

## OFFICIAL STATEMENT DATED MARCH 18, 2025

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

**\$25,000,000**  
**TOWNSHIP OF BORDENTOWN**  
**IN THE COUNTY OF BURLINGTON,**  
**NEW JERSEY**  
**BOND ANTICIPATION NOTES, SERIES 2025**  
**Dated: March 28, 2025**  
**Maturing: March 27, 2026**  
**Rate of Interest: 4.00% per annum**  
**Re-offering Yield: 2.88%**

The Township of Bordentown, County of Burlington, New Jersey ("Township") is issuing: \$25,000,000 principal amount of its Bond Anticipation Notes, Series 2025 ("Notes"). The Notes shall be issued in fully registered book-entry-only form without coupons.

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

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

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law; (ii) bond ordinances 2022-08, 2023-08 and 2024-11 ("Bond Ordinances"), duly and finally adopted by the Township and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on March 18, 2025.

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of and interest on the Notes.

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

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

The Notes are offered when, as and if issued, subject to the prior approval of legality by the law firm of Malamut & Associates, LLC, Cherry Hill, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by the Township Solicitor, Eileen Fahey, Esquire, Moorestown, New Jersey. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has acted as Municipal Advisor to the Township in connection with the issuance of the Notes. It is anticipated that the Notes in definitive form will be available for delivery, in immediately available funds, through DTC in New York, New York on or about March 28, 2025.



## **MATURITY SCHEDULE**

### **\$25,000,000 BOND ANTICIPATION NOTES, SERIES 2025**

**INTEREST RATE: 4.00%**

**YIELD: 2.88%**

**CUSIP\*: 099671PD5**

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

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

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

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

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

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

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

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APPENDIX D:	FORM OF TOWNSHIP CONTINUING DISCLOSURE CERTIFICATE

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## OFFICIAL STATEMENT

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**\$25,000,000**  
**TOWNSHIP OF BORDENTOWN**  
**IN THE COUNTY OF BURLINGTON,**  
**NEW JERSEY**  
**BOND ANTICIPATION NOTES, SERIES 2025**

### INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, is to provide certain information relating to the issuance by the Township of Bordentown, County of Burlington, New Jersey ("Township") of its \$25,000,000 aggregate principal amount of Bond Anticipation Notes, Series 2025 ("Notes").

### AUTHORIZATION FOR THE NOTES

#### Notes

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2022-08, 2023-08 and 2024-11 (collectively, the "Bond Ordinances"), duly and finally adopted by the Township and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on the date hereof.

### PURPOSE OF THE ISSUE

#### Notes

The Notes are issued pursuant to bond ordinances of the Township set forth below. Proceeds from the sale and issuance of the Notes will be used by the Township to: (i) refund, on a current basis, a \$5,000,000 aggregate portion of the Bond Anticipation Notes, Series 2024, dated June 28, 2024 and maturing April 1, 2025 (the "Prior Notes"); (ii) temporarily finance the costs of various capital improvements and the acquisition of various capital equipment, for which obligations have been authorized, but not issued; and (iii) provide funds for the costs incurred in connection with the authorization, sale and issuance of the Notes.

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

<b>Bond Ordinance</b>	<b>Purpose/ Improvement</b>	<b>Original Amount Authorized</b>	<b>Prior Notes Outstanding</b>	<b>New Money</b>	<b>Notes to be Issued</b>
2022-08	Various Capital Improvements	\$19,045,000	\$3,500,000	\$15,545,000	\$19,045,000
2023-08	Various Capital Improvements	3,800,000	1,500,000	0	1,500,000
2024-11	Construction and Furnishing of a Building for Use As Municipal Offices	7,600,000	0	4,455,000	4,455,000
<b>TOTAL</b>		<b>\$30,445,000</b>	<b>\$5,000,000</b>	<b>\$20,000,000</b>	<b>\$25,000,000</b>

## **DESCRIPTION OF THE NOTES**

### **General**

The Notes will be issued in the aggregate principal amount of \$25,000,000.

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

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

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

## **Redemption Provisions**

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

## **Book-Entry-Only System<sup>1</sup>**

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

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

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

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written

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<sup>1</sup> Source: The Depository Trust Company



confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

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

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

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

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

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

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Township, or the Paying Agent. Under such

circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

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

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

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

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

#### **Discontinuance of Book-Entry-Only System**

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

#### **SECURITY FOR THE NOTES**

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

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

political subdivision thereof, nor shall said State or any other political subdivision thereof be liable for the payment of principal of or interest on the Notes.

## **GENERAL INFORMATION REGARDING THE TOWNSHIP**

### **General**

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

### **Financial**

Appendix "B" to this Official Statement contains compiled financial statements of the Township for the year ended December 31, 2024 and also contains audited financial statements of the Township for the years ended December 31, 2023, 2022, 2021, 2020 and 2019. Copies of the entire completed Reports of Audit may be obtained upon request to the office of the Township Clerk or EMMA Platform.

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

### **Local Bond Law**

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

**Debt Limits** - The authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to three and one half percent (3.50%) of its equalized valuation basis. The equalized valuation basis of the Township is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements as annually determined by the New Jersey State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Bonds, notes and long-term loans are included in the computation of debt for the statutory debt limit. The Township, including the issuance of the Notes, will not exceed its three and one half percent (3.50%) debt limit.

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

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

**Short-Term Financing** – When approved by bond ordinance, the Township may issue bond anticipation notes to temporarily finance capital improvements. Such notes may not be issued in an aggregate amount exceeding that specified by the ordinance. The 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.

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

## **Local Fiscal Affairs Law**

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

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

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

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

## **Local Budget Law**

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

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

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

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

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

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

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

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

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

### **Miscellaneous Revenues**

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

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

### **Real Estate Taxes**

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

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

the previous year levy by tax appeal judgments of the county tax board pursuant to R.S.54:3-21 et seq., or the State tax court pursuant to R.S.54:48-1 et seq. in accordance with Chapter 56 of P.L. 2010.

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

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

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

### **Deferral of Current Expenses**

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

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

### **Budget Transfers**

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

### **Capital Budget**

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

## **Related Constitutional and Statutory Provisions**

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

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

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

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

## **Rights and Remedies of Owners of Notes**

The Municipal Finance Commission ("Commission") was created in 1931 to assist in the financial rehabilitation of municipalities, which had defaulted in their obligations. The powers of the Commission are exercised today by the Local Finance Board. The previously discussed elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the "Municipal Finance Commission Statutes" are available to assist in restoring the stability of the local unit.

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

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



municipalities to have access to bankruptcy court for protection against suits by bondholders and creditors.

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

### **Limitation of Remedies Under Federal Bankruptcy Code**

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

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

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

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

## **TAXATION**

### **Procedure for Assessment and Collection of Taxes**

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

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

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

### **Tax Appeals**

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

## **TAX MATTERS**

In the opinion of Malamut & Associates, LLC, Bond Counsel to the Township, assuming continuing compliance by the Township with its covenants pertaining to provisions of the Internal Revenue Code of 1986, as amended (the "Code"), pertaining to the issuance of the Notes, and subject to certain provisions of the Code that are described below, interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes, and will not be treated as an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations. In the opinion of Bond Counsel to the Township, interest on the Notes and any gain from the sale thereof are excludable from gross income of the owners thereof under the New Jersey Gross Income Tax Act.

The Code contains a number of provisions that apply to the Notes, including restrictions relating to the use or investment of the proceeds of the Notes and the payment of certain arbitrage earnings in excess of the "yield" on the Notes to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Notes being includable in gross income for federal income tax purposes retroactive on the date of issuance of the Notes. The Township has covenanted to comply with these requirements. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to the changes

in the law after the date of issuance of the Notes that may affect the tax-exempt status of the interest thereon.

The Code imposes an alternative minimum tax on individuals and corporations. Interest received with respect to certain types of private activity bonds issued after August 7, 1986 is considered a tax preference subject to the alternative minimum tax. As the Notes are not private activity bonds, interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax; however, interest on the Notes is included in the "adjusted financial statement income" of applicable corporations subject to alternative minimum tax under Section 55 of the Code.

Section 265(b) of the Code generally denies to banks, thrift institutions and other financial institutions any deduction for that portion of interest expense incurred or continued to purchase or carry tax-exempt obligations.

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

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

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

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

### **Original Issue Premium**

The Notes may be sold at an initial offering price in excess of the amount payable at the maturity date (the "Premium Notes"). The excess, if any, of the tax basis of the Premium Notes to a purchaser (other than a purchaser who holds such Premium Notes as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at

maturity is amortizable note premium, which is not deductible from gross income for federal income tax purposes. Amortizable note premium, as it amortizes, will reduce the owner's tax cost of the Premium Notes used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Notes. Accordingly, an owner of a Premium Note may have taxable gain from the disposition of the Premium Note, even though the Premium Note is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Note. Note premium amortizes over the term of the Premium Notes under the "constant yield method" described in regulations interpreting Section 1272 of the Code.

Owners of the Premium Notes should consult their own tax advisors with respect to the calculation of the amount of note premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Notes.

### **Additional Federal Income Tax Consequences of Holding the Notes**

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Notes, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations. Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Notes from gross income pursuant to Section 103 of the Code and interest on the Notes not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Notes.

### **Changes in Federal Tax Law Regarding the Notes**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State of New Jersey. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes.

There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

### **State Taxation**

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

**THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE BONDS AND NOTES ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE NOTES, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO.**

**PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.**

### **LITIGATION**

Upon delivery of the Notes, the Township shall furnish an opinion of its Solicitor, Eileen Fahey, Esquire, Moorestown, New Jersey, dated the date of delivery of the Notes, to the effect that there is no litigation of any nature pending, to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes. In addition, such opinion shall state that there is no litigation of any nature now pending by or against the Township wherein an adverse judgment or ruling could have a material and adverse impact on the financial condition of the Township or adversely affect the power to levy, collect and enforce the collection of taxes or other revenues for the payment of the Notes, which has not been otherwise disclosed in this Official Statement.

### **RATING**

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency") has assigned a rating of "SP-1+" to the Notes based upon the creditworthiness of the Township.

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

### **PREPARATION OF OFFICIAL STATEMENT**

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

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

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

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

The Municipal Advisor has participated in the preparation and review of the information contained in this Official Statement, including the collection of financial, statistical and demographic information; however, it has not verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto. Certain information set forth herein has been obtained from the Township and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized.

## **CERTAIN RISK FACTORS**

### **Infectious Disease Outbreak – COVID-19**

COVID-19, a respiratory disease caused by a new strain of coronavirus, had been characterized as a pandemic (the "Pandemic") by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on, March 13, 2020, then President Trump declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

In New Jersey, Governor Murphy declared a state of emergency on March 9, 2020 and issued multiple Executive Orders regarding the Pandemic. On June 4, 2021, Governor Murphy signed an Executive Order declaring the end to the Pandemic, effective July 4, 2021, subject to certain executive orders remaining in effect until January 1, 2022. Ongoing actions may be taken by State, federal and local governments and private entities to mitigate the spread and impacts of the Pandemic. The Pandemic negatively affected travel, commerce and financial markets globally. Because of the evolving nature of the outbreak and new variants of COVID-19, along with federal, state and local responses thereto, the Township cannot predict how the outbreak may impact the financial condition or operations of the Township, if there will be any impact on the assessed values of property within the Township or unexpected deferrals of tax payments to municipalities, or the costs associated with this or any other potential infectious

disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs to the Township.

The American Rescue Plan Act of 2020 (the "Plan") was passed by Congress on March 10, 2021, and signed into law by President Biden on March 11, 2021. The Plan includes funding for States and local governments, including the Township, which may be used to respond to the COVID-19 public health emergency or its negative economic impacts, to provide premium pay to eligible workers that are providing essential services during the emergency, to provide government services to the extent of the reduction in revenue due to the emergency, and to make necessary investments in water, sewer, or broadband infrastructure. The Township has received \$1,247,021.16 in federal funding from the Plan.

### **Cyber Security**

The Township relies on a complex technology environment to conduct its various operations. As a result, the Township faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyberattacks, the Township has invested in multiple forms of cybersecurity and operational safeguards. In addition, the Township maintains certain insurance coverage for cyberattacks and related events. The Township meets monthly with IT professionals and Cyber Security Consultants, and has achieved the lowest possible deductible as part of Cyber Compliance with the Joint Insurance Fund.

### **Climate Change**

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

## **UNDERWRITING**

The Notes have been purchased from the Township at a public sale by Janney Montgomery Scott, LLC, as underwriter ("Note Underwriter"), at a purchase price of \$25,268,375.00.

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

Official Statement, and such public offering yields or prices may be changed, from time to time, by the Note Underwriter without prior notice.

### **LEGALITY FOR INVESTMENT**

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

### **NO DEFAULT**

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

### **MUNICIPAL ADVISOR**

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Notes (the "Municipal Advisor") and has assisted in matters related to the planning, structuring and terms of the Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

### **CONTINUING DISCLOSURE**

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

The Township has previously entered into secondary market disclosure undertakings in accordance with the Rule with respect to its own obligations, the obligations of the Burlington County Bridge Commission, and the obligations of the Bordentown Sewerage Authority, for which the Township is an obligated person. The Township appointed Phoenix Advisors, Hamilton, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.



## LEGAL MATTERS

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

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

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

## ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Debra Latshaw-Adams, Chief Financial Officer, at (609) 298-2800, or to the Municipal Advisor 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 as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract or agreement with the owners of the Notes.

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

## TOWNSHIP OF BORDENTOWN, NEW JERSEY

By: /s/ DEBRA LATSHAW-ADAMS  
DEBRA LATSHAW-ADAMS, Chief Financial Officer

Dated: March 18, 2025

**APPENDIX A**  
**CERTAIN INFORMATION REGARDING THE TOWNSHIP**

## **INFORMATION REGARDING THE TOWNSHIP**

The following material presents certain economic and demographic information of the Township.

### **General Information**

The Township of Bordentown, in the County of Burlington (the "Township"), incorporated in 1852, is located in the center of New Jersey approximately seven miles from Trenton. The population according to the 2020 census is 11,791 with a land area of 10 square miles. The Township provides to its citizens the following services: public safety, sanitation, recreation, public improvements, planning and zoning and general administrative services.

### **Government Structure**

The Township is governed by an elected committee ("Committee") consisting of 5 members who serve three-year terms. The Mayor is chief executive officer of the Township and is annually appointed by the Committee at the beginning of each fiscal year. The functions of the Committee, as the governing body, are legislative.

Administrative responsibilities are assigned to the Township Administrator. The Committee establishes policy. The Administrator is responsible for the day-to-day operations of the Township and implementing and administering policy.

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

The Township has two fire districts. Fire District No. 1 is located in the northern part of the Township encompassing approximately two square miles. Fire District No. 2 is centrally located and provides protection for seven and one-half square miles. Each district has one fire company, both with modern firefighting apparatus. District No. 2 also houses one ladder truck. The combined number of paid fire fighters is approximately 18 and there are approximately 20 volunteers.

The Township is serviced by Robert Wood Johnson EMS for emergency medical services which also provides service to the City of Bordentown. This service is 24 hours a day, 7 days a week, for 365 days.

Hospital services for Township residents are provided by Capital Health Regional Medical Center and Saint Francis Medical Center located in Trenton, Virtua Memorial in Mount Holly, Lourdes Medical Center in Willingboro and the Robert Wood Johnson University Hospital in Hamilton. All offer excellent medical care in modern facilities. The renowned Deborah Heart and Lung Center located in Browns Mills is just twelve miles south of the Township. Additional medical facilities are available within a 30-minute drive to Philadelphia, PA and a 60-minute drive to New York City.

### **Library**

The Township participates in the Burlington County Library System which maintains a branch library in the heart of the City of Bordentown.

## **Police**

The Police Department consists of twenty-eight full-time officers and one part-time officer. In addition, the Police Department is supported by two full-time secretaries and one part-time secretary. The dispatch system is operated by the County of Burlington and is manned on a twenty-four hour basis.

The New Jersey State Police maintains a station and barracks within the Township and provides additional police services in the Township and on the major highways that traverse the Township.

## **Public Works**

The Department of Public Works has fourteen employees and one secretary that are supervised by a Director of Public Works. The Department of Public Works cleans, repairs and maintains streets, roads and storm drains, and maintains all parks, playgrounds and public areas. The collection and disposal of garbage, trash and other solid waste is provided for by contract with a private firm.

County and State roads running through the Township are maintained by the Burlington County Road Department, New Jersey State Department of Transportation and the New Jersey Turnpike Authority.

## **Recreation**

There are separate youth programs that operate independent of the Township that supervise a year-round program of recreation and leisure time activities for children and adults. The Township Department of Public Works handles the scheduling of the park and field maintenance. Indoor and outdoor facilities are provided and operated by the Community District Alliance under the auspices of the Board of Education of the Regional School District.

A 6,500 square foot Senior Community Center is utilized by various groups for socials, meetings, dances and crafts. The Bordentown Township Senior's, a group of about 300 senior citizens, meets at the center twice a month and have an active itinerary of socials, trips and programs.

## **Municipal Open Space**

The Township has completed a multi-phased recreation enhancement program through a Municipal Open Space Tax. In 2022, the Township was successful in obtaining voter approval for a dedicated tax of \$.02 per \$100 of assessed valuation for the purpose of re-establishing an Open Space Trust to the year 2042. This funding, along with the Township's capital funding, allows the Township to maintain and operate six parks and playground areas totaling 94 acres including two large multi-use community parks.

## **Utilities**

Utilities are provided to Township residents by Verizon, Public Service Electric and Gas Company and Comcast Cable Television, all privately owned.

The Bordentown Sewerage Authority, of which the Township is a member, provides sanitary sewerage to most of the Township. A water supply and distribution system operated by the City of Bordentown as a water utility, supplies water to the developed areas of the Township and 80% of the Township as a whole. The water is pumped from deep wells and processed through a water treatment plant.

## Township Employees

	<u>2024</u>	<u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>2021</u>	<u>2020</u>
Permanent	62	73	71	65	65
Part-time	<u>22</u>	<u>31</u>	<u>38</u>	<u>44</u>	<u>40</u>
Total	<u>84</u>	<u>104</u>	<u>109</u>	<u>109</u>	<u>105</u>

## Employee Collective Bargaining Units

There are four collective bargaining units between the Township and certain of its employees, as follows:

The Bordentown Township Police Officers are covered by three contracts, one for the Sergeants, one for the Patrolmen, and one for the Command Staff. These three contracts cover all police officers except for the Chief, who has his own contract. Membership is limited to full-time law enforcement officers. The three police officer contracts expired December 31, 2024. The Chief's contract expires December 31, 2025.

Public Works employees are represented by AFSCME and their contract expired December 31, 2024.

Negotiations are nearly complete with all units and are scheduled to be approved by the Committee in the coming month.

## Compensated Absences

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward.

The Township compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated. There is a maximum pay-out of fifty days pay, and is paid at the rate of pay upon termination or retirement. For additional information regarding compensated absences, see Appendix B: Financial Statements of the Township, Note 9 to Financial Statements.

## Retirement Systems

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions within the New Jersey Department of Treasury is the administrator of the funds with the benefit and contribution levels set by the State. The Township employees are enrolled in either the Public Employees' Retirement System or the Police and Firemen's Retirement System.

## Pension Information

Employees, who are eligible to participate in a pension plan, are enrolled in the Public Employees' Retirement System ("PERS") or the Police and Firemen's Retirement System ("PFRS"), Department of Treasury, State of New Jersey. The State Division of Pensions annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost. The Township's share of pension costs in 2024, which is based upon the annual billings received from the State, amounted to \$373,138 for PERS and \$832,858 for PFRS.

### Township Population(1)

2020 Federal Census	11,791
2010 Federal Census	11,367
2000 Federal Census	8,380
1990 Federal Census	7,683
1980 Federal Census	7,170

### Selected Census 2023 Data for the Township (1)

Median household income	\$115,507
Per capita income	\$54,659

### Township Labor Force (2)

The following table discloses annual average labor force data for the Township.

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Township</b>					
Labor Force	7,394	7,247	7,059	6,686	6,718
Employed	7,149	7,025	6,695	6,187	6,536
Unemployed	245	222	364	499	182
Unemployment Rate	3.3%	3.1%	5.2%	7.5%	2.7%
<b>County</b>					
Labor Force	252,255	246,708	240,563	230,784	230,589
Employment	242,294	238,085	226,911	211,788	223,049
Unemployment	9,961	8,623	13,652	18,996	7,540
Unemployment Rate	3.9%	3.5%	5.7%	8.2%	3.3%
<b>State</b>					
Labor Force	4,829,671	4,736,213	4,648,814	4,495,200	4,493,100
Employment	4,615,722	4,552,563	4,337,793	4,055,300	4,333,300
Unemployment	213,949	183,650	311,021	439,900	159,800
Unemployment Rate	4.4%	3.9%	6.7%	9.8%	3.6%

### 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 New Jersey Uniform Construction Code. These codes and other Municipal Codes are codified as basis for improved administration and regulation.

In August 1990, the Township adopted a new land development and zoning ordinance under the Municipal Land Use Law. In this way, the Township is able to promote orderly development and to protect the character and maintain the stability of residential, business and manufacturing areas and secure and protect open space and recreation areas within the Township.

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

(2) Source: New Jersey Department of Labor

**Building Permits Issued(1)**

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2024	765	\$54,706,492
2023	1,042	82,991,308
2022	880	41,673,246
2021	761	36,461,839
2020	685	36,741,595

**Tax Exemptions and Tax Abatements**

In recent years, the Township has experienced success in expanding the commercial activity in the Township as a direct result of the dedicated efforts of the Township Committee and Administrative Staff. In addition to other features that make the Township attractive to commercial businesses, the Township has utilized New Jersey’s Long Term Tax Exemption Law and Five-Year Exemption and Abatement Law to help make a variety of projects successful, including a warehouse distribution center and an upscale apartment complex. Financial agreements entered into with property owners in connection with these programs typically require payments in lieu of taxes (PILOT) to be made to the Township. In 2024, the Township received approximately \$2.4 million in PILOT revenue and, from that amount received, remitted approximately \$248,028.12 to the Bordentown Regional School District and \$103,258.18 to Burlington County.

**GENERAL INFORMATION ON THE SCHOOL DISTRICT (2)**

**Overview**

The Bordentown Regional School District is a Type II (Grades Pre-K through 12<sup>th</sup>) regional school district consisting of the municipalities of the City of Bordentown, the Township of Bordentown, and the Borough of Fieldsboro (the “Constituent Municipalities”). Students from the New Hanover School District attend the existing Bordentown Regional High School on a tuition basis. The School District operates five school buildings: three elementary schools, junior school, one middle school and a high school. The Bordentown Regional School District is located in the County of Burlington, New Jersey.

**Staff**

The Superintendent of Schools is the chief administrative officer of the School District. The Board Secretary/Business Administrator oversees the Board’s business functions and reports through the Superintendent to the Board. There are approximately 406 full-time employees of the Board, of which 230 are teaching professionals. The balance are administrative, facilities, pupil transportation and support personnel.

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(1) Source: Township Construction Official  
(2) Source: School District officials

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
SCHOOL ENROLLMENTS (1)**

<b><u>Grade</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>October 15, 2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
PreK 4 Yr: Full Day	10	10	10	11	10
Kindergarten: Full Day	125	104	118	132	132
1	114	122	138	116	116
2	109	134	118	150	150
3	121	121	136	147	147
4	138	124	134	131	131
5	128	136	130	136	136
6	125	131	134	151	151
7	138	135	148	178	178
8	140	154	176	135	135
9	134	179	133	160	160
10	157	141	154	175	175
11	183	160	172	175	175
12	148	170	183	159	159
Special Education	420	405	401	386	386
State Facility	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Totals	<u>2,190</u>	<u>2,226</u>	<u>2,285</u>	<u>2,342</u>	<u>2,342</u>
Bordentown Township Enrollment(2)	<u>1,693</u>	<u>1,722</u>	<u>1,756</u>	<u>1,793</u>	<u>1,792</u>

**PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY(1)**

<b><u>Name of School</u></b>	<b><u>Date Constructed</u></b>	<b><u>Grades</u></b>	<b><u>Enrollment Oct. 15, 2024</u></b>	<b><u>Functional Capacity</u></b>
Clara Barton Elementary	1953	K-2	226	346
Peter Muschal Elementary	1953	PreK 4YR - 5	460	517
Mac Farland Intermediate	1924	3-5	274	334
Bordentown Regional Middle School	1965	6-8	503	545
Bordentown Regional High School	2006	9-12	<u>727</u>	<u>1,102</u>
Totals			<u>2,190</u> (3)	<u>2,844</u>

(1) Source: School District officials

(2) Bordentown Township total enrollment figure is shown. Enrollment by grade is not available

(3) Excludes State Facility



## **HIGHER EDUCATION FACILITIES**

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

Rowan College at Burlington County (formerly Burlington County College) (“RCBC” or “County College”) is a comprehensive, publicly supported, coeducational, two-year institution developed by the County and the State and accredited by the Middle States Association of Colleges and Schools. The County College was founded in October 1965 and opened in September 1969. The Board of County Commissioners (formally Board of Chosen Freeholders) sponsors the County College, appointing nine of the twelve Trustees.

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

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

RCBC's fall 2024 enrollment in academic courses was 6,620 students. In addition, the County College serves thousands of other County residents each semester through youth programs, Learning is for Everyone classes, workforce development, theatrical productions, guest speakers, and art exhibitions.

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

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

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

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

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

### **Burlington County Special Services School District**

The Burlington County Special Services School District ("Special Services School District") was created by the Board in June, 1972. The Special Services School District is comprised of state-of-the-art facilities located in the Townships of Westampton, Lumberton, and Mount Laurel which provide comprehensive educational and therapeutic programs for preschool and school-age students, ranging in age from three to eighteen, as well as young adults, ranging in age from eighteen to twenty-one. Students at the Special Services School District have access to the following programs: Sensory, Autism, Multiple Disabilities, Behavior Disabilities, Preschool Disabilities, Auditory Impaired, Career and Technical Education, and Transitions, a program designed to prepare students to be a self-sufficient, productive members of the community. The enrollment for the Special Services School District for the 2024-2025 academic year was 498 students.

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

<b><u>Name of Taxpayer</u></b>	<b><u>Nature of Business</u></b>	<b><u>2025 Assessed Valuation</u></b>
WW Grainger, Inc. c/o Marvin Poer	Distributor of Industrial Equipment	\$113,338,700
DCT Midline, LLC	Commerce Center	17,580,400
Anchor Bordentown Owner LLC	Medical Center	15,135,700
FR 301 Bordentown	Warehouse	15,047,700
Pool 3 Industrial NJ Old York LLC	Warehouse	14,726,900
First Industrial	Business Park	13,740,000
Dunns Mill Rd Retail LLC	ACME Shopping Center	11,999,900
410 Rt 130 Rising Sun Meadows	Townhomes	11,898,100
HPT PSC Properties Trust	Truck Stop	11,000,000
Mosholu Realty LLC	Apartments	11,000,000

### **CURRENT TAX COLLECTIONS (2)**

<b><u>Year</u></b>	<b><u>Total Levy</u></b>	<b><u>Collected in Year of Levy</u></b>			<b><u>Outstanding Dec. 31</u></b>	
		<b><u>Amount</u></b>	<b><u>Percentage</u></b>		<b><u>Amount</u></b>	<b><u>Percentage</u></b>
2024 (3) \$	50,150,625	\$ 49,069,336	97.84%	\$	445,102	0.89%
2023	46,509,453	44,699,234	96.11%		346,609	0.75%
2022	45,827,570	44,776,993	97.71%		392,443	0.86%
2021	43,719,713	42,919,490	98.17%		616,811	1.41%
2020	43,038,365	42,308,120	98.30%		626,668	1.46%

(1) Source: Township Tax Assessor

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

(3) Source: Compiled Annual Financial Statement

## CERTAIN TAX INFORMATION (CONT'D)

### DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transferred</u> <u>to Liens</u>	<u>Other</u> <u>Credits</u>	<u>Outstanding</u> <u>Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2024 (2) \$	346,609	\$ 1,250	\$ 347,859	100.00%	\$ -	\$ -	\$ -
2023	488,326	1,741	389,166	79.41%	98,562	2,339	
2022	694,569	4,573	294,616	42.14%	49,865	258,780	95,882
2021	695,558	3,750	513,410	73.42%		108,140	77,758
2020	548,458	1,494	481,063	87.47%			68,889

### TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance</u> <u>Jan. 1</u>	<u>Added by</u>		<u>Balance</u> <u>Dec. 31</u>
		<u>Sales and</u> <u>Transfers</u>	<u>Collected</u>	
2024 (2) \$	239,496	\$ 13,731	\$ -	\$ 253,227
2023	520,373	277,879	557,411	240,841
2022	368,054	241,583	89,264	520,373
2021	294,183	85,239	11,368	368,054
2020	229,829	88,037	23,683	294,183

### FORECLOSED PROPERTY (1)(3)

<u>Year</u>	<u>Balance</u> <u>Dec. 31</u>
2024 (2)	\$ 515,200
2023	515,200
2022	515,200
2021	515,200
2020	515,200

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

(2) Source: Compiled Annual Financial Statement

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

## CERTAIN TAX INFORMATION (CONT'D)

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

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (2)</u>				
		<u>Total Rate</u>	<u>County</u>	<u>Regional School</u>	<u>Municipal</u>	<u>Municipal Open Space</u>
2024	\$ 1,325,560,177	\$ 3.364	\$ 0.549	\$ 2.172	\$ 0.623	\$ 0.020
2023	1,369,345,514	3.094	0.465	2.026	0.583	0.020
2022	1,327,870,268	3.128	0.509	2.056	0.563	(3)
2021	1,209,192,397	3.273	0.519	2.196	0.558	(3)
2020	1,189,011,386	3.298	0.536	2.175	0.557	0.030

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

<u>Year</u>	<u>Real Property</u>		<u>Percentage</u>	
	<u>Assessed Valuation</u>	<u>of True Value</u>	<u>True Value</u>	<u>True Value per Capita (5)</u>
2024	\$ 1,325,560,025	65.84%	\$ 2,013,305,020	\$ 170,749
2023	1,369,345,362	76.44%	1,791,398,956	151,929
2022	1,324,759,767	75.46%	1,755,578,806	148,891
2021	1,205,997,627	79.46%	1,517,741,791	128,720
2020	1,185,928,458	81.10%	1,462,303,894	124,019

### REAL PROPERTY CLASSIFICATION (1)

<u>Assessed Value of Land and Improvements</u>		<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Farmland</u>
<u>Year</u>	<u>Assessed Value</u>						
2024	\$ 1,325,560,025	\$ 54,172,300	\$ 859,128,948	\$ 301,585,500	\$ 66,486,877	\$ 42,482,400	\$ 1,704,000
2023	1,369,345,362	26,437,700	858,937,748	355,973,925	77,674,389	48,649,300	1,672,300
2022	1,324,759,767	34,505,700	859,129,523	329,851,855	65,219,089	34,393,400	1,660,200
2021	1,205,997,627	33,495,410	857,742,973	228,196,855	50,171,389	34,707,800	1,683,200
2020	1,185,928,458	28,265,401	858,252,073	210,549,855	51,021,389	34,707,800	3,131,940

(1) Source: Township's Tax Assessor

(2) Per \$100 of assessed valuation; does not include fire district

(3) The authorization for the Municipal Open Space Tax expired in 2021 and in 2022 the Township obtained voter approval for a dedicated open space tax of \$.02 per \$100 of assessed valuation beginning in 2023.

(4) Source: Township Tax Collector

(5) Based upon the 2020 Federal Census of 11,791

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

The following table summarizes the direct debt of the Township as of December 31, 2024, 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 and debt of the Regional School District. Deductions from gross debt to arrive at net debt include deductible regional school district debt as well as reserves for payment of debt and accounts receivable. The resulting net debt of \$52,652,813 represents 2.621% of the average of equalized valuations for the Township for the last three years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued		Debt Auth. But Not Issued	Gross Debt	Deductions			Net Debt
	Bonds	Notes			School District	Reserve for Payment of Debt Service	Accounts Receivable	
General	\$ 25,355,000	\$5,000,000	\$26,395,000	\$ 56,750,000		\$ 992,411	\$ 3,104,776	\$ 52,652,813
School District	14,154,042			14,154,042	\$ 14,154,042			
	<u>\$ 39,509,042</u>	<u>\$5,000,000</u>	<u>\$26,395,000</u>	<u>\$ 70,904,042</u>	<u>\$ 14,154,042</u>	<u>\$ 992,411</u>	<u>\$ 3,104,776</u>	<u>\$ 52,652,813</u>

(1) As of December 31, 2024

## DEBT RATIOS AND VALUATIONS (1)

Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024	\$	2,009,227,587
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024		2.62%
2024 Net Valuation Taxable	\$	1,325,560,177
2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$	2,013,305,172
Gross Debt (2)		
As a Percentage of 2024 Net Valuation Taxable		5.35%
As a Percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		3.52%
Net Debt (2)		
As a Percentage of 2024 Net Valuation Taxable		3.97%
As a Percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		2.62%
Gross Debt per Capita (3)	\$	6,013
Net Debt per Capita (3)	\$	4,466

## TOWNSHIP BORROWING CAPACITY(1)

3.5% of Average (2022-24) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$2,009,227,587)	\$	70,322,966
Net Debt		<u>(52,652,813)</u>
Remaining Borrowing Capacity	\$	<u>17,670,153</u>

(1) As of December 31, 2024

(2) Excluding overlapping debt

(3) Based on 2020 Federal Census of 11,791

# REGIONAL SCHOOL DISTRICT BORROWING CAPACITY(1)

4% of Average (2022-2024) Equalized Valuation of Real Property	
including improvements (\$2,555,178,062)	\$ 102,207,122
Gross Debt (2)	<u>(18,000,000)</u>
Remaining Borrowing Capacity	<u>\$ 84,207,122</u>

## TOWNSHIP OF BORDENTOWN OVERLAPPING DEBT AS OF DECEMBER 31, 2023

	DEBT ISSUED				Debt Auth. but not Issued
	Debt Outstanding	Deductions	Net Debt Outstanding	Net Debt Outstanding Allocated to the Issuer	
County of Burlington:					
General					
Bonds	\$ 141,501,000	\$ 16,660,424 (3)	\$ 124,840,576	\$ 3,873,004 (4)	
Notes				(4)	\$ 60,817,107
Loans	4,318,670		4,318,670	133,981 (4)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	345,534,700	345,534,700 (5)			
Solid Waste Utility	23,825,000	23,825,000			34,885,015
	<u>\$ 515,179,370</u>	<u>\$ 386,020,124</u>	<u>\$ 129,159,246</u>	<u>\$ 4,006,984</u>	<u>\$ 95,702,122</u>

(1) As of December 31, 2024

(2) Debt portion allocated to the Township is \$14,154,042

(3) Includes cash on hand, accounts receivable and County College Bonds paid with State Aid.

(4) Such debt is allocated as a proportion of the Issuer's share of the total 2023 Net Valuations on which County taxes are apportioned, which is 3.10%.

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

**TOWNSHIP OF BORDENTOWN  
SCHEDULE OF DEBT SERVICE(1)**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,855,000	\$ 632,163	\$ 2,487,163
2026	1,870,000	584,663	2,454,663
2027	1,890,000	536,713	2,426,713
2028	1,570,000	495,138	2,065,138
2029	1,610,000	457,303	2,067,303
2030	1,640,000	417,756	2,057,756
2031	1,680,000	375,613	2,055,613
2032	1,720,000	331,406	2,051,406
2033	1,760,000	286,031	2,046,031
2034	1,335,000	239,706	1,574,706
2035	1,050,000	211,031	1,261,031
2036	1,090,000	185,731	1,275,731
2037	1,140,000	159,156	1,299,156
2038	1,160,000	131,231	1,291,231
2039	1,190,000	102,531	1,292,531
2040	1,225,000	71,725	1,296,725
2041	1,255,000	39,625	1,294,625
2042	315,000	6,300	321,300
	<u>\$ 25,355,000</u>	<u>\$ 5,263,822</u>	<u>\$ 30,618,822</u>

(1) As of December 31, 2024



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

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<b>CURRENT FUND</b>	
Anticipated Revenues:	
Fund Balance	\$ 3,102,356
Miscellaneous Revenues:	
Local Revenues	522,514
State Aid without Offsetting Appropriations	998,354
Dedicated Uniform Construction Code Fees Offset with Appropriations	800,000
Director of Local Government Services--Shared Service Agreements	530,884
Public and Private Programs Offset with Appropriations	1,136,374
Other Special Items of Revenue	2,835,096
Receipts from Delinquent Taxes	346,500
Amount to be Raised by Taxation for Municipal Purposes	<u>8,257,877</u>
 Total Anticipated Revenues	 <u><u>\$ 18,529,956</u></u>
 Appropriations:	
Within CAPS:	
Operations	\$ 10,507,542
Deferred Charges and Statutory Expenditures	1,686,584
Excluded from CAPS:	
Other Operations	69,787
Shared Service Agreements	530,884
Public and Private Programs	1,136,375
Capital Improvements	200,000
Debt Service	2,545,000
Deferred Charges	20,000
Reserve for Uncollected Taxes	<u>1,833,785</u>
 Total Appropriations	 <u><u>\$ 18,529,956</u></u>

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(1) Adopted

**TOWNSHIP OF BORDENTOWN**  
**CAPITAL BUDGET**  
**PROJECTS SCHEDULED FOR THE YEARS 2024 - 2029 (1)**

	<b>Estimated</b>	<b>Capital</b>	<b>Bonds and</b>
	<b>Total Cost</b>	<b>Improvement</b>	<b>Notes</b>
		<b>Fund</b>	<b>General</b>
Road Maintenance	\$ 3,250,000	\$ 162,500	\$ 3,087,500
Public Works Equipment / Building Improvements	350,000	17,500	332,500
Public Works Vehicles / Equipment	375,000	18,750	356,250
Municipal Complex Improvements	8,125,000	406,250	7,718,750
Police Vehicles / Equipment	520,000	26,000	494,000
OEM Equipment	170,000	8,500	161,500
Park Improvements	1,100,000	55,000	1,045,000
Purchase of Land / Building	1,325,000	66,250	1,258,750
Stormwater Improvements	610,000	30,500	579,500
Totals--All Projects	<u>\$ 15,825,000</u>	<u>\$ 791,250</u>	<u>\$ 15,033,750</u>

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(1) Adopted

**APPENDIX B**

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

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**FOR THE YEAR ENDED 2024**

**COMPILED FINANCIAL STATEMENTS**

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## **INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Bordentown  
Bordentown, NJ 08505

Management is responsible for the accompanying financial statements of the Township of Bordentown, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2024 and the related statements of operations and changes in fund balances--regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

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

Respectfully submitted,

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

/s/ Michael P. Cragin Jr.  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
March 7, 2025

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2024

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**ASSETS**

Regular Fund:

Cash - Treasurer	\$ 11,014,031.49
Cash - Change Fund	<u>950.00</u>
Total Regular Fund	<u>11,014,981.49</u>

Receivables and Other Assets with Full Reserves:

Delinquent Property Taxes Receivable	445,101.63
Tax Title Liens Receivable	253,226.64
Property Acquired for Taxes - Assessed Valuation	515,200.00
Due from Trust - Animal Control Fund	<u>7,499.15</u>
Total Receivable & Other Assets With Full Reserves	<u>1,221,027.42</u>

Deferred Charges:

Special Emergency Authorizations:	
Codification of Ordinances	<u>60,000.00</u>
Total Regular Fund	<u>12,296,008.91</u>

Federal and State Grant Fund:

Federal & State Grants Receivable	2,993,301.40
Due from Current Fund	<u>662,443.30</u>
Total Federal and State Grant Fund	<u>3,655,744.70</u>

Total Assets	<u><u>\$ 15,951,753.61</u></u>
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(Continued)

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2024

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**LIABILITIES, RESERVES  
AND FUND BALANCE**

Regular Fund:

Liabilities:

Appropriation Reserves	\$ 1,312,015.16
Encumbrances Payable	384,843.28
Due to State of New Jersey:	
Senior Citizens' and Veterans' Deductions	35,197.55
Training Fees for New Construction	8,573.00
Marriage License Fees	475.00
Prepaid Taxes	1,258,909.28
Accounts Payable	21,355.31
Payroll Deductions Payable	35,358.92
Due County for Added and Omitted Taxes	106,512.26
Reserve for:	
Tax Sale Premiums	28,700.00
Opioid Settlement	62,178.92
Codification of Ordinance	17,124.02
Tax Appeals	235,644.19
Due to:	
Federal & State Grant Fund	662,443.30
Trust - Open Space Fund	268,932.78
Trust - Other Fund	237,685.34

Total Liabilities	4,675,948.31
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Reserves for Receivables and Other Assets	1,221,027.42
Fund Balance	6,399,033.18

Total Regular Fund	12,296,008.91
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Federal and State Grant Fund:

Unappropriated Reserves	11,376.22
Encumbrances Payable	11,445.57
Appropriated Reserves	3,632,922.91

Total Federal and State Grant Fund	3,655,744.70
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Total Liabilities, Reserves & Fund Balance	\$ 15,951,753.61
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See Independent Accountant's Compilation Report and selected notes.

**TOWNSHIP OF BORDENTOWN****CURRENT FUND****Statement of Operations and Changes in Fund Balance - Regulatory Basis****For the Year Ended December 31, 2024****Revenue and Other Income Realized**

Fund Balance Utilized	\$ 3,102,355.66
Miscellaneous Revenues Anticipated	7,469,071.10
Receipts from Delinquent Taxes	347,859.37
Receipts from Current Taxes	49,069,336.17
Non-Budget Revenue	1,427,695.53
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	654,201.17
Liquidation of Reserves for:	
Due from Animal Control Fund	425.00
Total Income	<u>62,070,944.00</u>

**Expenditures**

Budget & Emergency Appropriations:	
Appropriations - Within "CAPS":	
Operations:	
Salaries and Wages	5,422,150.00
Other Expenses	5,065,392.00
Deferred Charges and Statutory Expenditures Municipal - Within "CAPS"	1,696,583.70
Operations - Excluded from "CAPS":	
Salaries and Wages	297,709.00
Other Expenses	1,482,285.94
Capital Improvements - Excluded from "CAPS"	200,000.00
Municipal Debt Service - Excluded from "CAPS"	2,541,410.55
Deferred Charges and Statutory Expenditures:	
Deferred Charges to Future Taxation	20,000.00
County Taxes Payable	7,275,150.77
Due County for Added and Omitted	106,512.26
Regional School District Taxes	28,791,296.00
Special District Taxes Payable:	
Fire District No 1 & 2	4,949,680.61
Municipal Open Space Taxes	265,039.12
Municipal Open Space Taxes for Added and Omitted	3,893.66
Total Expenditures	<u>58,117,103.61</u>
Excess in Revenue	<u>3,953,840.39</u>
Fund Balance January 1	<u>5,547,548.45</u>
Total	9,501,388.84
Decreased by:	
Utilized as Revenue	<u>3,102,355.66</u>
Fund Balance December 31	<u><u>\$ 6,399,033.18</u></u>

See Independent Accountant's Compilation Report and selected notes.



**TOWNSHIP OF BORDENTOWN**  
**TRUST FUND**  
Statement of Assets, Liabilities and Reserves - Regulatory Basis  
As of December 31, 2024

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ASSETS

Animal Control Fund:	
Cash--Treasurer	<u>\$ 20,379.11</u>
Open Space Trust Fund:	
Cash--Treasurer	607,916.25
Due from Current Fund	<u>268,932.78</u>
	<u>876,849.03</u>
Other Trust Funds:	
Cash--Treasurer	4,289,958.86
Due from Current Fund	<u>237,417.24</u>
	<u>4,527,376.10</u>
	<u><u>\$ 5,424,604.24</u></u>

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**TRUST FUND**  
Statement of Assets, Liabilities and Reserves - Regulatory Basis  
As of December 31, 2024

**LIABILITIES AND RESERVES**

Animal Control Fund:	
Reserve for Animal Control	\$ 12,708.48
Due to Current Fund	7,533.83
Due to State of NJ	136.80
	<u>20,379.11</u>
Open Space Trust Fund:	
Reserve - Municipal Open Space	<u>876,849.03</u>
Other Funds:	
Reserve - Builders Trust	1,434,946.71
Reserve - UC & TDI Fund	36,475.69
Reserve - Street Opening Fund	60,235.92
Reserve - Special Law Enforcement Fund	160,410.32
Reserve - Federal Forfeit Trust Fund	119.64
Reserve - First Aid Contributions	4,185.00
Reserve - Public Defender Fees	542.77
Reserve - POAA	1,658.00
Reserve - Affordable Housing	2,510,825.60
Reserve - Sign Donations	2,520.00
Reserve - READ Foundation	3,112.48
Reserve - Roadway Contrib Dunns/Rising	77,580.00
Reserve - Storm Recovery Trust Fund	78,709.31
Reserve - Community Map Donations	3,050.00
Reserve - Fourth of July Donations	44.32
Reserve - Civic Events Donations	11,084.66
Reserve - Veteran's Day Ceremony	1,234.22
Reserve - Veteran's Park Donations	359.39
Reserve - Developers Tree Planting Donations	94,855.00
Reserve - Dog Park Donations	359.26
Reserve - Accumulated Absences	11,000.00
Reserve - Recreation Donations	34,067.81
	<u>4,527,376.10</u>
	<u><u>\$ 5,424,604.24</u></u>

See Independent Accountant's Compilation Report and selected notes.

**TOWNSHIP OF BORDENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2024

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**ASSETS**

Cash	\$ 1,369,414.55
Cash - Certificate of Deposit	2,000,000.00
Deferred Charges to Future Taxation:	
Funded	25,355,000.00
Unfunded	31,395,000.00
Grants Receivable	<u>3,138,029.10</u>
 Total Assets	 <u><u>\$ 63,257,443.65</u></u>

**LIABILITIES, RESERVES  
AND FUND BALANCE**

Capital Improvement Fund	\$ 315,832.47
Bond Anticipation Notes	5,000,000.00
Due to Current Fund	6,434.67
Improvement Authorizations:	
Funded	4,192,573.00
Unfunded	6,387,862.91
Reserves for:	
Grants Receivable	192,805.00
Encumbrances	20,252,326.22
Payment of Debt Service	992,410.86
General Serial Bonds	25,355,000.00
Fund Balance	<u>562,198.52</u>
 Total Liabilities, Reserves and Fund Balance	 <u><u>\$ 63,257,443.65</u></u>

There were bonds and notes authorized but not issued on December 31, 2024 of \$26,395,000.00.

**TOWNSHIP OF BORDENTOWN**  
Selected Information - Substantially All Disclosures Required  
By the Regulatory Basis of Accounting Have Been Omitted  
For the Year Ended December 31, 2024

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

**Description of Financial Reporting Entity** - The Township of Bordentown ("Township"), in the County of Burlington, incorporated in 1852, is located in the center of New Jersey approximately seven miles from Trenton. The Township, located in Burlington County, New Jersey, has a total area of approximately ten square miles, and is located approximately thirty miles from the City of Philadelphia. The Township provides to its citizens the following services: public safety, sanitation, recreation, public improvements, planning and zoning and general administrative services. According to the 2020 census, the population is 11,791.

The Township is governed by an elected committee ("Committee") consisting of five members who serve three-year terms. The Mayor is the chief executive officer of the Township and is annually appointed by the Committee at the beginning of each year. The functions of the Committee, as the governing body, are legislative.

Administrative responsibilities are assigned to the Township Administrator. The Committee establishes policy. The Administrator is responsible for the day-to-day operations of the Township and implementing and administering policy.

**Component Units** - The financial statements of the component units of the Township are not presented in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statement, as amended had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Bordentown Sewerage Authority  
954 Farnsworth Ave  
Bordentown, NJ 08505

Annual financial reports may be inspected directly at the office of the component unit during regular business hours.

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

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.

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

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

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

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

**Budgets and Budgetary Accounting** - The Township must adopt an annual budget for its current and open space trust funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than August 10 for fiscal year 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.

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

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

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

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

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

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

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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.

**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 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.

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

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

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

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington, Bordentown Regional School District and Bordentown Fire Districts No. 1 and No. 2. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The municipality is responsible for levying, collecting and remitting school taxes for the Bordentown Regional 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, 2022, to June 30, 2023 for fiscal year municipality. The Township does not defer any school taxes.

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

**Fire District Taxes** - The municipality is responsible for levying, collecting, and remitting Fire District Taxes for Township of Bordentown Fire Districts No. 1 and No. 2. Operations is charged for the full amount required to be raised from taxation to operate the Fire Districts for the period from January 1 to December 31. In accordance with N.J.S.A. 40A:14-79, operations is charged for 56.25% of the full amount required to be raised by taxation for 2022 and 43.75% for 2023.

**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 June 30, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

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

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

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

**Long-Term Debt** - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. 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 and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.



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**FOR THE YEARS ENDED 2023, 2022, 2021, 2020 AND 2019**

**AUDITED FINANCIAL STATEMENTS**

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Bordentown  
Bordentown, New Jersey 08505

### **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 Bordentown in the County of Burlington, State of New Jersey, as of December 31, 2023, 2022, 2021, 2020 and 2019, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Bordentown in the County of Burlington, State of New Jersey, as of December 31, 2023, 2022, 2021, 2020 and 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Township of Bordentown, in the County of Burlington, State of New Jersey, as of December 31, 2023, 2022, 2021, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

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

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

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

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

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

Respectfully submitted,

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

/s/Michael P. Cragin Jr.  
 Certified Public Accountant  
 Registered Municipal Accountant

Voorhees New Jersey  
 June 19, 2024

**TOWNSHIP OF BORDENTOWN  
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>					
Regular Fund:					
Cash--Treasurer	\$ 6,983,156	\$ 7,386,188	\$ 10,078,182	\$ 8,209,746	\$ 7,628,635
Cash--Change Fund	950	950	950	950	950
Cash--Certificate of Deposit	2,000,000	2,000,000			
	<u>8,984,106</u>	<u>9,387,138</u>	<u>10,079,132</u>	<u>8,210,696</u>	<u>7,629,585</u>
Receivables and other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	346,609	488,326	694,569	695,558	548,458
Tax Title Liens Receivable	240,842	520,373	368,054	294,183	229,829
Property Acquired for Taxes-- Assessed Valuation	515,200	515,200	515,200	515,200	515,200
Revenue Accounts Receivable	128,046	141,637	100,948	64,473	51,984
Interfunds Receivable	7,924	10,982	18,086	18,928	144,894
	<u>1,238,621</u>	<u>1,676,518</u>	<u>1,696,857</u>	<u>1,588,342</u>	<u>1,490,365</u>
Deferred Charges:					
Emergency Authorizations	80,000	100,000	-	-	64,754
Total Regular Fund	<u>10,302,727</u>	<u>11,163,656</u>	<u>11,775,989</u>	<u>9,799,038</u>	<u>9,184,704</u>
Federal and State Grant Fund:					
Federal and State Grants Receivable	2,184,184	2,620,026	3,803,877	2,978,157	2,991,964
Interfunds Receivable	342,266	972,932	961,211	294,348	472,276
Total Federal and State Grant Fund	<u>2,526,450</u>	<u>3,592,958</u>	<u>4,765,088</u>	<u>3,272,505</u>	<u>3,464,240</u>
Total Assets	<u>\$ 12,829,177</u>	<u>\$ 14,756,614</u>	<u>\$ 16,541,077</u>	<u>\$ 13,071,543</u>	<u>\$ 12,648,944</u>

(Continued)

**TOWNSHIP OF BORDENTOWN  
CURRENT FUND**

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

	As of December 31				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
Regular Fund:					
Appropriation Reserves	\$ 957,619	\$ 819,265	\$ 684,036	\$ 361,434	\$ 493,966
Encumbrances Payable	229,310	151,063	223,805	97,915	110,995
Payroll Deductions Payable	24,068	25,576	22,688	30,493	40,630
Reserve for Special Funds	679,505	1,022,027	978,997	964,070	792,209
Prepaid Taxes	847,502	638,569	769,679	670,807	634,483
Due to County for Added or Omitted Taxes or PILOT	2,643	48,931	76,829	88,382	123,588
Interfunds Payable	706,232	1,250,471	1,190,701	655,629	768,194
Due State of New Jersey-- Senior Citizen's and Veteran's Deductions	36,198	34,823	35,198	36,698	36,198
Marriage License Fees	450		150	375	275
Training Fees for New Construction	33,031	6,258	5,285	17,130	15,857
	3,516,558	3,996,983	3,987,368	2,922,933	3,016,395
Reserve for Receivables and Other Assets	1,238,621	1,676,518	1,696,857	1,588,342	1,490,365
Fund Balance	5,547,548	5,490,155	6,091,764	5,287,763	4,677,944
Total Regular Fund	10,302,727	11,163,656	11,775,989	9,799,038	9,184,704
Federal and State Grant Fund:					
Unappropriated Reserves	2,772	631,221	638,888		2,387,488
Due to General Capital					220,495
Appropriated Reserves	2,520,018	2,961,254	4,126,161	3,272,505	854,482
Encumbrances Payable	3,660	483	39		1,775
Total Federal and State Grant Fund	2,526,450	3,592,958	4,765,088	3,272,505	3,464,240
Total Liabilities, Reserves and Fund Balance	\$ 12,829,177	\$ 14,756,614	\$ 16,541,077	\$ 13,071,543	\$ 12,648,944

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

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statements of Operations and  
Changes in Fund Balance--Regulatory Basis

	For the Years Ended December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Revenue and Other Income Realized:</b>					
Fund Balance Utilized	\$ 2,850,000	\$ 2,788,000	\$ 875,000	\$ 2,158,060	\$ 2,185,000
Miscellaneous Revenues Anticipated	6,118,986	5,893,821	7,205,583	8,899,478	6,964,304
Receipts from Current Taxes	44,785,996	44,776,993	42,919,490	42,308,120	41,246,144
Receipts from Delinquent Taxes	946,577	380,380	524,778	504,745	1,480,100
Non-Budget Revenue	1,654,590	860,212	604,900	400,381	256,171
Other Credits to Income	628,574	486,554	351,273	526,263	370,715
Total Income	56,984,723	55,185,960	52,481,024	54,797,047	52,502,434
<b>Expenditures:</b>					
Operating	10,563,495	10,196,608	10,412,599	11,333,328	9,076,071
Deferred Charges and Statutory Expenditures	1,520,796	1,452,000	1,458,648	1,264,717	1,184,977
Capital Improvements	500,000	850,000	500,000	300,000	114,754
Debt Service	2,537,455	2,516,226	1,942,528	3,065,480	3,083,399
Emergency Authorization				64,754	
Deferred Charges to Future Taxation	20,000	850		79,654	
County Taxes	6,360,761	6,802,560	6,336,405	6,432,484	5,888,758
Regional School District Taxes	27,739,578	27,296,958	26,557,847	25,872,046	25,188,850
Special District Taxes	4,549,930	3,973,821	3,590,042	3,595,277	3,568,842
Creation of Reserve for:					
Due from Trust - Animal Control				18,928	144,894
Due from Animal Control				2,250	
Other Expenditures	285,315	10,546	3,954	250	360,296
Total Expenditures	54,077,330	53,099,569	50,802,023	52,029,168	48,610,841
Excess in Revenue	2,907,393	2,086,391	1,679,001	2,767,879	3,891,593
Adjustments to Income Before Fund Balance:					
Expenditures Included Above Which by Statute are Deferred to Following Year	-	100,000	-	-	64,754
Statutory Excess to Fund Balance	2,907,393	2,086,391	1,679,001	2,767,879	3,956,347
Fund Balance, January 1	5,490,155	6,091,764	5,287,763	4,677,944	2,906,597
	8,397,548	8,278,155	6,966,764	7,445,823	6,862,944
Decreased by:					
Utilized as Revenue	2,850,000	2,788,000	875,000	2,158,060	2,185,000
Fund Balance December 31	\$ 5,547,548	\$ 5,490,155	\$ 6,091,764	\$ 5,287,763	\$ 4,677,944

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

**TOWNSHIP OF BORDENTOWN**  
**TRUST AND OTHER FUNDS**  
Statements of Assets, Liabilities and Reserves--Regulatory Basis

	As of December 31				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>					
Animal Control Fund:					
Cash - Treasurer	\$ 7,795	\$ 15,852	\$ 17,817	\$ 26,943	\$ 2,774
Accounts Receivable	12,868	8,840	13,090	3,295	4,595
Interfunds Receivable					906
	<u>20,663</u>	<u>24,692</u>	<u>30,907</u>	<u>30,238</u>	<u>8,275</u>
Open Space Trust Fund:					
Cash - Treasurer	617,861	340,904	318,150	321,695	430,427
Interfunds Receivable			22,285	11,499	
	<u>617,861</u>	<u>340,904</u>	<u>340,435</u>	<u>333,194</u>	<u>430,427</u>
Other Trust Funds:					
Cash - Treasurer	4,261,401	4,941,658	4,958,235	4,246,386	4,090,622
Accounts Receivable	1,660	3,285		277,871	42,168
Interfunds Receivable	363,966	277,539	207,204		152,107
	<u>4,627,027</u>	<u>5,222,482</u>	<u>5,165,439</u>	<u>4,524,257</u>	<u>4,284,897</u>
	<u>\$ 5,265,551</u>	<u>\$ 5,588,078</u>	<u>\$ 5,536,781</u>	<u>\$ 4,887,689</u>	<u>\$ 4,723,599</u>
<b>LIABILITIES AND RESERVES</b>					
Animal Control Fund:					
Interfund Payable	\$ 7,924	\$ 10,982	\$ 18,086	\$ 18,928	\$ 142
Accounts Payable	137	164	137	137	
Reserve for Animal Control	12,602	13,546	12,684	11,173	8,133
	<u>20,663</u>	<u>24,692</u>	<u>30,907</u>	<u>30,238</u>	<u>8,275</u>
Open Space Trust Fund:					
Encumbrances Payable			500	500	389
Interfund Payable					144,894
Reserve - Municipal Open Space	617,861	340,904	339,935	332,694	285,144
	<u>617,861</u>	<u>340,904</u>	<u>340,435</u>	<u>333,194</u>	<u>430,427</u>
Other Trust Funds:					
Accounts Payable	10,317	5,162	7,939	2,460	2,591
Prepaid Off Duty Police Employment					6,570
Encumbrances Payable	2,310	34,011	14,871	43,954	53,786
Reserve for Special Funds	4,614,400	5,183,309	5,142,629	4,477,843	4,221,949
	<u>4,627,027</u>	<u>5,222,482</u>	<u>5,165,439</u>	<u>4,524,257</u>	<u>4,284,897</u>
	<u>\$ 5,265,551</u>	<u>\$ 5,588,078</u>	<u>\$ 5,536,781</u>	<u>\$ 4,887,689</u>	<u>\$ 4,723,599</u>

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

**TOWNSHIP OF BORDENTOWN  
TRUST - OPEN SPACE FUND**

Statements of Operations and Changes in Reserve for Future Use--Regulatory Basis

	For the Years Ended December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Revenue Realized:</b>					
Amount to be Raised by Taxation	\$ 276,849			\$ 361,952	\$ 356,464
Reserves Utilized				130,427	243,160
Cancellation of Prior Year Encumbrances				6,500	14,359
Miscellaneous Revenue	109	\$ 969	\$ 7,241	201	484
	109	969	7,241	499,080	614,467
<b>Expenditures:</b>					
Payment of Bond Principal				300,000	300,000
Reserve for Future Use				21,103	52,404
	-	-	-	321,103	352,404
Statutory Excess to Reserve for Future Use	276,957	969	7,241	177,977	262,063
Balance January 1	340,904	339,935	332,694	285,144	266,241
	617,861	340,904	339,935	463,121	528,304
Decreased by:					
Utilized as Revenue				130,427	243,160
Balance December 31	\$ 617,861	\$ 340,904	\$ 339,935	\$ 332,694	\$ 285,144

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



**TOWNSHIP OF BORDENTOWN  
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	\$ 4,860,958	\$ 7,579,323	\$ 11,051,574	\$ 8,705,250	\$ 9,052,221
Deferred Charges to Future Taxation:					
Funded	27,210,000	29,010,000	30,756,000	18,355,000	20,705,000
Unfunded	22,845,000	19,045,000	850	24,706,100	19,389,505
Due From Current Fund				98,451	142,905
Due From Federal and State Grant Fund					220,495
Grants Receivable	3,225,509	3,314,609	3,480,329	3,497,669	907,243
	<u>\$ 58,141,467</u>	<u>\$ 58,948,932</u>	<u>\$ 45,288,753</u>	<u>\$ 55,362,470</u>	<u>\$ 50,417,369</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
General Serial Bonds	\$ 27,210,000	\$ 29,010,000	\$ 30,756,000	\$ 18,355,000	\$ 20,705,000
Bond Anticipation Notes				8,903,250	4,438,250
Interfund Payable				26,540	
Improvement Authorizations:					
Funded	5,104,396	6,529,740	9,334,686	3,161,851	1,905,195
Unfunded	18,500,431	17,760,339	850	19,470,422	18,579,076
Reserve for:					
Grants Receivable	280,285	369,385	460,105	552,445	907,243
Encumbrances	3,813,644	2,026,299	1,734,810	2,041,805	1,524,863
Reserve to Payment of Debt Service	2,129,931	2,770,831	2,414,965	2,684,268	2,194,766
Capital Improvement Fund	565,832	265,833	370,832	67,082	162,915
Fund Balance	536,948	216,505	216,505	99,807	61
	<u>\$ 58,141,467</u>	<u>\$ 58,948,932</u>	<u>\$ 45,288,753</u>	<u>\$ 55,362,470</u>	<u>\$ 50,417,369</u>

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

**TOWNSHIP OF BORDENTOWN**  
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 Bordentown ("Township"), in the County of Burlington, incorporated in 1852, is located in the center of New Jersey approximately seven miles from Trenton. The Township, located in Burlington County, New Jersey, has a total area of approximately ten square miles, and is located approximately thirty miles from the City of Philadelphia. The Township provides to its citizens the following services: public safety, sanitation, recreation, public improvements, planning and zoning and general administrative services. According to the 2020 census, the population is 11,791.

The Township is governed by an elected committee ("Committee") consisting of five members who serve three-year terms. The Mayor is the chief executive officer of the Township and is annually appointed by the Committee at the beginning of each year. The functions of the Committee, as the governing body, are legislative.

Administrative responsibilities are assigned to the Township Administrator. The Committee establishes policy. The Administrator is responsible for the day-to-day operations of the Township and implementing and administering policy.

**Component Units** - The financial statements of the component units of the Township are not presented in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statement, as amended had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Bordentown Sewerage Authority  
954 Farnsworth Ave  
Bordentown, NJ 08505

Annual financial reports may be inspected directly at the office of the component unit during regular business hours.

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

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.

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

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

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

**Budgets and Budgetary Accounting** - The Township must adopt an annual budget for its current and open space trust funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than August 10 for fiscal year 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.

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

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

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

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

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

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

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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.

**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 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.

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

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

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

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington, Bordentown Regional School District and Bordentown Fire Districts No. 1 and No. 2. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The municipality is responsible for levying, collecting and remitting school taxes for the Bordentown Regional 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, 2022, to June 30, 2023 for fiscal year municipality. The Township does not defer any school taxes.

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

**Fire District Taxes** - The municipality is responsible for levying, collecting, and remitting Fire District Taxes for Township of Bordentown Fire Districts No. 1 and No. 2. Operations is charged for the full amount required to be raised from taxation to operate the Fire Districts for the period from January 1 to December 31. In accordance with N.J.S.A. 40A:14-79, operations is charged for 56.25% of the full amount required to be raised by taxation for 2022 and 43.75% for 2023.

**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 June 30, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

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

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

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

**Long-Term Debt** - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. 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 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.

**Note 2: CASH AND CASH EQUIVALENTS (CONT'D)**

As of December 31, 2023, the Township's bank balances of \$19,218,616.64 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 750,000.00
Insured by GUDPA	16,193,428.56
Uninsured and Uncollateralized	<u>2,275,188.08</u>
Total	<u>\$ 19,218,616.64</u>

**Note 3: PROPERTY TAXES**

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

**Comparative Schedule of Tax Rates**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Apportionment of Tax Rate:					
Municipal	\$0.583	\$0.563	\$0.558	\$0.557	\$0.557
Municipal Open Space	0.020			0.030	0.029
County	0.465	0.509	0.519	0.536	0.493
Regional School District	<u>2.026</u>	<u>2.056</u>	<u>2.196</u>	<u>2.175</u>	<u>2.147</u>
Total Tax Rate (1)	<u>\$3.094</u>	<u>\$3.128</u>	<u>\$3.273</u>	<u>\$3.298</u>	<u>\$3.226</u>
Special District Rates:					
Fire District No. 1	\$0.403	\$0.364	\$0.300	\$0.288	\$0.277
Fire District No. 2	0.275	0.273	0.296	0.266	0.273

(1) Excludes Special District Rates

**Assessed Valuation**

<u>Year</u>	<u>Assessed Valuation</u>
2023	\$ 1,369,345,514.00
2022	1,327,870,268.00
2021	1,209,192,397.00
2020	1,189,011,386.00
2019	1,173,483,390.00

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

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

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy (Net of Appeals)</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2023	\$ 46,509,453.17	\$ 44,699,233.78	96.11%
2022	45,827,569.52	44,776,992.99	97.71%
2021	43,719,713.23	42,919,490.09	98.17%
2020	43,038,365.52	42,308,119.97	98.30%
2019	41,847,393.79	41,246,144.06	98.56%

**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	\$ 240,841.44	\$ 346,609.37	\$ 587,450.81	1.26%
2022	520,373.25	488,325.61	1,008,698.86	2.20%
2021	368,054.10	694,569.00	1,062,623.10	2.43%
2020	294,183.03	695,557.78	989,740.81	2.30%
2019	229,828.66	548,458.45	778,287.11	1.86%

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 of Tax Title Liens Receivable</u>
2023	8
2022	10
2021	10
2020	11
2019	13



**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	\$ 515,200.00
2022	515,200.00
2021	515,200.00
2020	515,200.00
2019	515,200.00

**Note 5: FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available in the Current Fund at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2023	\$ 5,547,548.45	\$ 3,102,355.66	55.92%
2022	5,490,154.63	2,850,000.00	51.91%
2021	5,884,811.01	2,788,000.00	47.38%
2020	5,287,763.33	875,000.00	16.55%
2019	4,677,943.81	2,158,060.00	46.13%

**Note 6: INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 7,924.15	\$ 706,232.06
Federal and State Grant Fund	342,266.47	
Trust-Animal Control		7,924.15
Trust-Other Funds	363,965.59	
	<u>\$ 714,156.21</u>	<u>\$ 714,156.21</u>

The interfund receivables and payables above predominately resulted from cash received and payments made by certain funds on behalf of other funds. During 2024, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 7: PENSION PLANS**

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

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

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

**General Information about the Pension Plans****Plan Descriptions**

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

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

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007, under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010, who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

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

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

The following represents the membership tiers for PERS:

**Tier Definition**

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

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

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

The following represents the membership tiers for PFRS:

**Tier Definition**

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

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

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

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

**Contributions**

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

*Special Funding Situation Component* - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation decreased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Township's contractually required contribution rate for the year ended December 31, 2022 was 14.59% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the Township's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$297,196.00, and was paid by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the Township's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$277,523.00, which was paid by April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$157,168.25.

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

**Public Employees' Retirement System (Cont'd)** - The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, under Chapter 133, P.L. 2001, for the year ended December 31, 2022 was 0.37% of the Township's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Township, to the pension plan for the year ended December 31, 2022 was \$7,483.00, and was paid by April 1, 2023.

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

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

The Township's contractually required contribution rate for the year ended December 31, 2022 was 34.07% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2022, the Township's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$810,641.00, and was paid by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the Township's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$735,726.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$244,307.30.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2022 was 6.64% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2022 was \$158,077.00, and is payable by April 1, 2023. For the prior year measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2021 was \$112,731.00, which was paid on April 1, 2022.

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

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2023, employee contributions totaled \$7,928.72, and the Township's contributions were \$5,838.54. There were no forfeitures during the year.

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

**Pension Liability** - As of December 31, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Township's proportionate share of the PERS net pension liability was \$3,556,642.00. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the Township's proportion was 0.0235673816%, which was a decrease of .0001299248% from its proportion measured as of June 30, 2021.

**Pension (Benefit) Expense** - For the year ended December 31, 2022, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was \$(174,432.00). This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the Township's contribution to PERS was \$277,523.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PERS pension (benefit) expense, associated with the Township, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2022 measurement date, was \$7,483.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

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

Proportionate Share of Net Pension Liability	\$ 7,134,568.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	1,269,744.00
	<u>\$ 8,404,312.00</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2022 measurement date, the Township's proportion was .0623304700%, which was a decrease of .0007968168% from its proportion measured as of June 30, 2021. Likewise, at June 30, 2022, the State of New Jersey's proportion, on-behalf of the Township, was .0623304700%, which was a decrease of .0007968168% from its proportion, on-behalf of the Township, measured as of June 30, 2021.

**Pension (Benefit) Expense** - For the year ended December 31, 2022, the Township's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date, was \$58,655.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the Township's contribution to PFRS was \$735,726.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2022 measurement date, was \$158,077.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 25,670.00	\$ 322,930.00	\$ 348,600.00	\$ 22,637.00	\$ 437,089.00	\$ 459,726.00
Changes of Assumptions	11,020.00	19,553.00	30,573.00	532,570.00	898,101.00	1,430,671.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	147,206.00	653,317.00	800,523.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	281,915.00	757,164.00	1,039,079.00	81,090.00	885,712.00	966,802.00
Contributions Subsequent to the Measurement Date	148,598.00	405,321.00	553,919.00	-	-	-
	<u>\$ 614,409.00</u>	<u>\$ 2,158,285.00</u>	<u>\$ 2,772,694.00</u>	<u>\$ 636,297.00</u>	<u>\$ 2,220,902.00</u>	<u>\$ 2,857,199.00</u>

Deferred outflows of resources in the amounts of \$148,598.00 and \$405,321.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2023. These amounts were based on an estimated April 1, 2024 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2022 to the Township's year-end of December 31, 2022.

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

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



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

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

<b>Year Ending Dec 31,</b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2023	\$ (204,323.00)	\$ (309,095.00)	\$ (513,418.00)
2024	(89,804.00)	(87,440.00)	(177,244.00)
2025	(41,258.00)	(304,041.00)	(345,299.00)
2026	165,458.00	272,479.00	437,937.00
2027	(559.00)	(40,663.00)	(41,222.00)
Thereafter	-	822.00	822.00
	<u>\$ (170,486.00)</u>	<u>\$ (467,938.00)</u>	<u>\$ (638,424.00)</u>

**Actuarial Assumptions**

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

	<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 7: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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

**Police and Firemen's Retirement System**

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

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2022 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

**Note 7: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Discount Rate -**

**Public Employees' Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

**Police and Firemen's Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the Township's proportionate share of the net pension liability as of the June 30, 2022 measurement date, calculated using a discount rate of 7.00%, as well as what the Township's proportionate share of the net pension liability would be if it was 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>\$ 4,569,244.00</u>	<u>\$ 3,556,642.00</u>	<u>\$ 2,694,878.00</u>

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

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of the June 30, 2022 measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Proportionate Share of the Net Pension Liability	\$ 9,789,397.00	\$ 7,134,568.00	\$ 4,924,409.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>1,742,226.00</u>	<u>1,269,744.00</u>	<u>876,400.00</u>
	<u>\$ 11,531,623.00</u>	<u>\$ 8,404,312.00</u>	<u>\$ 5,800,809.00</u>

**Pension Plan Fiduciary Net Position**

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

**Note 7: PENSION PLANS (CONT'D)****Supplementary Pension Information**

In accordance with GASB Statement No. 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)***

	<b>Measurement Date Ended June 30,</b>				
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Proportion of the Net Pension Liability	0.0235673816%	0.0236973064%	0.0227939211%	0.0226450878%	0.0198378987%
Proportionate Share of the Net Pension Liability	\$ 3,556,642.00	\$ 2,807,301.00	\$ 3,717,092.00	\$ 4,080,301.00	\$ 3,905,983.00
Covered Payroll (Plan Measurement Period)	\$ 1,636,768.00	\$ 1,713,296.00	\$ 1,605,784.00	\$ 1,588,168.00	\$ 1,353,592.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	217.30%	163.85%	231.48%	256.92%	288.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	<b>Measurement Date Ended June 30,</b>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Proportion of the Net Pension Liability	0.0222659233%	0.0213569395%	0.0204036886%	0.0179287412%	0.0180858254%
Proportionate Share of the Net Pension Liability	\$ 5,183,151.00	\$ 6,325,313.00	\$ 4,580,219.00	\$ 3,356,502.00	\$ 3,456,561.00
Covered Payroll (Plan Measurement Period)	\$ 1,524,500.00	\$ 1,431,748.00	\$ 1,234,980.00	\$ 1,170,896.00	\$ 1,213,268.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	339.99%	441.79%	370.87%	286.66%	284.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

***Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)***

	<b>Year Ended December 31,</b>				
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Contractually Required Contribution	\$ 297,196.00	\$ 277,523.00	\$ 249,354.00	\$ 220,270.00	\$ 197,323.00
Contribution in Relation to the Contractually Required Contribution	(297,196.00)	(277,523.00)	(249,354.00)	(220,270.00)	(197,323.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 2,036,693.00	\$ 1,774,742.00	\$ 1,727,103.00	\$ 1,634,155.00	\$ 1,581,027.00
Contributions as a Percentage of Covered Payroll	14.59%	15.64%	14.44%	13.48%	12.48%
	<b>Year Ended December 31,</b>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Contractually Required Contribution	\$ 206,270.00	\$ 189,732.00	\$ 175,417.00	\$ 147,791.00	\$ 136,273.00
Contribution in Relation to the Contractually Required Contribution	(206,270.00)	(189,732.00)	(175,417.00)	(147,791.00)	(136,273.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 1,433,721.00	\$ 1,495,628.00	\$ 1,411,198.00	\$ 1,283,427.00	\$ 1,189,360.00
Contributions as a Percentage of Covered Payroll	14.39%	12.69%	12.43%	11.52%	11.46%

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

	<b>Measurement Date Ended June 30,</b>				
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Proportion of the Net Pension Liability	0.0623304700%	0.0631272868%	0.0696575638%	0.0657649769%	0.0569478360%
Proportionate Share of the Net Pension Liability	\$ 7,134,568.00	\$ 4,614,069.00	\$ 9,000,676.00	\$ 8,048,199.00	\$ 7,705,981.00
State's Proportionate Share of the Net Pension Liability	1,269,744.00	1,297,706.00	1,396,864.00	1,270,826.00	1,046,730.00
Total	<u>\$ 8,404,312.00</u>	<u>\$ 5,911,775.00</u>	<u>\$ 10,397,540.00</u>	<u>\$ 9,319,025.00</u>	<u>\$ 8,752,711.00</u>
Covered Payroll (Plan Measurement Period)	\$ 2,221,176.00	\$ 2,212,932.00	\$ 2,403,524.00	\$ 2,215,648.00	\$ 1,889,272.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	321.21%	208.50%	374.48%	363.24%	407.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.33%	77.26%	63.52%	65.00%	62.48%
	<b>Measurement Date Ended June 30,</b>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Proportion of the Net Pension Liability	0.0625128205%	0.0563235786%	0.0566224423%	0.0512673947%	0.0508483163%
Proportionate Share of the Net Pension Liability	\$ 9,650,771.00	\$ 10,759,244.00	\$ 9,431,325.00	\$ 6,448,963.00	\$ 6,759,825.00
State's Proportionate Share of the Net Pension Liability	1,080,968.00	903,510.00	827,096.00	694,445.00	630,098.00
Total	<u>\$ 10,731,739.00</u>	<u>\$ 11,662,754.00</u>	<u>\$ 10,258,421.00</u>	<u>\$ 7,143,408.00</u>	<u>\$ 7,389,923.00</u>
Covered Payroll (Plan Measurement Period)	\$ 2,023,520.00	\$ 1,800,240.00	\$ 1,793,128.00	\$ 1,685,872.00	\$ 1,551,388.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	476.93%	597.66%	525.97%	382.53%	435.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%	62.41%	58.70%

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

	<b>Year Ended December 31,</b>				
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Contractually Required Contribution	\$ 810,641.00	\$ 735,726.00	\$ 778,194.00	\$ 664,299.00	\$ 556,749.00
Contribution in Relation to the Contractually Required Contribution	(810,641.00)	(735,726.00)	(778,194.00)	(664,299.00)	(556,749.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 2,379,374.00	\$ 2,284,674.00	\$ 2,249,759.00	\$ 2,403,877.00	\$ 2,201,025.00
Contributions as a Percentage of Covered Payroll	34.07%	32.20%	34.59%	27.63%	25.29%
	<b>Year Ended December 31,</b>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Contractually Required Contribution	\$ 553,250.00	\$ 459,229.00	\$ 460,256.00	\$ 393,769.00	\$ 370,978.00
Contribution in Relation to the Contractually Required Contribution	(553,250.00)	(459,229.00)	(460,256.00)	(393,769.00)	(370,978.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 1,936,569.00	\$ 2,024,689.00	\$ 1,854,013.00	\$ 1,843,205.00	\$ 1,684,852.00
Contributions as a Percentage of Covered Payroll	28.57%	22.68%	24.82%	21.36%	22.02%

**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

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

**Changes in Assumptions**

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

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

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

**Note 7: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information*****Police and Firemen's Retirement System (PFRS)*****Changes in Benefit Terms**

None.

**Changes in Assumptions**

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

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

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

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

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

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



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

**Plan Description and Benefits Provided (Cont'd)** - 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 the age of 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.

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

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

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

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

**Special Funding Situation Component (Cont'd)** - The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township, is not known; however, under the special funding situation, the State's OPEB benefit, on-behalf of the Township, is (\$1,413,731.00) for the year ended December 31, 2022, representing 59.42% of the Township's covered payroll.

**OPEB Liability**

**OPEB Liability** - At December 31, 2022, the State's proportionate share of the net OPEB liability associated with the Township was \$8,619,206.00. 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 State's proportion of the net OPEB liability, associated with the Township, was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the State's proportion on-behalf of the Township was .255474%, which was an increase of .016053% from its proportion measured as of the June 30, 2021 measurement date, as adjusted.

**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:

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

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

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

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

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

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

**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.

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 Drug Trend</u>
	<u>Pre-65</u>	<u>PPO Post-65</u>	<u>HMO Post-65</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%

**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:

	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>\$ 9,991,395.00</u>	<u>\$ 8,619,206.00</u>	<u>\$ 7,515,152.00</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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>\$ 7,311,932.00</u>	<u>\$ 8,619,206.00</u>	<u>\$ 10,293,456.00</u>

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Plan Fiduciary Net Position**

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

**Supplementary OPEB Information**

In accordance with GASB Statement 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 State's Proportionate Share of the Net OPEB Liability Associated with the Township (Last Six Plan Years)**

	<b>Measurement Date Ended June 30,</b>		
	<b><u>2022</u></b>	<b><u>2021 (a)</u></b>	<b><u>2020</u></b>
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>8,619,206.00</u>	<u>9,244,902.00</u>	<u>8,993,682.00</u>
Total	<u>\$ 8,619,206.00</u>	<u>\$ 9,244,902.00</u>	<u>\$ 8,993,682.00</u>
Covered Payroll (Plan Measurement Period)	\$ 2,338,281.00	\$ 2,226,571.00	\$ 2,349,223.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	368.61%	415.21%	382.84%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.36%	0.28%	0.91%

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Supplementary OPEB Information (Cont'd)****Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the Township (Last Six Plan Years) (Cont'd)**

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>7,784,798.00</u>	<u>8,965,646.00</u>	<u>11,558,465.00</u>
Total	<u>\$ 7,784,798.00</u>	<u>\$ 8,965,646.00</u>	<u>\$ 11,558,465.00</u>
Covered Payroll (Plan Measurement Period)	\$ 2,320,564.00	\$ 2,049,232.00	\$ 1,989,988.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	335.47%	437.51%	580.83%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

**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.

**Note 9: COMPENSATED ABSENCES**

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated.

The Township compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated. There is a maximum pay-out of fifty days' pay and is paid at the rate of pay upon termination or retirement up to \$15,000.00 for Police Officers and \$7,500.00 for all other employees.

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 \$467,649.05.

**Note 10: DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

**Note 11: CAPITAL DEBT****General Obligation Bonds**

General Obligation Refunding Bonds, Series 2014 - On April 17, 2014, the Township issued \$8,181,000.00 in general obligation bonds, with interest rates ranging from 2.00% to 4.00%. The bonds were issued for the purpose of financing the cost of various capital improvements. The final maturity of the bonds is March 1, 2042.

General Obligation Bonds, Series 2016 - On June 1, 2016, the Township issued \$6,010,000.00 in general obligation bonds, with interest rates ranging from 1.00% to 3.00%. The bonds were issued for the purpose of financing the cost of various capital improvements. The final maturity of the bonds is March 1, 2041.

General Obligation Bonds, Series 2018 - On August 1, 2018, the Township issued \$6,175,000.00 in general obligation bonds, with a 3.00% rate of interest. The bonds were issued for the purpose of financing the cost of various capital improvements. The final maturity of the bonds is August 1, 2033.

General Obligation Bonds, Series 2021 - On September 23, 2021, the Township issued \$13,661,000.00 in general obligation bonds, with interest ranging from 2.00% to 2.25%. The bonds were issued for the purpose of financing the cost of various capital improvements. The final maturity of the bonds is September 1, 2041.

**Note 11: CAPITAL DEBT (CONT'D)****Burlington County Bridge Commission – Guaranteed Pooled Loan Revenue Refunding Bonds**

On March 11, 2013, the Township entered into a guaranteed pooled loan agreement with the Burlington County Bridge Commission with interest rates ranging from 2.00% to 5.00%. The proceeds were used to advance refund a 2004 loan with the Burlington County Bridge Commission. The final maturity of the loan is December 1, 2024.

**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,855,000.00	\$ 687,912.52	\$ 2,542,912.52
2025	1,855,000.00	632,162.52	2,487,162.52
2026	1,870,000.00	584,662.52	2,454,662.52
2027	1,890,000.00	536,712.52	2,426,712.52
2028	1,570,000.00	495,137.52	2,065,137.52
2029-2033	8,410,000.00	1,868,109.43	10,278,109.43
2034-2038	5,775,000.00	926,856.30	6,701,856.30
2039-2042	3,985,000.00	220,181.26	4,205,181.26
	<u>\$ 27,210,000.00</u>	<u>\$ 5,951,734.59</u>	<u>\$ 33,161,734.59</u>

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

<b>Issued</b>	<b>Year 2023</b>	<b>Year 2022</b>	<b>Year 2021</b>
General:			
Bonds and Notes	\$ 27,210,000.00	\$ 29,010,000.00	\$ 30,756,000.00
<b>Authorized and Not Issued</b>			
General:			
Bonds and Notes	22,845,000.00	19,045,000.00	850.00
Total Issued and Authorized and Not Issued	50,055,000.00	48,055,000.00	30,756,850.00
<b>Deductions</b>			
Funds Temporarily Held			
to Pay Bonds and Notes	2,129,930.86	2,770,830.86	2,414,964.76
Accounts Receivable Applicable to the			
Payment of Gross Debt	2,383,138.90	2,911,238.90	4,192,105.00
Total Deductions	4,513,069.76	5,682,069.76	6,607,069.76
Net Debt	<u>\$ 45,541,930.24</u>	<u>\$ 42,372,930.24</u>	<u>\$ 24,149,780.24</u>

**Note 11: CAPITAL DEBT (CONT'D)****Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition, which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 2.525%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 15,967,715.27	\$ 15,967,715.27	
General	50,055,000.00	4,513,069.76	\$ 45,541,930.24
	<u>\$ 66,022,715.27</u>	<u>\$ 20,480,785.03</u>	<u>\$ 45,541,930.24</u>

Net Debt \$45,541,930.24 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,803,691,206.33 equals 2.525%.

3.5% of Equalized Valuation Basis (Municipal)	\$ 63,129,192.22
Net Debt	<u>45,541,930.24</u>
Remaining Borrowing Power	<u>\$ 17,587,261.98</u>

**Note 12: 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 Authorization	\$ 80,000.00	\$ 20,000.00

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



**Note 13: RISK MANAGEMENT**

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

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

The following is a summary of the activity and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Expenses Paid</u>	<u>Ending Balance</u>
2023	\$ 9,340.59	\$ 646.92	\$ 1,861.08	\$ 101,018.91
2022	9,066.37	7.77	11,067.72	92,892.48
2021	7,958.82		1,101.29	94,886.06

**Joint Insurance Pool** - The Township is a member of the Burlington County Municipal Joint Insurance Fund. The Township maintains the following funds and coverage:

Statewide Excess Liability Fund – Umbrella Liability Coverage  
Statewide Workers' Compensation Fund – Workers' Compensation Coverage

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

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

Burlington County Municipal Joint Insurance Fund  
6000 Sagemore Drive, Suite 6203  
Marlton, New Jersey 08053

**Note 14: 1986 SERVICE CONTRACT**

The Township entered into a service contract with the Bordentown Sewerage Authority and the City of Bordentown. Under the 1986 Service Contract, should certain items of expense exceed certain items of receipts during any fiscal year, then upon certification by the Authority to the City and Township not later than January 15, next succeeding the completion of such fiscal year of the amount of such excess, each municipality is obligated to pay to the Authority its proportionate share of such excess in an amount to be computed in accordance with the 1986 Service Contract.

At any time after five years from the date of the 1986 Service Contract, and after the payment in full of all obligations of the Authority, including all outstanding bonds, the 1986 Service Contract, upon two years notice to the Authority and to each of the municipalities, may be terminated by the Authority or either municipality.

**Note 15: OPEN SPACE PRESERVATION TRUST**

On November 2, 1999, 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 Bordentown Open Space 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 open space. On November 8, 2022, the voters of the Township re-authorized the open space tax through December 31, 2042. 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 Bordentown Open Space Preservation Trust Fund.

**Note 16: CONTINGENCIES**

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

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

**Note 17: CONCENTRATIONS**

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

**Note 18: SUBSEQUENT EVENTS**

**Tax Appeals** - As of December 31, 2023, several tax appeals were on file against the Township. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Township, the estimated impact of the tax refunds could be material. In the event payment is required to settle these appeals, the Township has a reserve for tax appeals of \$235,644.19.

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
<b>General Improvements</b>		
Various Capital Improvements	May 13, 2024	\$ 7,600,000.00

**APPENDIX C**

**FORM OF BOND COUNSEL OPINION**

# MalamutLaw

March \_\_, 2025

Mayor and Board of Township Commissions  
Township of Bordentown, in the  
County of Burlington, New Jersey

Re: Township of Bordentown, in the County of Burlington, New Jersey  
\$25,000,000 Bond Anticipation Notes, Series 2025

Ladies and Gentlemen:

We have acted as Bond Counsel to the Township of Bordentown, in the County of Burlington, New Jersey (the "City") in connection with Township's issuance of its \$25,000,000 Bond Anticipation Notes, Series 2025 (the "Notes"). The Notes are general obligations of the Township and the full faith, credit and taxing power of the Township are available to pay the principal of and the interest on the Notes. The Notes are dated March 28, 2025, mature on March 27, 2026, bear interest at a rate of 4.00% per annum payable at maturity, and are not subject to redemption prior to maturity.

The Notes are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962 and the acts amendatory thereof and supplemental thereto (the "Local Bond Law") and Bond Ordinances No. 2022-08, 2023-08, and 2024-11. The Notes are being issued to: (i) refund, on a current basis, a \$5,000,000 Bond Anticipation Notes maturing on April 1, 2025; (ii) temporarily finance the costs fo various capital improvements of the Township and (iii) pay the costs associated with the issuance of the Notes (the "Project").

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

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

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

**Cherry Hill | Hoboken | Philadelphia**

Main Office: 457 Haddonfield Road, Suite 500, Cherry Hill, NJ 08002

 866-4MALAMUT |  856 424 2032

[www.MalamutLaw.com](http://www.MalamutLaw.com)

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

3. Interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Township comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The Township has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Notes to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

Further, in our opinion, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

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

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

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

Very truly yours,

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Bordentown, in the County of Burlington, New Jersey (the "Issuer") in connection with the issuance by the Issuer of its \$25,000,000 Bond Anticipation Notes (the "2025 Notes"). The 2025 Notes are being issued pursuant to the Bond Ordinance set forth in the Official Statement dated \_\_\_\_\_, 2025 prepared in connection with the sale of the 2025 Notes (the "Ordinances"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the 2025 Notes and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2025 Notes (including persons holding 2025 Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2025 Notes for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any 2025 Note, including Beneficial Owners of the 2025 Notes.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Securities and Exchange Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt and taxable bonds, including the 2025 Notes, and other filers on behalf of such issuers shall upload continuing disclosure information to assist underwriters in complying with the Rule and to provide the general public with access to such continuing disclosure information.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii).

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

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

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

"Participating Underwriter" shall mean the original underwriter of the 2025 Notes required to comply with the Rule in connection with the offering of the 2025 Notes.

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

"State" shall mean the State of New Jersey.

### SECTION 3. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer will provide, in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events, to the MSRB through EMMA, notice of any of the following events with respect to the 2025 Notes (each, a “Listed Event”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Tax Exempt Bonds or other material events affecting the tax status of the 2025 Notes issued as tax-exempt, if applicable;
- (7) modifications to the rights of Bondholders, if material;
- (8) 2025 Note calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the 2025 Notes, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Township;



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

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

(c) If the Dissemination Agent has been instructed by the Township to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within five (5) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the Township.

SECTION 4. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2025 Notes. If such termination occurs prior to the final maturity of the 2025 Notes, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

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

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

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2025 Notes, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2025 Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the 2025 Notes.

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

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

SECTION 8. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the 2025 Notes may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default on the 2025 Notes, and the sole remedy under this Disclosure Certificate in the event

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

SECTION 9. Submission of Information to MSRB. Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

SECTION 10. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 11. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Township or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 12. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

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

SECTION 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Bondholders and Beneficial Owners from time to time of the 2025 Notes and shall create no rights in any other person or entity.

Dated March \_\_, 2025

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

By: \_\_\_\_\_  
Debra Latshaw-Adams, Chief Financial Officer

**EXHIBIT A**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

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

Name of Bond Issue: \$25,000,000 Bond Anticipation Notes

Date of Issuance: March \_\_, 2025

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Notes as required by Section 3(a) of the Continuing Disclosure Certificate dated March \_\_, 2025. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated:

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

By: \_\_\_\_\_  
Debra Latshaw-Adams  
Authorized Officer