the State of New Jersey.

**IN WITNESS WHEREOF**, the Issuer has executed and delivered this Agreement as of this 24th day of September, 2024.

ISSUER:

**TOWNSHIP OF VOORHEES, COUNTY OF  
CAMDEN, NEW JERSEY**

By: \_\_\_\_\_  
**ALEXANDER DAVIDSON,**  
**Chief Financial Officer**

## INFORMATION REPORTING UNDERTAKING AGREEMENT

ISSUER: Township of Voorhees, County of Camden, New Jersey ("Issuer")

ISSUE: \$800,000 Special Emergency Notes of 2024, Series A  
(Non-Callable) ("Notes")

DATED: September 24, 2024

CUSIP: N/A

This Information Reporting Undertaking Agreement ("Agreement") is executed and delivered by the Issuer as of the date set forth below for the purpose of providing continuing disclosure with respect to the Issuer in order to comply with the provisions of Rule 15c2-12 ("Rule"), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time.

Section 1. (a) The Issuer, as an obligated person for purposes of and as defined in the Rule ("Obligated Person"), hereby agrees, in accordance with the provisions of the Rule, so long as any of the Notes are outstanding to provide or cause to be provided to the Municipal Securities Rulemaking Board ("MSRB"), through the internet facilities of the Electronic Municipal Market Access System ("EMMA")<sup>1</sup>, 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 (each a "National Repository") and any public or private repository or entity designated by the State of New Jersey as a state information repository for purpose of the Rule ("State Repository" and together with each National Repository, the "Repository" or "Repositories"), as applicable, notice of the occurrence of any of the following listed events (each a "Listed Event" or "Listed Events") with respect to the Notes:

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;

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<sup>1</sup> An internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt bonds, including the Notes, and other filers on behalf of such issuers shall upload certain information and notices to assist underwriters in complying with the Rule and to provide the general public with access thereto.

- vii. Modifications to the rights of Noteholders, if material;
- viii. Note calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- ix. Defeasances;
- x. Release, substitution, or sale of property securing repayment of the Notes, if material;
- xi. Rating changes;
- xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;
- xiii. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- xv. Incurrence of a financial obligation<sup>2</sup> of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- xvi. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall, within ten (10) business days of the occurrence of any of the Listed Events, report the event to the MSRB, through the internet facilities of EMMA, or any other Repositories, as applicable, pursuant to the provisions of Section 1(a) hereof. In determining the materiality of a Listed Event specified in subsections (a)(ii), (vii), (viii), (x), (xiii), (xiv) and (xv) of this Section 1, the Issuer may, but shall not be required to, rely conclusively on a written opinion of counsel expert in federal securities law acceptable to the Issuer.

**Section 2.** The Issuer reserves the right to terminate its obligation to provide notices of Listed Events, if material, as set forth above, if and when the Issuer no longer remains an Obligated Person with respect to the Notes within the meaning of the Rule. The Issuer will provide notice of such termination to the MSRB via the internet facilities of EMMA and the State Repository, if any.

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<sup>2</sup> The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

Section 3. The Issuer agrees that its undertaking pursuant to the Rule set forth in Section 1 of this Agreement is intended to be for the benefit of the holders of the Notes and shall be enforceable by such Noteholders; provided that, the Noteholder's right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Obligated Person's obligations hereunder.

Section 4. This Agreement shall be governed by the laws of the State of New Jersey.

**IN WITNESS WHEREOF**, the Issuer has executed and delivered this Agreement as of this 24th day of September, 2024.

ISSUER:

**TOWNSHIP OF VOORHEES, COUNTY OF  
CAMDEN, NEW JERSEY**

By: \_\_\_\_\_  
**ALEXANDER DAVIDSON,**  
**Chief Financial Officer**