

NEW ISSUE

Not Rated

In the opinion of Gibbons P.C., Bond Counsel to the Township (as defined herein), assuming continuing compliance by the Township with certain tax covenants described herein, under existing law, interest on the Notes (as defined herein) is excluded from the gross income of the owners of the Notes for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code. Under existing law, interest on the Notes and net gains from the sale of the Notes are exempt from the tax imposed by the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

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

**\$8,500,000 BOND ANTICIPATION NOTES, SERIES 2025
(BANK-QUALIFIED) (NON-CALLABLE) (BOOK-ENTRY ONLY)**

Dated: Date of Delivery

Maturity Date: October 1, 2026

Interest Rate: ____%

Yield: ____%

CUSIP No.: _____

The Township of West Deptford, in the County of Gloucester, New Jersey (the "Township") is offering \$8,500,000 aggregate principal amount of Bond Anticipation Notes, Series 2025 (the "Notes"). The Notes will be issued as fully registered Notes in the form of one certificate for the aggregate principal amount of the Notes and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository. The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants or 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 purchases of the Notes may be made in the principal amount of \$5,000 each or any integral multiple thereof through book-entries made on the books and the records of DTC and its participants. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes. See "DESCRIPTION OF THE NOTES – Book-Entry Only System" herein.

The Notes shall be dated and bear interest from their date of delivery, shall mature on the date shown above, and shall bear interest at the rate of interest set forth above, payable at maturity, calculated on the basis of a 360-day year of twelve 30-day calendar months. So long as DTC or its nominee is the registered owner of the Notes, principal of and interest on the Notes will be paid to DTC by the Township at maturity. Principal of and interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of September 24, 2026.

The Notes are not subject to redemption prior to maturity.

The Notes are being issued pursuant to the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended, and certain bond ordinances in order to provide funds to (i) finance certain previously unfunded capital improvements and (ii) pay certain costs incurred in connection with the authorization, sale and issuance of the Notes.

The Notes will constitute general obligations of the Township, the payment of the principal of and interest on which the full faith, credit and taxing power of the Township is available, and all the taxable property within the Township is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for such purposes.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Notes are offered when, as and if received by the Underwriter (as defined herein) and subject to prior sale, withdrawal or modification of the offer without notice, and to approval of legality by Gibbons P.C., Newark, New Jersey, Bond Counsel, and certain other conditions described herein. Acacia Financial Group, Inc., Mt. Laurel, New Jersey has served as municipal advisor in connection with the issuance of the Notes. It is expected that the Notes, in definitive form, will be available for delivery on or about October 2, 2025 through the facilities of DTC in New York, New York.

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

MAYOR

James P. Mehaffey

TOWNSHIP COMMITTEE

Adam Reid
Ashley Morrell
Jim Robinson
Megan Kerr

TOWNSHIP ADMINISTRATOR

Tyler Rost

TOWNSHIP CLERK

Lee Ann DeHart

CHIEF FINANCIAL OFFICER

Michael T. Kwasizur

TOWNSHIP ATTORNEY

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Woodbury, New Jersey

INDEPENDENT AUDITOR

Bowman & Company LLP
Woodbury and Voorhees, New Jersey

MUNICIPAL ADVISOR

Acacia Financial Group, Inc.
Mt. Laurel, New Jersey

BOND COUNSEL

Gibbons P.C.
Newark, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Township and other sources deemed reliable; however, no representation is made as to the accuracy or completeness of information from sources other than the Township.

Any statements contained in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. All estimates and assumptions herein have been made on the best information available and are believed to be reliable, but no representations whatsoever are made that such estimates or assumptions are correct or will be realized. This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or holders of any of the Notes. This Official Statement is submitted in connection with the sale of the Notes and may not be reproduced or used, in whole or in part, for any other purpose.

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

Gibbons P.C. has not verified the accuracy, completeness or fairness of the information contained herein, except under "TAX MATTERS", and, accordingly, assumes no responsibility therefor and will express no opinion with respect thereto.

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.

The term CUSIP referenced on the front cover page hereof is a registered trademark of American Bankers Association. The CUSIP number referenced on the front cover page hereof is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP number referenced on the front cover page hereof is being provided solely for the convenience of holders of the Notes only at the time of issuance of the Notes and the Township does not make any representation with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number referenced on the front cover page hereof is subject to being changed after the issuance of the Notes.

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. THE OFFERING OF THE NOTES IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

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OFFICIAL STATEMENT
Relating to
TOWNSHIP OF WEST DEPTFORD
IN THE COUNTY OF GLOUCESTER, NEW JERSEY
\$8,500,000 BOND ANTICIPATION NOTES, SERIES 2025
(BANK-QUALIFIED) (NON-CALLABLE) (BOOK-ENTRY ONLY)

INTRODUCTION

This Official Statement, which includes the front cover page and the appendices attached hereto, has been prepared by the Township of West Deptford (the "Township"), in the County of Gloucester (the "County"), in the State of New Jersey (the "State"), in connection with the sale and the issuance of \$8,500,000 Bond Anticipation Notes, Series 2025 (the "Notes"). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Notes described herein.

DESCRIPTION OF THE NOTES

General Description

The Notes are dated their date of delivery, will mature on October 1, 2026 and shall bear interest at the rate as set forth on the front cover page hereof, payable at maturity, calculated on the basis of a 30-day month, 360-day year. Principal of and interest on the Notes will be credited to the participants of The Depository Trust Company, New York, New York ("DTC") as listed on the records of DTC as of September 24, 2026. So long as DTC or its nominee is the registered owner of the Notes, payments of principal of and interest on the Notes will be made by the Township 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.

The Notes will be issued in fully registered book-entry form of one certificate in the principal amount of the Notes and, when issued, will be registered in the name of Cede & Co. as nominee of the DTC, which will act as Securities Depository for the Notes. The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants or transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interest in the Notes on behalf of the individual purchasers. Individual purchases may be made in the principal amount of \$5,000 each or any integral multiple thereof through book-entries made on the books and the records of DTC and its participants. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interest in the Notes, but each book-entry Note 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. See "Book-Entry-Only System" herein.

Redemption Provisions

The Notes are not subject to redemption prior to maturity.

Book-Entry Only System

The description which follows of the procedures and record keeping with respect to beneficial ownership interest in the Notes, payment of principal and interest and other payments on the Notes to DTC Participants or Beneficial Owners (as defined herein), 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.

DTC will act as securities depository of the Notes. The Notes will be issued as fully-registered Notes 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 in the aggregate principal amount of the Notes 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 Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all 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 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect 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. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes 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, 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 Notes 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, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township, 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. Under such circumstances, in the event that a successor depository is not obtained, 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, 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 Township believes to be reliable, but Township takes no responsibility for the accuracy thereof.

THE TOWNSHIP WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR 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 CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.

Discontinuance of Book-Entry-Only System

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

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

SECURITY AND SOURCE OF PAYMENT

The Notes are valid and legally binding general obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal of and the interest on the Notes. The Township is required by law to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of and the interest due on the Notes without limitation as to rate or amount.

INFECTIOUS DISEASE OUTBREAK - COVID-19

On January 31, 2020, then United States Secretary of Health and Human Services declared a national public health emergency in response to the outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 11, 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19. On March 13, 2020, then President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy (the "Governor") of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to state and local governments. The pandemic and certain mitigation measures, which altered the behaviors of businesses and people, have had and may continue to have negative impacts on regional, state and local economies. The national public health emergency, the national emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain in effect.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 12, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

Generally, according to the Plan, the allowable use of the funds provided to the Township include the following categories: (a) to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (b) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the Township that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (c) for the provision of government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the Township, prior to the emergency; (d) to make necessary investments in water, sewer or broadband infrastructure.

Based on available information as of the date hereof, the Township has received \$2,195,946.28 from the Plan. The Township received its first installment under the Plan in the amount of \$1,097,973.14 on June 24, 2021, and its second installment under the Plan in the amount of \$1,097,973.14 on December 28, 2022. It utilized some of the funding for stormwater infrastructure improvements and revenue replacement. The deadline to commit the funds was December 31, 2024 which was satisfied and to spend the funds is December 31, 2026.

To date, the overall finances and operations of the Township have not been materially adversely affected due to the COVID-19 outbreak. Nonetheless, there can be no assurance regarding the extent to which the COVID-19 pandemic, or any other national health crisis or pandemic, may impact the national, State or local economies in the future, nor how any such event may materially adversely impact governmental entities, including the Township. The Township cannot quantify any such potential impacts at this time.

CYBER SECURITY

The Township relies on a complex technology environment to conduct its various operations. As a result, the Township faces certain cybersecurity 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. However, there can be no assurance that any existing safety or security measures will provide adequate protection in safeguarding against cybersecurity threats and attacks. Cybersecurity breaches of the Township could cause material disruption of the Township's finances and operations.

NO DEFAULT

The Township has never defaulted in the payment of any bonds or notes, nor are any payments of principal of or interest on the Township's indebtedness past due.

AUTHORIZATION AND PURPOSE OF THE NOTES

The Notes have been authorized pursuant to the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended (the "Local Bond Law"), and certain bond ordinances finally adopted by the Township Committee of the Township and published in accordance with the requirements of the Local Bond Law.

The Notes are being issued to provide funds to (i) finance certain previously unfunded capital improvements and (ii) pay certain costs incurred in connection with the authorization, sale and issuance of the Notes, as authorized by and described in the bond ordinances set forth below:

Ordinance No.	Project Name	Amount of Notes
2022-12	Acquisition of Automated Sanitation Trucks & Containers	\$1,900,000
2022-22	Various Capital Improvements	1,900,000
2023-22	Construction of New Library	4,700,000
	TOTAL:	\$8,500,000

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Township are general full faith and credit obligations.

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis. The average for the last three years of the equalized value of all taxable real property and improvements and certain Class II railroad property within the boundaries of Township, as annually determined by the State Director of Taxation is included in Appendix A hereto.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating.

As shown in Appendix A hereto, the Township has not exceeded its statutory debt limit as of December 31, 2024. As noted above, the statutory limit is 3½%.

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 if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The Township may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit's bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations. The local unit is authorized to issue Emergency Notes and Special Emergency Notes pursuant to the Local Budget Law.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is

limited by a statutory formula, which allows the unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparation drainage map preparation for flood control purposes and contractually required severance liabilities, which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three (3) months of the year, to the previous year's budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAPS" appropriations nor can transfers be made between excluded from "CAP" appropriations. A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the index rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; 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. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years' tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

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

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the three years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Tax Assessment and Collection Procedure

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 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. But it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values. A re-evaluation of all property in the Township was last completed in 1992.

Upon the filing of certified adopted budgets by the Township's Local School District and the 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 New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June by the Township. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due June 1 and May 1 of the succeeding year are based upon one-half of the current year's total tax.

Tax 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 amount in excess of \$1,500.00. These interest rates and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes.

Tax Appeals

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Township must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease 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 County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The chief financial officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "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, and 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 for the Township is on file with the Clerk and is available for review during business hours.

LITIGATION

In the opinion of Timothy D. Scaffidi, Esq., the Township Attorney, there is no litigation pending or threatened, restraining or enjoining the issuance or delivery of the Notes offered for sale or the levy or collection of any taxes to pay interest on or principal of the Notes, or in any manner questioning the authority of proceedings for the issuance of the Notes or for the levy or collection of said taxes. Moreover, to the best of the knowledge of the

Township Attorney, there is no litigation presently pending or threatened that, in the opinion of the Township Attorney, would currently have a material adverse impact on the financial condition of the Township if adversely decided.

TAX MATTERS

Exclusion of Interest on the Notes from Gross Income for Federal Income Tax Purposes

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met on the date of issuance and on a continuing basis subsequent to the issuance of the Notes in order to assure that interest on the Notes will be excluded from gross income for Federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Notes to lose the exclusion from gross income for Federal income tax purposes, retroactive to the date of the issuance of the Notes. The Township will make certain representations in its tax certificate, which will be executed on the date of issuance of the Notes, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Notes and has covenanted not to take any action or fail to take any action that would cause the interest on the Notes to lose the exclusion from gross income under Section 103 of the Code or cause interest on the Notes to be treated as an item of tax preference under Section 57 of the Code. Gibbons P.C., Bond Counsel to the Township, has relied upon the representations of the Township made in its tax certificate and has assumed continuing compliance by the Township with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Notes from gross income for federal income tax purposes and with respect to the treatment of interest on the Notes for the purposes of alternative minimum tax.

Assuming the Township observes its covenants with respect to continuing compliance with the Code, Gibbons P.C., Bond Counsel to the Township, is of the opinion that, under existing law, interest on the Notes is excluded from the gross income of the owners of the Notes for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under the Code.

Tax Treatment of Original Issue Premium

The initial public offering price of the Notes is greater than the principal amount of the Notes payable at maturity. An amount equal to the excess of the purchase price of the Notes over its stated redemption price at maturity constitutes premium on the Notes. A purchaser of the Notes must amortize any premium over the Note’s term using constant yield principles, based on the Note’s yield to maturity. As premium is amortized, the purchaser’s basis of the Notes and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on the sale or disposition of the Notes prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed.

Purchasers of the Notes, whether at the time of initial issuance or subsequent thereto, should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning the Notes.

Additional Federal Income Tax Consequences

Prospective purchasers of the Notes should be aware that ownership of, accrual of, 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. Prospective purchasers of the Notes should consult with

their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

The Notes have been designated by the Township as “Qualified Tax-Exempt Obligations” for purposes of Section 265(b)(3) of the Code. The Township intends that, by such designation of the Notes, the Notes will not be subject to Section 265(b)(1) of the Code, which relates to the complete disallowance of deduction for interest expense of certain financial institutions that is allocable to interest on certain tax-exempt obligations acquired by a financial institution after August 7, 1986. The interest expense of certain financial institutions allocable to Qualified Tax-Exempt Obligations is subject to Sections 291(a)(3) and 291(e)(1)(B) of the Code, relating to the non-deductibility of twenty (20) percent of the interest expense allocable to such tax-exempt obligations.

Bond Counsel expresses no opinion regarding any Federal tax consequences other than its opinions 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, and interest on the Notes being included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under 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.

State Taxation

Bond Counsel to the Township is of the opinion that, under existing law, interest on the Notes and net gains from the sale of the Notes are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

Miscellaneous

Amendments to federal and state tax laws are proposed from time to time and could be enacted, and court decisions and administrative interpretations may be rendered, in the future. There can be no assurance that any such future amendments or actions will not adversely affect the value of the Notes, the exclusion of interest on the Notes from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Notes or any other date, or that such changes will not result in other adverse federal or state tax consequences.

ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE NOTES.

SECONDARY MARKET DISCLOSURE

The Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the “Securities Exchange Act”) has adopted amendments to its Rule 15c2-12 (“Rule 15c2-12”) effective July 3, 1995 which generally prohibits a broker, dealer or municipal securities dealer (“Participating Underwriter”) from purchasing or selling municipal securities, such as the Notes, unless the Participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board (“MSRB”) (the “Continuing Disclosure Requirements”).

On the date of delivery of the Notes, the Township will enter into a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) containing the Continuing Disclosure Requirements for the benefit of the beneficial holders of the Notes pursuant to which the Township will agree to comply on a continuing basis with the Continuing Disclosure Requirements of Rule 15c2-12. Specifically, the Township will covenant for the benefit of the holders and beneficial owners of the Notes to provide notices of the occurrence of certain enumerated events. The notices of enumerated events will be filed by the Township with the MSRB. The specific nature of the

information to be contained in the notices of enumerated events is set forth in “Appendix C - Form of Continuing Disclosure Certificate”. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12.

The Township has appointed Acacia Financial Group, Inc., Mt. Laurel, New Jersey to act as dissemination agent to the Township to assure future compliance with Rule 15c2-12.

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901, et seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditor’s rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner’s creditors; provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes. Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale, and the delivery of the Notes are subject to the approval of Gibbons P.C., Newark, New Jersey, Bond Counsel to the Township, whose approving legal opinion will be delivered with the Notes substantially in the form set forth as Appendix D. Certain legal matters will be passed on for the Township by its counsel, Timothy D. Scaffidi, Esq.

UNDERWRITING

The Notes are being purchased from the Township by _____ (the “Underwriter”) at a purchase price of \$_____ (representing the par amount of the Notes plus a bid premium in the amount of \$_____). The Underwriter is obligated to purchase all of the Notes if any Notes are purchased. The Underwriter has purchased the Notes in accordance with the Notice of Sale.

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

RATING

The Notes have not been rated.

MUNICIPAL ADVISOR

Acacia Financial Group, Inc., Mt. Laurel, New Jersey (the “Municipal Advisor”), has served as Municipal Advisor to the Township in connection with the issuance of the Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and the Appendices hereto.

INDEPENDENT AUDITORS

The compiled financial statements of the Township as of December 31, 2024, as included in Appendix B to this Official Statement, have been compiled by Bowman & Company LLP, independent accountant to the Township, Woodbury and Voorhees, New Jersey, as stated in its Independent Accountant’s Compilation Report appearing in Appendix B hereto. The audited financial statements for the years ended 2023 and 2022, as included in Appendix B to this Official Statement, have been audited by Bowman & Company LLP, independent auditor to the Township, Woodbury and Voorhees, New Jersey, as stated in its Independent Auditor’s Report appearing in Appendix B hereto.

PREPARATION OF OFFICIAL STATEMENT

The Township hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm to the purchasers of the Notes, by certificates signed by the Chief Financial Officer of the Township, that to his knowledge such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

Bowman & Company LLP has not participated in the review or preparation of this Official Statement and has not verified the accuracy or completeness thereof, except for the financial statements appearing in Appendix B hereto, and accordingly, expresses no opinion or other assurance or assumes any responsibility with respect thereto.

Gibbons P.C., has not verified the accuracy, completeness or fairness of the information contained herein, except under the heading “TAX MATTERS” and, accordingly, assumes no responsibility therefor and will express no opinion with respect thereto.

All other 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.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Michael T. Kwasizur, Chief Financial Officer, Township of West Deptford, Township Hall, 400 Crown Point Road, West Deptford, New Jersey 08086, telephone (856) 845-4004, Ext. 101, or to the Municipal Advisor, Acacia Financial Group, Inc., 6000 Midlantic Drive, Suite 410 North, Mt. Laurel, New Jersey 08054, telephone (856) 234-2266.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

TOWNSHIP OF WEST DEPTFORD

By: _____
Michael T. Kwasizur
Chief Financial Officer

Dated: September __, 2025

APPENDIX A

GENERAL INFORMATION OF THE TOWNSHIP OF WEST DEPTFORD

GENERAL INFORMATION REGARDING THE TOWNSHIP OF WEST DEPTFORD

The following material presents certain economic and demographic information of the Township of West Deptford ("Township").

General Information

The Township is a residential and industrial community within the Delaware Valley economic region, a tristate region composed of eleven counties in the States of New Jersey, Pennsylvania, and Delaware. It is a major transportation center, combining one of the largest port facilities in the world with extensive rail, air and interstate highway systems.

History of the Township

Deptford Township, New Jersey, was formed in 1695, including what is now West Deptford Township, Westville Borough, Woodbury City, Woodbury Heights Borough, Washington Township, Monroe Township and National Park Borough. The territory that comprises West Deptford Township was separated into a Township by Act of Legislature approved March 1, 1871. On March 21, 1871, a group met together for a Town Meeting in the Thorofare School in order to form the Township to be called West Deptford Township.

The Village of Westville was later incorporated into the Township by Act of Legislature approved February 20, 1878; the Borough of National Park became a separate municipal corporation as of April 15, 1902.

Municipal Government

The Township is governed by a Township Committee, which has both legislative and executive powers and is comprised of five members, elected at large, for staggered three-year terms (2-2-1). The Mayor is chosen annually by majority vote of the members of the Township Committee ("Committee").

The Mayor is the chief executive officer of the Township. The responsibilities of the Mayor include execution and enforcement of laws of the State and ordinances of the Township, recommending to Committee such measures as he or she deems necessary or appropriate for the welfare of the Township, and preparing and submitting the annual budget to Committee for its consideration.

The responsibilities of Committee are, among others, to adopt the municipal budget and to enact ordinances to promote the health, safety and welfare of the Township and its residents.

The Township Administrator is responsible for the daily operations of the Township, staffing and personnel matters, preparation and implementation of the budget and Township receipts and disbursements.

The Township's Chief Financial Officer is custodian of all public moneys of the Township.

The Township Clerk assists with administering the affairs of the Township, including attending Committee meetings and providing for the taking and preparation of minutes therefore; compilation, preservation, indexing and publication of all ordinances and resolutions; and any other duties which the Committee may assign.

Township Services

A number of services are provided by the Township and paid for from general revenues. Employees in the Public Works Department maintain Township streets and roads, storm drains, provide snow removal services, while overseeing Township parks, playgrounds and recreational activities. The Zoning Board of Adjustment oversees all zoning requirements, and the Construction Office is responsible for all building permits and enforcement of uniform construction codes.

Fire protection is provided by a part-time paid staffing and stipend volunteers to provide 24/7, 365 coverage with a 4-person staffed crew. Ambulance service is provided by Gloucester County EMS.

Water and Sewer Service

The Township's Water and Sewer Department is responsible for water supply and sewage collection and treatment services. The Township draws its water from six (6) wells in operation throughout the Township with an average 0.95 million gallons per day output. Additional storage tanks exist with a capacity of three million gallons. 1.2 million gallons per day is purchased from the New Jersey American Water Company, through the interconnect mandated by the New Jersey Department of Environmental Protection.

Township residents have two separate charges for water and sewer services from the Township's water department: a water supply charge and a sewage collection charge.

Residents pay a minimum quarterly charge of \$21.45 for 9,000 gallons of water. Excess user charges are levied at the rate of \$8.42 per 1,000 gallons up to 54,500 gallons, \$10.34 per 1,000 gallons from 54,501 to 100,000, and \$12.38 per 1,000 gallons over 100,000 gallons.

Present sewer rates for residential dwellings are \$638 per year.

Gloucester County Utilities Authority

The Township is a participant in the Gloucester County Utilities Authority's (the "GCUA") sewage collection and treatment system. Pursuant to a service contract with GCUA, the Township is obligated to deliver its wastewater to GCUA for treatment and to pay GCUA service charges for such treatment. The Township pays such service charges from amounts collected from residents as sewer charges.

Trash Collection

Trash is collected by the Township's Public Works Department and disposed of at the SES Gloucester Incinerator, a private facility located in the Township and operated by SES Gloucester Company, L.P., a regulated public utility engaged in the business of solid waste disposal.

Housing

The Township's housing stock is primarily composed of single-family homes and residential apartment complexes. According to the 2010 Census, there were 8,793 year-round housing units in the Township. Of these units, 6,749, or 76.75 percent, were owner-occupied. See "Township Finances" herein for a description of trends and levels of the Township's real property tax levy and collections and for Township housing values.

According to Township Officials, there are four major apartment building complexes, Kingswick, Red Bank, Forest Creek and Heather Ridge, containing 425, 294, 655 and 400 units, respectively. At the present time, the Township is host to approximately eleven housing developments ranging in size from 96 to 529 homes.

Industry and Employment

Mid Atlantic Corporate Center, an industrial and commercial complex of 645 acres has buildings occupied by the following tenants: Akers Laboratories, Aramark, Art, Guild, Aramsco, Aquatrols, Camden International, Cooper Electric, CheckPoint Systems, ICS direct Mail warehouse, Glacier Garlock Bearing, J. Ambrogi Foods, Marine Equipment Supply Company, McGrory Glass, OSSUR Stavola Foods, Troemner, Tru Green/Chemlawn, Ultra Fresh, UTZ Quality Foods, SJ Bakery and Docuvault. Docuvault constructed a brand new 115,300 sq.ft. building which received occupancy permitting in 2016.

A second Industrial Park, Forest Park Corporate Center has buildings occupied by among others Amazon, Archive Systems, Compucom, Delaware Valley Wholesale Florist, Furmanite, Medical Specialties Distribution, National Oak Distributors, Owens and Minor Supply. A smaller 58-acre Light Industrial area is the home of University of Pennsylvania, Amerisource and auto parts distribution company LKQ.

An Amazon warehouse opened in late 2018. A certificate of occupancy was granted in spring 2019. Amazon has and is expected to continue to provide major job opportunities within the municipality which is expected to boost the overall economy.

Park West Phase I – Parkville Road & Harvest Drive received approval before the Planning Board in spring 2019. Construction began in the fall of 2019 for the 65 Townhomes.

Bostik Findley 2000 Nolte Drive constructed a 7,410 sq. Ft. expansion to their existing facility as well as 18 new dry bulk storage silos. This project was completed in late 2019.

HA DeHart – 311 Crown Point Road expanded their facility with a 4,388 sqft. addition to the existing building as well as site improvements. The Project was completed in late 2019.

COIM – is currently building a 28,000 sq. ft. building at their existing warehouse facility on 286 Mantua Grove Road.

301 Grove Road constructed a 123,000 sq. ft. addition to the existing building, which was occupied by a division of Bostik and DHL. The project was completed in mid-2019.

The Enclave (Phase 3 Park West)- The project has received Planning Board approval from the Township and is currently finalizing review with the Gloucester County Planning Board. The approved plans include 336 apartments and 200 single-family townhomes.

RiverWinds Redevelopment - Grove Land Urban Renewal has received Planning Board approval to construct a 90,000 sq. ft. four story 78 room senior apartment facility. Anticipated completion is mid-2023. Edgewood Properties is the Township's designated Redeveloper, who is slated to develop the parcel closest to the golf/tennis building. This project will consist of 120 condominiums. This project appeared before the Planning Board in fall 2019.

West Deptford Holdings (Crown Point Road & Jobstown)- Site Plan approval granted for 157,500 sqft. warehouse and an additional 8,300 sqft. for related office space.

Treetop Development (New Street)- Site plan approval granted in January 2022 for two warehouse buildings (71,344 sqft. and 59,502 sqft.)

BCIF Warehouse 1847 Crown Point Road- Initial Site plan approval granted in 2020 for a 280,000 sqft. warehouse space. This project received an occupancy and permitting November 2023.

Employee Collective Bargaining Units

The Township currently has four employee collective bargaining units. The following is a schedule of the employee bargaining units, number of employees represented, and dates of contract expiration:

<u>Bargaining Unit</u>	<u>Employee Represented</u>	<u>Contract Expiration Date</u>
AFSCME (DPW)	57	December 31, 2025
Police Benevolent Association	40	December 31, 2028
PBA Superior Officers	2	December 31, 2029
Police Chief	1	December 31, 2028

Township Population (1)

2020 Federal Census	22,197
2010 Federal Census	21,677
2000 Federal Census	19,368
1990 Federal Census	19,380
1980 Federal Census	18,002

Selected Census 2023 Data for the Township (1)

Median household income	\$89,283
Per capita income	47,924

Labor Force (2)

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Township					
Labor Force	13,129	13,048	12,777	12,476	12,359
Employment	12,576	12,530	12,318	11,729	11,357
Unemployment	553	518	459	747	1,002
Unemployment Rate	4.2%	4.0%	3.6%	6.0%	8.1%
County					
Labor Force	166,130	165,120	161,384	157,695	156,419
Employment	158,789	158,213	155,189	147,614	142,386
Unemployment	7,341	6,907	6,195	10,081	14,033
Unemployment Rate	4.4%	4.2%	3.8%	6.4%	9.0%
State					
Labor Force	4,898,008	4,867,113	4,756,002	4,654,243	4,643,700
Employment	4,676,064	4,659,779	4,572,879	4,342,075	4,204,301
Unemployment	221,944	207,334	183,123	312,168	439,399
Unemployment Rate	4.5%	4.3%	3.9%	6.7%	9.5%

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.

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

(2) Source: New Jersey Department of Labor

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

In 1976, the Township adopted the Municipal Land Use Law. The Municipal Land Use Law gave the Township Planning and Zoning Board of Adjustment authority to regulate most land use other than single family residential use. In this way, the Township is able to guide the approximate use or development of land to promote the public health, safety, and general welfare.

Building Permits (1)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2025(2)	780	\$31,159,644
2024	1,406	43,171,895
2023	1,045	29,004,983
2022	1,179	26,862,409
2021	1,242	20,855,809
2020	6,796	196,064,413

TEN LARGEST EMPLOYERS IN THE COUNTY (3)

<u>Employer</u>	<u>Number of Employees</u>	<u>Type of Business</u>	<u>Location</u>
Rowan University	3,500	Education	Glassboro
Inspira Medical Center	1,222	Healthcare	Woodbury
Walmart Supercenter	800	Retail	Turnersville
Jefferson Health	670	Healthcare	Washington Twp.
Aryzta LA Brea Bakery Inc.	500	International Bakery	Logan Twp.
Keller Williams Realty	500	Real Estate Company	Sewell
Honda of Turnersville	499	Car Dealership	Turnersville
Paulsboro Refinery LLC Ap	402	Oil Refinery	Paulsboro
Washington Township HS	400	Education	Washington Twp.
Johnson Matthey Inc.	379	Specialty Chemicals	West Deptford

Transportation

The Township is connected directly to Camden, New Jersey and Philadelphia, Pennsylvania by Interstate 295, which runs through the Township, parallel to the Delaware River. Interstate 295 in turn connects with the Walt Whitman Bridge, Benjamin Franklin Bridge, the North-South Freeway (Route 42), the New Jersey Turnpike, the Delaware Memorial Bridge and the Commodore Barry Bridge connecting Chester, Pennsylvania and Bridgeport, New Jersey, and other major regional highways.

(1) Source: Township Construction Officials

(2) As of August 1, 2025

(3) County

Hospitals

Inspira Health Network operates a 24/7 satellite Emergency Room in Woodbury, New Jersey, approximately 1/10th of a mile from the eastern-border of the Township. Inspira Medical Center is located in Mullica Hill (Harrison Township), and contains 210 licensed beds. This has changed since the hospital has relocated to Mullica Hill. Inspira Medical Center has also recently undergone an expansion to better serve the health care needs of the County, including an expanded/renovated emergency room/center, plans to build a surgical center and the establishment of several additional family practice centers throughout the County. Inspira Medical Center has over 1,825 full and part time employees and a medical and dental staff of 400. Jefferson Health System's Washington Township Campus, is located in Washington Township, formerly known as Kennedy Hospital.

GENERAL INFORMATION ON THE SCHOOL DISTRICT (1)

Primary and Secondary

The Township of West Deptford School District ("School District") is governed by a nine-member Board of Education ("Board"). The School District operates as a Type II school district under the provisions of Title 18A of the New Jersey statutes. The School District educates grades pre-kindergarten (Pre-K) through twelve (12), including special education classes.

The Board is composed of nine (9) members elected by the legally qualified voters in the School District to terms of three (3) years on a staggered basis. The President and Vice President are chosen for one (1) year terms from among the members of the Board. The Board is the policy making body of the School District and has the general responsibility for providing an education program, the power to establish policies and supervise the public schools in the School District, and the responsibility to develop the annual School District budget. The Board's fiscal year ends each June 30.

The Board appoints a Superintendent and Board Secretary/Business Administrator who are responsible for budgeting, planning and the operational functions of the School District. The administrative structure of the Board gives final responsibility for both the educational process and the business operation to the Superintendent.

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting.

(1) Source: School District Business Administrator/Board Secretary

SCHOOL DISTRICT ENROLLMENTS (1)

<u>Grade</u>	<u>October 15,</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Pre-K	148	145	128	164	115
K	186	167	180	162	161
1	177	176	157	165	197
2	178	159	163	195	169
3	152	167	194	167	163
4	172	199	165	157	168
5	193	153	148	164	188
6	159	149	171	195	155
7	149	170	191	155	175
8	179	192	168	175	165
9	158	142	153	161	158
10	144	155	148	145	171
11	144	138	144	157	172
12	137	143	162	172	174
Spec. Ed.	528	527	537	539	546
Totals	<u>2,804</u>	<u>2,782</u>	<u>2,809</u>	<u>2,873</u>	<u>2,877</u>

PRESENT SCHOOL FACILITIES AND ENROLLMENT (1)

<u>Name of School</u>	<u>Date Constructed</u>	<u>Grades</u>	<u>Enrollment October 15, 2024</u>
Green-Fields Elementary School	1957	K-4	479
Oakview Elementary School	1954	K-4	465
Red Bank Elementary School	1964	K-4	253
West Deptford Middle School	1971	5-8	859
West Deptford High School	1959	9-12	<u>748</u>
			<u>2,804</u>

School District Employees (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Teaching Professionals	347	342	359	345	299
Support Staff	147	124	122	116	131
Total Full & Part Time Employees	<u>494</u>	<u>466</u>	<u>481</u>	<u>461</u>	<u>430</u>

Budget History

<u>Budget Year</u>	<u>Outcome of Election</u>	<u>General Fund Tax Levy As Originally Proposed</u>
2025-2026	(2)	\$38,704,184
2024-2025	(2)	37,872,041
2023-2024	(2)	36,630,046
2022-2023	(2)	35,911,810
2021-2022	(2)	35,207,657

(1) Source: School District Business Administrator/Board Secretary

(2) Current Expense Levy was within the 2.0% State CAP, therefore an election was not required.

HIGHER EDUCATION

Rowan College of South Jersey

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

Rowan University

Rowan University ("Rowan") is a public research institution located in Glassboro, New Jersey, known for its strong emphasis on innovation, academic excellence, and community engagement. Originally founded in 1923 as a teacher training school, Rowan has grown into a comprehensive university offering a wide range of undergraduate and graduate programs across disciplines such as engineering, business, medicine, and the arts. Rowan is particularly recognized for its Henry M. Rowan College of Engineering and its commitment to expanding access to high-quality education. With a vibrant campus life and a focus on hands-on learning, Rowan fosters a dynamic environment for students to thrive both academically and personally.

CERTAIN TAX INFORMATION

TEN LARGEST REAL PROPERTY TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2025 Assessed Valuation</u>
Sunoco	Industrial	\$ 57,734,500
Mantua Grove Owner LLC	Industrial	55,000,000
Solvay Specialty Polymers USA LLC	Industrial/ Commercial	43,835,300
Johnson Matthey Inc	Industrial	28,068,200
CPI Operations LLC	Industrial	27,500,000
BCIF Crown Point LC LLC	Industrial	23,809,200
Deptford Property Owner LLC	Commercial	22,872,200
SES Gloucester Co LP % Win Waste	Industrial	22,000,700
Heather Ridge LLC c/o Ed Pantzer	Apartments	22,000,000
Reep 1250 Forrest LLC	Industrial	21,736,900

(1) Source: Township Tax Assessor

CURRENT TAX COLLECTIONS (1)

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2024 (2)	\$ 80,747,616	\$ 79,640,864	98.62%	\$ 957,100	1.19%
2023	78,180,547	77,198,697	98.74%	842,976	1.08%
2022	77,273,013	76,483,638	98.98%	610,306	0.79%
2021	75,833,543	75,114,088	99.05%	533,440	0.70%
2020	75,628,216	74,652,578	98.71%	784,896	1.04%

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding January 1</u>	<u>Added</u>	<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
			<u>Amount</u>	<u>Percentage</u>			
2024 (2)	\$ 843,613	\$ 5,288	\$ 846,837	99.76%	\$ -	\$ 1,900	\$ 165
2023	611,810	4,352	613,120	99.51%	1,911	494	637
2022	540,042	4,155	539,237	99.09%	556	2,900	1,504
2021	790,461	14,515	794,165	98.66%	2,149	2,060	6,602
2020	829,968	6,500	795,642	95.12%	35,061	201	5,564

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance January 1</u>	<u>Added by Sales and Transfers</u>	<u>Collected</u>		<u>Transfer to Property Acquired For Taxes</u>	<u>Balance Dec. 31</u>
			<u>Collected</u>	<u>Canceled</u>		
2024 (2)	\$ 1,395,942	\$ 84,732	\$ 1,067	\$ -	\$ 400,538	\$ 1,079,068
2023	2,128,415	95,115	449,859	377,729	-	1,395,942
2022	2,158,272	121,845	13,370	-	138,332	2,128,415
2021	2,217,261	143,348	202,337	-	-	2,158,272
2020	2,047,699	204,694	29,028	6,104	-	2,217,261

FORECLOSED PROPERTY (1)(3)

<u>Year</u>	<u>Balance January 1</u>	<u>Transfers</u>	<u>(Loss) on Sale</u>	<u>Adjustment to Assessed Valuation</u>	<u>Balance December 31</u>
2024 (2)	\$ 1,145,200	\$453,417	\$(56,517)	\$ -	\$ 1,542,100
2023	1,166,900	-	(21,700)	-	1,145,200
2022	887,100	172,919	-	106,881	1,166,900
2021	887,100	-	-	-	887,100
2020	887,100	-	-	-	887,100

(1) Source: Township Reports of Audit, unless otherwise noted

(2) Source: Information from Annual Compiled Financial Statement

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

CURRENT WATER AND SEWER COLLECTIONS (1)

<u>Year</u>	<u>January 1 Balance</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Transferred/ Canceled</u>	<u>Outstanding December 31</u>	
			<u>Amount</u>	<u>Percentage</u>		<u>Amount</u>	<u>Percentage</u>
2024 (2)	\$ 1,288,057	\$ 13,020,549	\$ 12,971,876	90.66%	\$ 214,541	\$ 1,122,188	8.62%
2023	1,223,097	12,586,434	12,447,281	90.14%	74,193	1,288,057	10.23%
2022	1,533,656	12,214,722	12,383,448	90.07%	141,833	1,223,097	10.01%
2021	1,375,395	12,361,692	11,994,193	87.31%	209,238	1,533,656	12.41%
2020	1,720,099	12,451,723	12,538,823	88.48%	257,805	1,375,195	11.04%

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (3)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (4)</u>					
		<u>Total Rate</u>	<u>Municipal</u>	<u>Municipal Library</u>	<u>County</u>	<u>County Open Space</u>	<u>Local School</u>
2025	\$ 2,325,944,400	\$ 3.483	\$ 1.034	\$ 0.050	\$ 0.654	\$ 0.044	\$ 1.701
2024	2,307,572,500	3.492	1.034	0.046	0.687	0.046	1.679
2023	2,239,679,130	3.447	1.019	0.041	0.671	0.042	1.674
2022	2,226,297,128	3.431	1.018	0.037	0.684	0.041	1.651
2021	2,213,939,203	3.419	1.018	0.035	0.702	0.043	1.621

RATIO OF ASSESSED VALUATION TO TRUE VALUE AND TRUE VALUE PER CAPITA (5)

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita (6)</u>
2025	\$ 2,325,944,400	65.76%	\$ 3,537,020,073	\$ 159,347
2024	2,307,572,500	68.86%	3,351,107,319	150,971
2023	2,235,419,100	79.28%	2,819,650,732	127,028
2022	2,221,597,800	88.40%	2,513,119,683	113,219
2021	2,209,097,800	92.54%	2,387,181,543	107,545

REAL PROPERTY CLASSIFICATION (3)

	Assessed Value of Land and						
<u>Year</u>	<u>Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>
2025	\$ 2,325,944,400	\$ 53,195,100	\$ 1,367,697,800	\$ 2,835,100	\$ 348,264,400	\$ 453,448,400	\$ 100,503,600
2024	2,307,572,500	57,364,900	1,364,663,500	3,488,500	348,563,100	453,338,600	80,153,900
2023	2,236,827,900	77,001,700	1,352,253,900	3,474,400	371,743,100	352,200,900	80,153,900
2022	2,221,597,800	74,942,200	1,344,652,400	3,684,600	374,654,500	343,510,200	80,153,900
2021	2,209,097,800	62,067,900	1,342,855,900	3,957,800	376,375,800	343,686,500	80,153,900

(1) Source: Township Reports of Audit, unless otherwise noted

(2) Source: Information from Annual Compiled Financial Statement

(3) Source: Township Assessor

(4) Per \$100 of assessed valuation

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

(6) Based upon 2020 Federal Census of 22,197

**TOWNSHIP OF WEST DEPTFORD
STATEMENT OF INDEBTEDNESS
AS OF DECEMBER 31, 2024**

The following table summarizes the direct debt of the Township of West Deptford as of December 31, 2024 in accordance with the requirements of the Local Bond Law of the State of New Jersey (N.J.S.A. 40A:2-2- et.seq.). The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Water and Sewer Utility and debt of the Local School District. Deductions from gross debt to arrive at net debt include school debt, funds on hand, tax appeal refunding bonds, as well as, debt considered to be self-liquidating. The resulting net debt of \$49,111,107 represents 1.542% 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			Deductions					Net Debt
	<u>Bonds</u>	<u>Other</u>	Authorized But Not Issued	Gross Debt	School Debt	Funds On Hand	Tax Appeal Refunding Bonds	Self-Liquidating Debt	
General	\$ 52,649,268		\$ 11,414,588	\$ 64,063,856		\$ 283,874	\$14,668,874		\$ 49,111,107
School - Local	9,175,000			9,175,000	\$ 9,175,000				
Water Sewer Utility	7,860,732	\$ 2,150,869	7,500,000	17,511,601				\$ 17,511,601	
	<u>\$ 69,685,000</u>	<u>\$ 2,150,869</u>	<u>\$ 18,914,588</u>	<u>\$ 90,750,457</u>	<u>\$ 9,175,000</u>	<u>\$ 283,874</u>	<u>\$ 14,668,874</u>	<u>\$ 17,511,601</u>	<u>\$ 49,111,107</u>

Source: Annual Debt Statement

DEBT RATIOS AND VALUATIONS (1)(2)

Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024	\$ 3,185,874,682
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024	1.54%
2024 Net Valuation Taxable	\$ 2,307,572,500
2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$ 3,351,107,319
Gross Debt (3):	
As a percentage of 2024 Net Valuation Taxable	3.93%
As a percentage of 2024 Equalized Valuations	2.71%
Net Debt (3):	
As a percentage of 2024 Net Valuation Taxable	2.13%
As a percentage of 2024 Equalized Valuations	1.47%
Gross Debt Per Capita (4)	\$ 4,088
Net Debt Per Capita (4)	2,213

TOWNSHIP BORROWING CAPACITY (1)(2)

3.5% of Averaged (2022-24) Equalized Valuation of Real Property including Improvements (\$3,185,874,682)	\$ 111,505,614
Net Debt	<u>49,111,107</u>
Remaining Borrowing Capacity	<u><u>\$ 62,394,507</u></u>

LOCAL SCHOOL DISTRICT BORROWING CAPACITY (1)(2)

4% of Averaged (2022-24) Equalized Valuation of Real Property including Improvements (\$3,185,874,682)	\$ 127,434,987
Local School Debt	<u>9,175,000</u>
Remaining Borrowing Capacity	<u><u>\$ 118,259,987</u></u>

(1) As of December 31, 2024

(2) Source: Annual Debt Statement

(3) Excluding overlapping debt

(4) Based on 2020 Census population of 22,197

TOWNSHIP OF WEST DEPTFORD
OVERLAPPING DEBT AS OF DECEMBER 31, 2024

	DEBT ISSUED					Debt Auth. but not <u>Issued</u>
	<u>Debt Outstanding</u>	<u>Deductions</u>		<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	
County of Gloucester (1):						
General	\$ 239,268,000	\$ 19,131,039 (2)	\$ 220,136,961	\$ 19,085,875 (4)		
Bonds Issued by Other Public Bodies						
Guaranteed by the County	100,041,911	100,041,911 (3)	-			
	<u>\$ 339,309,911</u>	<u>\$ 119,172,950</u>	<u>\$ 220,136,961</u>	<u>\$ 19,085,875</u>	<u>\$ -</u>	

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

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

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

(4) Such debt is allocated as a proportion of the Issuer's share of the total 2024 Net Valuation on which County taxes are apportioned, which is 8.67%

APPENDIX B

FINANCIAL STATEMENTS OF THE
TOWNSHIP OF WEST DEPTFORD

FOR THE YEAR ENDED 2024

COMPILED FINANCIAL STATEMENTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the Township Committee
Township of West Deptford
West Deptford, New Jersey 08086

Management is responsible for the accompanying financial statements of the Township of West Deptford, 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 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/ Evan J. Palmer
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
February 27, 2025

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

ASSETS

Regular Fund:

Cash	
Treasurer	\$ 20,882,874.60
Change Funds	1,150.00
Due from State of New Jersey--Veterans' and Senior Citizens' Deductions (Ch. 73, P.L. 1976)	<u>20,181.88</u>
	<u>20,904,206.48</u>

Receivables and Other Assets with

Full Reserves:	
Delinquent Property Taxes Receivable	957,264.52
Tax Title Liens Receivable	1,079,068.61
Property Acquired for Taxes--Assessed Valuation	1,542,100.00
Other Municipal Liens and Special Charges	100,222.13
Other Charges Receivable	5,675.00
Due Trust--Animal Control Fund	3,987.00
Due Trust--Other Funds	<u>33,041.40</u>
	<u>3,721,358.66</u>
	<u>24,625,565.14</u>

Federal and State Grant Fund:

Cash	335,502.65
Due from Current Fund	82,484.65
Federal and State Grants Receivable	<u>3,371,895.09</u>
	<u>3,789,882.39</u>
	<u><u>\$ 28,415,447.53</u></u>

(Continued)

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

LIABILITIES, RESERVES AND FUND BALANCE

Regular Fund:

Liabilities:

Appropriation Reserves	\$ 3,151,191.54
Reserve for Encumbrances	262,003.96
Prepaid Taxes	536,944.44
Tax Overpayments	15,682.42
Local School District Tax Payable	4,341,322.81
Due County for Added and Omitted Taxes	29,058.46
Due to State of New Jersey--DCA Training Fees	37,265.00
Due to State of New Jersey--License Fees	2,200.00
Payroll Taxes Payable	99,101.60
Due to Federal and State Grant Fund	82,484.65
Reserve for Master Plan	18,568.25
Reserve for Revaluation	6,805.45
Due Trust--Other Funds - Municipal Open Space	<u>2,046.77</u>

8,584,675.35

Reserve for Receivables and Other Assets	3,721,358.66
Fund Balance	<u>12,319,531.13</u>

24,625,565.14

Federal and State Grant Fund:

Reserve for Encumbrances	1,498,161.80
Reserve for Federal and State Grants--Unappropriated	
Reserve for Federal and State Grants--Appropriated	<u>2,291,720.59</u>

3,789,882.39

\$ 28,415,447.53

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF WEST DEPTFORD
CURRENT FUND

Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Year Ended December 31, 2024

		<u>Revenue and Other Income Realized</u>	
Fund Balance Utilized		\$	5,152,946.04
Miscellaneous Revenues Anticipated			12,461,961.11
Receipts from Delinquent Taxes			847,904.53
Receipts from Current Taxes			79,640,864.05
Non-Budget Revenues			473,853.53
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves			2,196,339.88
Statutory Excess in Reserve for Animal Control Fund Expenditures			2,188.80
Cancellation of Reserve for Federal and State Grants Appropriated			170,049.74
			170,049.74
Total Income			100,946,107.68
		<u>Expenditures</u>	
Budget Appropriations:			
Operations Within "CAPS"			
Salaries and Wages			10,325,171.00
Other Expenses			10,416,507.36
Deferred Charges and Statutory Expenditures			
Within "CAPS"			3,280,001.00
Operations Excluded from "CAPS":			
Salaries and Wages			2,129,003.58
Other Expenses			4,206,837.15
Capital Improvements Excluded from "CAPS"			500,000.00
Municipal Debt Service Excluded from "CAPS"			9,417,933.92
Deferred Charges - Excluded from "CAPS"			47,976.00
County Taxes			16,879,881.29
Due County for Added and Omitted Taxes			29,058.46
Local School Taxes			38,742,911.00
Open Space Tax			231,265.83
Due State of New Jersey--Senior Citizens' Deductions:			
Disallowed by the Tax Collector--Prior Year Taxes			5,218.39
Federal and State Grants Receivable Canceled			252,534.39
Refund of a Prior Year Revenue			45,455.40
Create Reserves for:			
Interfund Created			35,230.20
			35,230.20
Total Expenditures			96,544,984.97
Excess in Revenues			4,401,122.71
		<u>Fund Balance</u>	
Balance Jan. 1			13,071,354.46
			17,472,477.17
Decreased by:			
Utilized as Revenue			5,152,946.04
			5,152,946.04
Balance Dec. 31		\$	12,319,531.13

See Independent Accountant's Compilation Report and selected notes.

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

ASSETS

Animal Control Fund:	
Cash	\$ 9,358.20
Other Funds:	
Cash	5,233,582.65
Municipal Open Space Trust Fund:	
Cash	216,679.01
Due from Current Fund	2,046.77
	218,725.78
Length of Service Award Program:	
Investments - Length of Service Award Program	2,062,297.49
	\$ 7,523,964.12

TOWNSHIP OF WEST DEPTFORD
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 Fund Expenditures	\$ 5,371.20
Due to Current Fund	<u>3,987.00</u>
	<u>9,358.20</u>
Other Funds:	
Due to Current Fund	33,041.40
Encumbrances Payable	8,410.18
Reserve for Street Opening	55,145.75
Reserve for Forfeited Funds	21,678.65
Reserve for Off-Duty Police Fees	59,177.14
Reserve for Redemption of Tax Sale Redemption Certificates	78,202.65
Reserve for Tax Sale Premiums	381,954.67
Reserve for Developer's Escrow	928,831.16
Reserve for Mayor's Food & Holiday Drive	1,879.00
Reserve for Drainage Basin	77,329.02
Reserve for Affordable Housing	3,189,036.88
Reserve for Unemployment Compensation	81,801.54
Reserve for Storm Recovery	101,602.78
Reserve for Accumulated Absences	25,123.70
Reserve for Recreation	160,106.72
Reserve for Environmental Resources	23,591.16
Reserve for Community Donations - Police	306.62
Reserve for Community Donations - Fire	2,754.63
Reserve for Donations Field of Dreams	1,379.00
Reserve for Donations Dante Finocchi Memorial	1,500.00
Reserve for Donations Adopt a Bench	98.50
Reserve for Uniform Fire Safety	<u>631.50</u>
	<u>5,233,582.65</u>
Municipal Open Space Fund:	
Reserve for Open Space	<u>218,725.78</u>
Length of Service Award Program:	
Reserve for Length of Service Award Program	<u>2,062,297.49</u>
	<u><u>\$ 7,523,964.12</u></u>

See Independent Accountant's Compilation Report and selected notes.

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

ASSETS

Deferred Charges to Future Taxation:

Funded	\$ 52,649,268.00
Unfunded	<u>11,414,587.50</u>
	<u>\$ 64,063,855.50</u>

LIABILITIES, RESERVES AND FUND BALANCE

Cash-Book Overdraft	\$ 2,953,283.13
Capital Improvement Fund	420,002.66
Improvement Authorizations:	
Funded	433,252.76
Unfunded	3,691,373.56
Reserve for Encumbrances	3,153,200.63
General Serial Bonds	52,649,268.00
Reserve for Payment of Debt Service - BANS	95,447.40
Reserve for Payment of Debt Service - Bonds	188,427.09
Reserve for Down Payment on Improvements	36,302.00
Fund Balance	<u>443,298.27</u>
	<u>\$ 64,063,855.50</u>

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF WEST DEPTFORD
WATER - SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2024

ASSETS

Operating Fund:

Cash	
Treasurer	\$ 7,329,090.56
Due from Utility Capital Fund	0.01

7,329,090.57

Receivables with Full Reserves:

Consumer Accounts Receivable	1,122,188.25
Utility Liens Receivable	11,607.21

1,133,795.46

Total Operating Fund

8,462,886.03

Capital Fund:

Cash	16,908,819.98
NJEIT Loan Receivable	1,979,287.00
Fixed Capital	72,915,134.10
Fixed Capital Authorized and Uncompleted	23,300,000.00

115,103,241.08

\$ 123,566,127.11

TOWNSHIP OF WEST DEPTFORD
WATER - SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2024

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund:

Liabilities:

Appropriation Reserves	\$ 2,036,449.85
Reserve for Encumbrances	115,222.67
Overpayments	104,275.31
Accrued Interest on Bonds, Notes, and Loans	112,119.72
Reserve for Engineering Escrow	1,175.00
	<u>2,369,242.55</u>

Reserve for Receivables	1,133,795.46
Fund Balance	<u>4,959,848.02</u>

Total Operating Fund	<u>8,462,886.03</u>
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Capital Fund:

Serial Bonds	7,860,732.00
NJ Infrastructure Bank Loan Payable	6,485,873.96
Due To Utility Operating	0.01
Reserve for Amortization	78,498,684.14
Capital Improvement Fund	1,223,793.63
Reserve for Down Payment on Improvements	16,250.00
Improvement Authorizations:	
Funded	14,602,953.26
Unfunded	2,595,375.82
Reserve for Encumbrances	3,443,367.54
Reserve for Debt Service	10,228.89
Reserve for Wells 3,4,5	317,461.51
Fund Balance	<u>48,520.32</u>

Total Capital Fund	<u>115,103,241.08</u>
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\$ 123,566,127.11

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF WEST DEPTFORD
WATER - SEWER UTILITY OPERATING FUND
Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Year Ended December 31, 2024

<u>Revenue and Other Income Realized</u>	
Fund Balance Utilized	\$ 2,712,730.00
Rents	12,971,876.09
Miscellaneous	597,754.84
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>2,013,605.82</u>
Total Income	<u>18,295,966.75</u>
<u>Expenditures</u>	
Operating	11,145,000.00
Capital Improvements	1,750,000.00
Debt Service	1,627,340.03
Statutory Expenditures	361,000.00
Other Debits to Income:	
Miscellaneous Refunds	<u>10,652.56</u>
Total Expenditures	<u>14,893,992.59</u>
Excess (Deficit) in Revenue	3,401,974.16
<u>Fund Balance</u>	
Balance Jan. 1	<u>4,270,603.86</u>
	7,672,578.02
Decreased by:	
Utilized by Water-Sewer Operating Budget	<u>2,712,730.00</u>
Balance Dec. 31	<u><u>\$ 4,959,848.02</u></u>

See Independent Accountant's Compilation Report and selected notes.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of West Deptford (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on March 1, 1871, from portions of Deptford Township. Portions of the Township were taken to form the boroughs of National Park (April 15, 1902) and Westville (April 7, 1914). The City of Woodbury annexed portions of the Township in May 1907. The Township, located in Gloucester County, New Jersey, has a total area of approximately 17.81 square miles, and is located approximately eight miles from the City of Philadelphia. The Township borders the Townships of Deptford, East Greenwich and Mantua; and the Boroughs of National Park, Paulsboro, Westville, Woodbury and Woodbury Heights; and the Delaware River. According to the 2020 census, the population is 22,197.

The Township is governed under the Township Committee form of government, with a five-member Committee. The Committee is elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis, with one or two seats coming up for election each year. At an annual reorganization meeting, the Committee selects one of its members to serve as Mayor and another as Deputy Mayor. Legislative and executive power is vested in the Committee.

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:

West Deptford Free Public Library
420 Crown Point Road
West Deptford, New Jersey 08086

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd) - In accordance with the *Requirements*, the Township accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of West Deptford School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2023, and decreased by the amount deferred at December 31, 2024.

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

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

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

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

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

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

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

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

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

FOR THE YEARS ENDED 2023 AND 2022

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of West Deptford
West Deptford, New Jersey 08086

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 West Deptford, in the County of Gloucester, State of New Jersey, as of December 31, 2023 and 2022, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of West Deptford, in the County of Gloucester, State of New Jersey, as of December 31, 2023 and 2022, 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 West Deptford, in the County of Gloucester, State of New Jersey, as of December 31, 2023 and 2022, 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/ Evan J. Palmer
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
November 11, 2024

TOWNSHIP OF WEST DEPTFORD
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Regular Fund:		
Cash		
Treasurer	\$ 21,230,614.73	\$ 19,976,109.17
Change Funds	1,150.00	1,150.00
Due from State of New Jersey--Veterans' and Senior Citizens' Deductions (Ch. 73, P.L. 1976)	28,469.80	27,385.13
	<u>21,260,234.53</u>	<u>20,004,644.30</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	843,613.16	611,810.05
Tax Title Liens Receivable	1,395,941.63	2,128,414.57
Property Acquired for Taxes--Assessed Valuation	1,145,200.00	1,166,900.00
Other Municipal Liens and Special Charges	131,851.71	132,595.31
Other Charges Receivable	10,894.58	13,290.69
Due Trust--Animal Control Fund	1,798.20	3,982.61
Due Trust--Other Funds		10,085.31
	<u>3,529,299.28</u>	<u>4,067,078.54</u>
Deferred Charges:		
Emergency Appropriation (40A:4-46)	8,000.00	16,000.00
	<u>24,797,533.81</u>	<u>24,087,722.84</u>
Federal and State Grant Fund:		
Cash	7,014.14	1,262,491.87
Due from Current Fund		50,904.27
Federal and State Grants Receivable	3,265,595.68	2,131,200.37
	<u>3,272,609.82</u>	<u>3,444,596.51</u>
	<u>\$ 28,070,143.63</u>	<u>\$ 27,532,319.35</u>

(Continued)

TOWNSHIP OF WEST DEPTFORD
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2023 and 2022

<u>Liabilities, Reserves and Fund Balance</u>	<u>2023</u>	<u>2022</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 2,812,643.60	\$ 2,789,376.37
Reserve for Encumbrances	482,451.52	492,721.41
Prepaid Taxes	562,698.41	591,671.11
Tax Overpayments	2,894.55	10,842.34
Local School District Tax Payable	3,709,677.83	3,346,014.83
Due County for Added and Omitted Taxes	199,318.52	189,828.54
Due to State of New Jersey--DCA Training Fees	14,890.00	14,763.00
Due to State of New Jersey--License Fees	1,475.00	850.00
Payroll Taxes Payable	69,415.70	48,662.60
Due to Federal and State Grant Fund		50,904.27
Reserve for Master Plan	18,568.25	18,568.25
Reserve for Revaluation	6,805.45	6,805.45
Reserve for Municipal Relief Aid	314,384.96	104,809.80
Due Trust--Other Funds - Municipal Open Space	1,656.28	1,643.86
Due to Water-Sewer Utility Operating Fund		897.43
	<u>8,196,880.07</u>	<u>7,668,359.26</u>
Reserve for Receivables and Other Assets	3,529,299.28	4,067,078.54
Fund Balance	<u>13,071,354.46</u>	<u>12,352,285.04</u>
	<u>24,797,533.81</u>	<u>24,087,722.84</u>
Federal and State Grant Fund:		
Reserve for Encumbrances	180,310.24	200,820.72
Reserve for Federal and State Grants--Unappropriated	24,380.03	1,115,859.57
Reserve for Federal and State Grants--Appropriated	3,067,919.55	2,127,916.22
	<u>3,272,609.82</u>	<u>3,444,596.51</u>
	<u>\$ 28,070,143.63</u>	<u>\$ 27,532,319.35</u>

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

TOWNSHIP OF WEST DEPTFORD

CURRENT FUND

Statements of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
	<u>Revenue and Other</u>	
	<u>Income Realized</u>	
Fund Balance Utilized	\$ 4,898,611.00	\$ 5,123,500.00
Miscellaneous Revenues Anticipated	13,718,217.25	11,095,703.41
Receipts from Delinquent Taxes	1,062,979.53	552,607.06
Receipts from Current Taxes	77,198,697.19	76,483,637.76
Non-Budget Revenues	1,718,872.56	1,655,746.55
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	2,003,999.93	3,805,748.97
Other Municipal Liens	139.90	
Special Charges	2,749.86	
Statutory Excess in Reserve for Animal Control Fund Expenditures		2,643.86
Cancellation of Reserve for Federal and State Grants Appropriated		2,067.16
Tax Overpayments Cancelled	640.95	1,475.30
Interfund Loans Returned:		
Due from Trust Other Fund	10,085.31	
Due from Trust -- Animal Control Fund	3,982.61	
Total Income	100,618,976.09	98,723,130.07
	<u>Expenditures</u>	
Budget Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	9,920,901.00	9,877,550.00
Other Expenses	9,917,110.36	9,785,636.18
Deferred Charges and Statutory Expenditures		
Within "CAPS"	3,116,340.00	2,932,501.00
Operations Excluded from "CAPS":		
Salaries and Wages	1,838,751.36	1,453,236.36
Other Expenses	5,269,543.42	3,734,313.12
Capital Improvements Excluded from "CAPS"	1,500,000.00	750,000.00
Municipal Debt Service Excluded from "CAPS"	9,445,066.65	9,257,254.01
Deferred Charges - Excluded from "CAPS"	47,976.00	47,976.00
County Taxes	15,958,967.88	16,124,786.72
Due County for Added and Omitted Taxes	199,318.52	189,828.54
Local School Taxes	37,479,621.00	36,752,295.00
Open Space Tax	113,710.68	112,834.25
Due State of New Jersey--Senior Citizens' Deductions		
Disallowed by the Tax Collector--Prior Year Taxes	3,287.48	4,154.72
Overpayment for Senior Citizen & Veteran's Deductions allowed in CY	1,000.00	875.00
Federal and State Grants Receivable Canceled		1,609.00
Refund of a Prior Year Revenue	189,701.32	146,674.26
Interfund Created		5,186.64
Total Expenditures	95,001,295.67	91,176,710.80
Excess in Revenues	5,617,680.42	7,546,419.27

(Continued)

TOWNSHIP OF WEST DEPTFORD
CURRENT FUND
Statements of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Excess in Revenues (Brought Forward)	\$ 5,617,680.42	\$ 7,546,419.27
<u>Fund Balance</u>		
Balance Jan. 1	<u>12,352,285.04</u>	<u>9,929,365.77</u>
	17,969,965.46	17,475,785.04
Decreased by:		
Utilized as Revenue	<u>4,898,611.00</u>	<u>5,123,500.00</u>
Balance Dec. 31	<u>\$ 13,071,354.46</u>	<u>\$ 12,352,285.04</u>

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

TOWNSHIP OF WEST DEPTFORD
TRUST FUND
Statements of Assets, Liabilities and Reserves--Regulatory Basis
As of December 31, 2023 and 2022

	<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Animal Control Fund:			
Cash		\$ 7,415.60	\$ 9,463.21
Other Funds:			
Cash		4,640,715.02	4,461,939.22
Municipal Open Space Trust Fund:			
Cash		182,521.35	179,125.79
Due from Current Fund		1,656.28	1,643.86
		<u>184,177.63</u>	<u>180,769.65</u>
Length of Service Award Program:			
Investments - Length of Service Award Program		<u>1,820,318.33</u>	<u>1,669,967.73</u>
		<u>\$ 6,652,626.58</u>	<u>\$ 6,322,139.81</u>

(Continued)

TOWNSHIP OF WEST DEPTFORD
TRUST FUND
Statements of Assets, Liabilities and Reserves--Regulatory Basis
As of December 31, 2023 and 2022

<u>LIABILITIES AND RESERVES</u>	<u>2023</u>	<u>2022</u>
Animal Control Fund:		
Reserve for Animal Control Fund Expenditures	\$ 5,617.40	\$ 5,466.80
Due State of New Jersey		13.80
Due to Current Fund	1,798.20	3,982.61
	<u>7,415.60</u>	<u>9,463.21</u>
Other Funds:		
Due to Current Fund		10,085.31
Encumbrances Payable	26,833.50	45,877.50
Reserve for Street Opening	53,365.75	53,365.75
Reserve for Forfeited Funds	28,280.73	24,392.20
Reserve for Off-Duty Police Fees	37,186.41	22,936.46
Reserve for Redemption of Tax Sale Redemption Certificates	12,901.34	55,530.38
Reserve for Tax Sale Premiums	488,654.67	623,940.26
Reserve for Developer's Escrow	612,390.78	727,647.63
Reserve for Public Defender Fees		29,470.00
Reserve for POAA Fees		1,842.17
Reserve for Mayor's Food & Holiday Drive	1,879.00	1,879.00
Reserve for Drainage Basin	77,329.02	77,329.02
Reserve for Affordable Housing	2,884,141.12	2,321,866.51
Reserve for Unemployment Compensation	156,083.28	218,543.62
Reserve for Storm Recovery	158,393.38	145,866.74
Reserve for Accumulated Absences	25,123.70	25,123.70
Reserve for Recreation	50,128.67	50,338.79
Reserve for Environmental Resources	19,717.48	18,793.48
Reserve for Community Donations - Police	306.62	306.62
Reserve for Community Donations - Fire	4,390.57	3,195.08
Reserve for Donations Field of Dreams	1,379.00	1,379.00
Reserve for Donations Dante Finocchi Memorial	1,500.00	1,500.00
Reserve for Donations Adopt a Bench	98.50	98.50
Reserve for Uniform Fire Safety	631.50	631.50
	<u>4,640,715.02</u>	<u>4,461,939.22</u>
Municipal Open Space Fund:		
Reserve for Open Space	184,177.63	180,769.65
Length of Service Award Program:		
Reserve for Length of Service Award Program	1,820,318.33	1,669,967.73
	<u>\$ 6,652,626.58</u>	<u>\$ 6,322,139.81</u>

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

TOWNSHIP OF WEST DEPTFORD
GENERAL CAPITAL FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2023 and 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Cash	\$ 181,691.15	\$ 3,073,390.40
Deferred Charges to Future Taxation:		
Funded	59,722,016.00	66,509,390.00
Unfunded	11,454,563.50	4,160,539.50
	\$ 71,358,270.65	\$ 73,743,319.90
	\$ 71,358,270.65	\$ 73,743,319.90
 <u>LIABILITIES, RESERVES and FUND BALANCE</u>		
Capital Improvement Fund	\$ 470,002.66	\$ 6,002.66
Improvement Authorizations:		
Funded	1,323,181.73	2,087,057.72
Unfunded	7,609,925.86	2,035,678.25
Reserve for Encumbrances	1,518,557.03	2,662,041.47
General Serial Bonds	59,722,016.00	66,509,390.00
Reserve for Payment of Debt Service - BANS	95,447.40	95,447.40
Reserve for Payment of Debt Service - Bonds	188,427.09	188,427.09
Reserve for Down Payment on Improvements	36,302.00	36,302.00
Fund Balance	394,410.88	122,973.31
	\$ 71,358,270.65	\$ 73,743,319.90
	\$ 71,358,270.65	\$ 73,743,319.90

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

TOWNSHIP OF WEST DEPTFORD
WATER - SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2023 and 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Operating Fund:		
Cash		
Treasurer	\$ 7,111,026.56	\$ 7,396,958.89
Due from Current Fund		897.43
Due from Water-Sewer Utility Capital Fund	0.01	
	7,111,026.57	7,397,856.32
Receivables with Full Reserves:		
Consumer Accounts Receivable	1,288,056.74	1,223,097.43
Utility Liens Receivable	12,308.21	12,789.12
	1,300,364.95	1,235,886.55
Total Operating Fund	8,411,391.52	8,633,742.87
Capital Fund:		
Cash	3,049,800.03	2,461,236.12
Due from Water-Sewer Utility Operating Fund		131,946.89
NJEIT Loan Receivable	1,979,287.00	
Fixed Capital	72,000,201.81	64,231,222.71
Fixed Capital Authorized and Uncompleted	7,500,000.00	10,955,000.00
Total Capital Fund	84,529,288.84	77,779,405.72
	\$ 92,940,680.36	\$ 86,413,148.59

(Continued)

TOWNSHIP OF WEST DEPTFORD
WATER - SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2023 and 2022

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2023</u>	<u>2022</u>
Operating Fund:		
Liabilities:		
Appropriation Reserves	\$ 2,214,898.52	\$ 2,740,690.98
Reserve for Encumbrances	458,219.71	847,190.48
Overpayments	38,864.48	33,268.52
Accrued Interest on Bonds, Notes, and Loans	127,265.00	140,974.59
Reserve for Engineering Escrow	1,175.00	1,175.00
Due to Water-Sewer Utility Capital Fund		131,946.89
	2,840,422.71	3,895,246.46
Reserve for Receivables	1,300,364.95	1,235,886.55
Fund Balance	4,270,603.86	3,502,609.86
Total Operating Fund	8,411,391.52	8,633,742.87
Capital Fund:		
Serial Bonds	8,637,984.00	9,415,610.00
NJ Infrastructure Bank Loan Payable	7,019,811.48	3,451,278.35
Due to Water-Sewer Utility Operating Fund	0.01	
Reserve for Amortization	60,472,562.33	57,569,334.36
Capital Improvement Fund	1,023,793.63	323,793.63
Reserve for Down Payment on Improvements	16,250.00	16,250.00
Improvement Authorizations:		
Funded		615,468.57
Unfunded	4,272,728.07	2,574,135.19
Reserve for Encumbrances	3,027,410.11	3,754,786.41
Reserve for Debt Service	10,228.89	10,228.89
Fund Balance	48,520.32	48,520.32
Total Capital Fund	84,529,288.84	77,779,405.72
	\$ 92,940,680.36	\$ 86,413,148.59

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

TOWNSHIP OF WEST DEPTFORD
WATER - SEWER UTILITY OPERATING FUND
Statements of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2023 and 2022

<u>Revenue and Other Income Realized</u>	<u>2023</u>	<u>2022</u>
Fund Balance Utilized	\$ 2,519,000.00	\$ 2,233,946.90
Rents	12,447,281.40	12,383,447.88
Miscellaneous	483,375.23	472,084.34
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	2,555,526.14	1,930,059.34
Total Income	18,005,182.77	17,019,538.46
<u>Expenditures</u>		
Operating	10,763,000.00	10,429,000.00
Capital Improvements	1,915,000.00	1,775,000.00
Debt Service	1,708,488.77	1,611,581.43
Deferred Charges		131,946.89
Statutory Expenditures	330,000.00	313,000.00
Other Debits to Income:		
Miscellaneous Refunds	1,700.00	
Total Expenditures	14,718,188.77	14,260,528.32
Excess (Deficit) in Revenue	3,286,994.00	2,759,010.14
<u>Fund Balance</u>		
Balance Jan. 1	3,502,609.86	2,977,546.62
	6,789,603.86	5,736,556.76
Decreased by:		
Utilized by Water-Sewer Operating Budget	2,519,000.00	2,233,946.90
Balance Dec. 31	\$ 4,270,603.86	\$ 3,502,609.86

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of West Deptford (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on March 1, 1871, from portions of Deptford Township. Portions of the Township were taken to form the boroughs of National Park (April 15, 1902) and Westville (April 7, 1914). The City of Woodbury annexed portions of the Township in May 1907. The Township, located in Gloucester County, New Jersey, has a total area of approximately 17.81 square miles, and is located approximately eight miles from the City of Philadelphia. The Township borders the Townships of Deptford, East Greenwich and Mantua; and the Boroughs of National Park, Paulsboro, Westville, Woodbury and Woodbury Heights; and the Delaware River. According to the 2020 census, the population is 22,197.

The Township is governed under the Township Committee form of government, with a five-member Committee. The Committee is elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis, with one or two seats coming up for election each year. At an annual reorganization meeting, the Committee selects one of its members to serve as Mayor and another as Deputy Mayor. Legislative and executive power is vested in the Committee.

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:

West Deptford Free Public Library
420 Crown Point Road
West Deptford, New Jersey 08086

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd) - In accordance with the *Requirements*, the Township accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

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

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

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2023, the Township's bank balances of \$41,003,788.55 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$40,321,961.99
Uninsured and Uncollateralized	<u>681,826.56</u>
Total	<u>\$ 41,003,788.55</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>\$ 3.447</u>	<u>\$ 3.431</u>	<u>\$ 3.419</u>	<u>\$ 3.411</u>	<u>\$ 3.316</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.013	\$ 1.013	\$ 1.012	\$ 1.003	\$ 1.005
Municipal Library	.041	.037	.035	.036	.035
Municipal Open Space	.006	.005	.006	.005	.005
County	.671	.684	.702	.718	.654
County Open Space Preservation					
Trust Fund	.042	.041	.043	.044	.041
Local School	1.674	1.651	1.621	1.605	1.576

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 2,239,679,130.00
2022	2,226,297,128.00
2021	2,213,939,203.00
2020	2,211,842,859.00
2019	2,206,346,696.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2023	\$ 78,180,546.61	\$ 77,198,697.19	98.74%
2022	77,273,013.40	76,483,637.76	98.98%
2021	75,833,542.76	75,114,087.74	99.05%
2020	75,628,215.93	74,652,578.23	98.71%
2019	73,350,391.24	72,313,264.08	98.59%

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	\$ 1,395,941.63	\$ 843,613.16	\$ 2,239,554.79	2.86%
2022	2,128,414.57	611,810.05	2,740,224.62	3.55%
2021	2,158,271.90	540,041.97	2,698,313.87	3.56%
2020	2,217,261.08	790,460.87	3,007,721.95	3.98%
2019	2,047,698.80	829,968.32	2,877,667.12	3.92%

Note 3: PROPERTY TAXES (CONT'D)

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

<u>Year</u>	<u>Number</u>
2023	91
2022	94
2021	106
2020	115
2019	101

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	\$ 1,145,200.00
2022	1,166,900.00
2021	887,100.00
2020	887,100.00
2019	887,100.00

Note 5: WATER AND SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2023	\$ 1,223,097.43	\$ 12,789.12	\$ 12,586,433.55	\$ 13,822,320.10	\$ 12,447,281.40
2022	1,533,656.22	12,789.12	12,214,721.93	13,761,167.27	12,383,447.88
2021	1,375,394.52	13,686.55	12,361,692.46	13,750,773.53	11,995,090.67
2020	1,720,099.29	12,691.84	12,451,723.24	14,184,514.37	12,538,823.34
2019	1,458,883.12	14,494.38	11,581,244.96	13,054,622.46	11,271,967.64

Note 6: LEASES RECEIVABLE

The Township, as lessor, has entered into the following leases which meet the requirements of GASB Statement No. 87, *Leases*:

Cell Towers

On June 1, 2010, the Township entered into a five-year lease agreement with AT&T for the lease of cell towers with an incremental borrowing rate of 2.50%. The agreement included periodic renewals that extended the agreement through 2029. Based on this agreement, the Township is receiving monthly payments of \$3,600.00 through May 31, 2029.

On November 1, 2022, the Township entered into a five-year lease agreement with AT&T for the lease of cell towers with an incremental borrowing rate of 4.00%. The agreement included periodic renewals that extended the agreement through 2047. Based on this agreement, the Township is receiving payments that increase 3% every year. The payments will range between \$3,307.28 and \$6,723.02 through October 31, 2047.

On May 1, 2022, the Township entered into a five-year lease agreement with AT&T for the lease of cell towers with an incremental borrowing rate of 4.00%. The agreement included periodic renewals that extended the agreement through 2023. Based on this agreement, the Township is receiving payments that increase 3% every year. The payments will range between \$3,307.28 and \$6,723.02 through April 30, 2047.

On May 1, 2005, the Township entered into a five-year lease agreement with T-Mobile for the lease of cell towers with an incremental borrowing rate of 3.25%. The agreement included periodic renewals that extended the agreement through 2035. Based on this agreement, the Township is receiving payments that increase 10% every five (5) years. The payments will range between \$2,395.80 and \$2,898.92 through April 30, 2035.

On March 1, 2006, the Township entered into a five-year lease agreement with T-Mobile for the lease of cell towers with an incremental borrowing rate of 4.00%. The agreement included periodic renewals that extended the agreement through 2036. Based on this agreement, the Township is receiving payments that increase 10% every five (5) years. The monthly payments will range between \$2,395.80 and \$2,898.92 through February 28, 2036.

On January 1, 2014, the Township entered into a five-year lease agreement with Verizon for the lease of cell towers with an incremental borrowing rate of 5.00%. The agreement included periodic renewals that extended the agreement through 2035. Based on this agreement, the Township is receiving payments that increase 3% every year. The monthly payments will range between \$2,153.51 and \$2,571.40 through December 31, 2039.

Under the provisions of GASB 87, as of December 31, 2023, the balance of the lease's receivable is \$2,887,322.78. As a result of the regulatory basis of accounting previously described in note 1, such balance is not recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund.

Note 6: LEASES RECEIVABLE (CONT'D)

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

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Land Lease - Cell Towers	<u>\$ 2,887,322.78</u>	<u>\$ 151,966.68</u>	<u>\$ 115,060.82</u>

Under the provisions of GASB 87, for the year ended December 31, 2023, the Township would have recognized \$92,622.62 in a reduction of lease receivable and \$115,060.82 in interest revenue related to the leases. In addition, \$151,966.68 would have been recognized as both lease revenue and a reduction in deferred inflows of resources related to leases.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 99,044.33	\$ 111,848.69	\$ 210,893.02
2025	105,819.80	108,378.96	214,198.76
2026	117,333.89	104,582.23	221,916.12
2027	126,513.69	100,347.13	226,860.82
2028	134,682.55	95,790.63	230,473.18
2029-2033	628,313.90	408,302.53	1,036,616.43
2034-2038	634,400.22	273,591.76	907,991.98
2039-2043	524,606.80	160,087.58	684,694.38
2044-2047	516,607.60	39,623.04	556,230.64
	<u>\$ 2,887,322.78</u>	<u>\$ 1,402,552.55</u>	<u>\$ 4,289,875.33</u>

Note 7: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2023	\$ 13,071,354.46	\$ 5,152,946.04	39.42%
2022	12,352,285.04	4,898,611.00	39.66%
2021	9,929,365.77	5,123,500.00	51.60%
2020	8,424,499.18	3,109,000.00	36.90%
2019	8,096,597.41	2,900,000.00	35.82%

Water - Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2023	\$ 4,270,603.86	\$ 2,712,730.00	63.52%
2022	3,502,609.86	2,519,000.00	71.92%
2021	2,977,546.62	2,233,946.90	75.03%
2020	2,906,625.63	1,476,370.00	50.79%
2019	1,705,731.86	1,390,402.81	81.51%

Note 8: 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	\$ 1,798.20	\$ 1,656.28
Trust - Animal Control		1,798.20
Trust - Municipal Open Space	1,656.28	
Water - Sewer Utility - Operating	0.01	
Water - Sewer Utility - Capital		0.01
	<u>\$ 3,454.49</u>	<u>\$ 3,454.49</u>

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

Note 9: PENSION PLANS

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

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

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

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

Contributions

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

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)****Public Employees' Retirement System (Cont'd) - *Special Funding Situation Component (Cont'd)* -**

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

The Employer's contractually required contribution rate for the year ended December 31, 2023 was 16.95% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 is \$968,645.00, and is payable by April 1, 2024. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022 was \$860,393.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were \$435,389.06.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2023 was 0.57% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$32,738.00, and is payable by April 1, 2023. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2022 was \$21,664.00.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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 Employer's contractually required contribution rate for the year ended December 31, 2023 was 36.05% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 is \$1,512,363.00, and is payable by April 1, 2024. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022 was \$1,468,811.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were \$422,680.00.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2023 was 6.31% of the Employer's covered payroll.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$264,510.00, and is payable by April 1, 2024. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2022 was \$286,422.00, which was paid on April 1, 2023.

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

For the year ended December 31, 2023, employee contributions totaled \$6,123.56, and the Employer's contributions were \$3,902.54. 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, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was \$10,497,516.00. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2023 measurement date, the Township's proportion was 0.0724747657%, which was an increase of 0.0042463569% from its proportion measured as of June 30, 2022.

Pension (Benefit) Expense - For the year ended December 31, 2023, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date was (\$1,851.00). This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employers contribution to PERS was \$860,393.00, and was paid on April 1, 2023.

For the year ended December 31, 2023, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2023 measurement date, was \$32,738.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Note 9: 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, 2023, the Employer's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 12,552,401.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>2,312,926.00</u>
	<u><u>\$ 14,865,327.00</u></u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2023 measurement date, the Employer's proportion was 0.1136089100%, which was an increase of 0.0006715200% from its proportion measured as of June 30, 2022. Likewise, at June 30, 2023, the State of New Jersey's proportion, on-behalf of the Employer, was 0.1136090700%, which was an increase of 0.0006715400% from its proportion, on-behalf of the Township, measured as of June 30, 2022.

Pension (Benefit) Expense - For the year ended December 31, 2023, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date was \$613,425.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer's contribution to PFRS was \$1,468,811.00, and was paid on April 1, 2023.

For the year ended December 31, 2023, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2023 measurement date, was \$263,091.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 9: 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, 2023, the Employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 100,370.00	\$ 537,469.00	\$ 637,839.00	\$ 42,910.00	\$ 598,638.00	\$ 641,548.00
Changes of Assumptions	23,061.00	27,093.00	50,154.00	636,194.00	847,588.00	1,483,782.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	48,342.00	639,270.00	687,612.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	889,678.00	304,678.00	1,194,356.00	185,937.00	424,984.00	610,921.00
Contributions Subsequent to the Measurement Date	484,323.00	756,182.00	1,240,505.00	-	-	-
	<u>\$ 1,545,774.00</u>	<u>\$ 2,264,692.00</u>	<u>\$ 3,810,466.00</u>	<u>\$ 865,041.00</u>	<u>\$ 1,871,210.00</u>	<u>\$ 2,736,251.00</u>

Deferred outflows of resources in the amounts of \$484,323.00 and \$756,182.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2024. These amounts were based on an estimated April 1, 2025 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2023 to the Employer's year end of December 31, 2023.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	-
June 30, 2023	5.08	-	6.16	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
June 30, 2021	5.00	-	5.00	-
June 30, 2022	5.00	-	5.00	-
June 30, 2023	5.00	-	5.00	-
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22
June 30, 2023	5.08	5.08	6.16	6.16

Note 9: 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:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2024	\$ (257,357.00)	\$ (589,036.00)	\$ (846,393.00)
2025	(165,654.00)	(505,889.00)	(671,543.00)
2026	545,945.00	791,909.00	1,337,854.00
2027	61,011.00	(89,320.00)	(28,309.00)
2028	12,465.00	25,175.00	37,640.00
Thereafter	-	4,461.00	4,461.00
	<u>\$ 196,410.00</u>	<u>\$ (362,700.00)</u>	<u>\$ (166,290.00)</u>

Actuarial Assumptions

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

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

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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

Police and Firemen's Retirement System

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

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2023 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate -**

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Public Employees' Retirement System (PERS) - The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2023 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 13,665,532.00</u>	<u>\$ 10,497,516.00</u>	<u>\$ 7,801,115.00</u>

Note 9: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Public Employees' Retirement System (PERS) - As previously mentioned, PERS has a special funding situation, under Chapter 366, P.L. 2001, where the State of New Jersey pays a portion of the Employer's annual required contribution. As such, the net pension liability as of the June 30, 2023 measurement date, for the Employer and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 17,489,574.00	\$ 12,552,401.00	\$ 8,440,917.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>3,222,657.00</u>	<u>2,312,926.00</u>	<u>1,555,337.00</u>
	<u><u>\$ 20,712,231.00</u></u>	<u><u>\$ 14,865,327.00</u></u>	<u><u>\$ 9,996,254.00</u></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 9: PENSION PLANS (CONT'D)**Supplementary Pension Information**

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

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

	Measurement Date Ended June 30,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.0724747657%	0.0682284088%	0.0688520048%	0.0692377442%	0.0628903651%
Proportionate Share of the Net Pension Liability	\$ 10,497,516.00	\$ 10,296,606.00	\$ 8,156,552.00	\$ 11,290,865.00	\$ 11,331,890.00
Covered Payroll (Plan Measurement Period)	\$ 5,423,884.00	\$ 5,200,032.00	\$ 4,991,596.00	\$ 4,990,088.00	\$ 4,384,220.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	193.54%	198.01%	163.41%	226.27%	258.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%
	Measurement Date Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.0715932969%	0.0673934134%	0.0681993180%	0.0697519851%	0.0798331531%
Proportionate Share of the Net Pension Liability	\$ 14,096,363.00	\$ 15,688,109.00	\$ 20,198,682.00	\$ 15,657,923.00	\$ 14,946,950.00
Covered Payroll (Plan Measurement Period)	\$ 5,013,752.00	\$ 4,655,168.00	\$ 4,611,192.00	\$ 4,826,080.00	\$ 5,420,796.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	281.15%	337.00%	438.04%	324.44%	275.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)***

	Year Ended December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 968,645.00	\$ 860,393.00	\$ 806,337.00	\$ 757,426.00	\$ 611,738.00
Contribution in Relation to the Contractually Required Contribution	(968,645.00)	(860,393.00)	(806,337.00)	(757,426.00)	(611,738.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 5,716,359.00	\$ 5,550,818.00	\$ 5,266,459.00	\$ 5,107,392.00	\$ 4,993,577.00
Contributions as a Percentage of Covered Payroll	16.95%	15.50%	15.31%	14.83%	12.25%
	Year Ended December 31,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 712,122.00	\$ 624,328.00	\$ 605,873.00	\$ 599,680.00	\$ 658,133.00
Contribution in Relation to the Contractually Required Contribution	(712,122.00)	(624,328.00)	(605,873.00)	(599,680.00)	(658,133.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 4,541,418.00	\$ 4,911,144.00	\$ 4,794,619.00	\$ 4,618,538.00	\$ 4,876,222.00
Contributions as a Percentage of Covered Payroll	15.68%	12.71%	12.64%	12.98%	13.50%

Note 9: 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)***

	Measurement Date Ended June 30,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.1136089100%	0.1129373900%	0.1152753442%	0.1122985795%	0.1153778611%
Proportionate Share of the Net Pension Liability	\$ 12,552,401.00	\$ 12,927,216.00	\$ 8,425,650.00	\$ 14,510,458.00	\$ 14,119,734.00
State's Proportionate Share of the Net Pension Liability	2,312,926.00	2,300,665.00	2,369,712.00	2,251,957.00	2,229,533.00
Total	<u>\$ 14,865,327.00</u>	<u>\$ 15,227,881.00</u>	<u>\$ 10,795,362.00</u>	<u>\$ 16,762,415.00</u>	<u>\$ 16,349,267.00</u>
Covered Payroll (Plan Measurement Period)	\$ 4,138,892.00	\$ 3,990,972.00	\$ 4,084,328.00	\$ 3,861,448.00	\$ 3,945,208.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	303.28%	323.91%	206.29%	375.78%	357.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.16%	68.33%	77.26%	63.52%	65.00%
	Measurement Date Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.1176193052%	0.1159202942%	0.1092735978%	0.1070225868%	0.1116161341%
Proportionate Share of the Net Pension Liability	\$ 15,915,831.00	\$ 17,895,852.00	\$ 20,874,052.00	\$ 17,826,232.00	\$ 14,040,274.00
State's Proportionate Share of the Net Pension Liability	2,161,902.00	2,004,486.00	1,752,903.00	1,563,301.00	1,511,902.00
Total	<u>\$ 18,077,733.00</u>	<u>\$ 19,900,338.00</u>	<u>\$ 22,626,955.00</u>	<u>\$ 19,389,533.00</u>	<u>\$ 15,552,176.00</u>
Covered Payroll (Plan Measurement Period)	\$ 3,902,080.00	\$ 3,719,484.00	\$ 3,423,764.00	\$ 3,389,744.00	\$ 3,494,456.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.88%	481.14%	609.68%	525.89%	401.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%	56.31%	62.41%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Ten Years)***

	Year Ended December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 1,512,363.00	\$ 1,468,811.00	\$ 1,343,493.00	\$ 1,254,567.00	\$ 1,165,444.00
Contribution in Relation to the Contractually Required Contribution	(1,512,363.00)	(1,468,811.00)	(1,343,493.00)	(1,254,567.00)	(1,165,444.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 4,195,142.00	\$ 4,057,796.00	\$ 4,016,961.00	\$ 3,989,187.00	\$ 3,868,974.00
Contributions as a Percentage of Covered Payroll	36.05%	36.20%	33.45%	31.45%	30.12%
	Year Ended December 31,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,149,902.00	\$ 1,025,916.00	\$ 890,952.00	\$ 869,934.00	\$ 857,289.00
Contribution in Relation to the Contractually Required Contribution	(1,149,902.00)	(1,025,916.00)	(890,952.00)	(869,934.00)	(857,289.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 3,947,735.00	\$ 3,880,384.00	\$ 3,708,533.00	\$ 3,581,501.00	\$ 3,382,656.00
Contributions as a Percentage of Covered Payroll	29.13%	26.44%	24.02%	24.29%	25.34%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

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

Changes in Assumptions

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%

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

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

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

Changes in Assumptions

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	6.51%	2023	7.00%	2018	7.00%
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%

Note 10: LENGTH OF SERVICE AWARDS PROGRAM

Plan Description - The Township's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Resolution adopted in 2001 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the Township approved the adoption of the Plan at the general election held on November 6, 2001, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2002. The Plan provides tax deferred income benefits to active volunteer firefighters and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

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

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

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

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

For the year ended December 31, 2023, the Township's total expenditure to the Plan was \$9,200.00.

Note 10: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

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

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

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

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

Forfeited Accounts - For the year ended December 31, 2023, no accounts were forfeited.

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

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

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

TOWNSHIP OF WEST DEPTFORD POSTEMPLOYMENT BENEFIT PLAN – HEALTH PLAN

Plan Description and Benefits Provided - The Township is referred to as “Employer” throughout this note. The Employer provides postretirement health care benefits through a health plan for retirees, which includes a medical and prescription plan. The Township provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: (a) eligible retirees who retire from active employment with the Employer who have at least twenty-five (25) years of service with the Employer. Coverage is provided for the retirees and their eligible dependents only up to the time of their Medicare eligibility, providing the retirees annually certify that they have no other medical or prescription coverage. The Plan is administered by the Employer; therefore, premium payments are made directly to the insurance carriers. Reimbursements by the retirees are paid in monthly installments after the Employer provides the retirees with a detailed accounting of the costs.

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

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	147
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	8
Active Employees	118
	273

Total OPEB Liability

The Employer’s total OPEB liability of \$59,487,026.00 was measured as of December 31, 2023 and was determined by an actuarial valuation as of this same date.

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

Inflation	2.50% Annually
Salary Increases	2.50% Annually
Discount Rate	3.26%
Healthcare Cost Trend Rates	Medical: 5.1% in 2023, reducing by 0.2% per annum, leveling at 4.5% per annum in 2026 Drug: 6.0% in 2023, reducing by 0.5% per annum, leveling at 4.5% per annum in 2026 Medicare Advantage: 4.5% per annum Dental and Vision: 3.5% per annum
Retirees' Share of Benefit-Related Costs	Contribution rates in effect at retirement

The discount rate was based on the Bond Buyer 20 Index.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**TOWNSHIP OF WEST DEPTFORD POSTEMPLOYMENT BENEFIT PLAN – HEALTH PLAN (CONT'D)****Total OPEB Liability (Cont'd)****Actuarial Assumptions and Other Inputs (Cont'd)** - Mortality rates were based on the following:

Pre-Retirement, Post-Retirement, Disabled - PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021

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

Changes in Total OPEB Liability

Balance at December 31, 2022		\$ 59,191,010.00
Changes for the Year:		
Service Cost	\$ 716,277.00	
Interest Cost	2,198,303.00	
Benefit Payments	(1,626,317.00)	
Changes in Assumptions	(992,247.00)	
Difference between Expected and Actual Experience	-	
Net Changes		<u>296,016.00</u>
Balance at December 31, 2023		<u>\$ 59,487,026.00</u>

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

Changes of assumptions and other inputs reflect a change in the discount rate from 3.72% at December 31, 2022 to 3.26% at December 31, 2023.

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

	<u>December 31, 2023</u>		
	1.00% Decrease <u>(2.26%)</u>	Current Discount Rate <u>(3.26%)</u>	1.00% Increase <u>(4.26%)</u>
Total OPEB Liability	<u>\$ 67,064,216.00</u>	<u>\$ 59,487,026.00</u>	<u>\$ 53,356,744.00</u>

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**TOWNSHIP OF WEST DEPTFORD POSTEMPLOYMENT BENEFIT PLAN – HEALTH PLAN (CONT'D)**

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability of the Employer, as well as what the Employer's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	December 31, 2023		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$ 53,978,386.00</u>	<u>\$ 59,487,026.00</u>	<u>\$ 66,271,143.00</u>

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2023, the Employer recognized OPEB (benefit) expense of \$2,687,358.00. As of December 31, 2023, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ -	\$ -
Difference Between Expected and Actual Experience	<u>-</u>	<u>3,814,431.00</u>
	<u>\$ -</u>	<u>\$ 3,814,431.00</u>

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

<u>Year Ending Dec 31,</u>	
2024	\$ (227,222.00)
2025	(227,222.00)
2026	(227,222.00)
2027	(227,222.00)
2028	(227,222.00)
Thereafter	<u>(2,678,321.00)</u>
	<u>\$ (3,814,431.00)</u>

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**TOWNSHIP OF WEST DEPTFORD POSTEMPLOYMENT BENEFIT PLAN – HEALTH PLAN (CONT'D)****Supplementary OPEB Information**

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

Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios (Last Two Years)

	Plan Measurement Date December 31,	
	<u>2023</u>	<u>2022</u>
Total OPEB Liability		
Service Cost	\$ 716,277.00	\$ 716,277.00
Interest Cost	2,198,303.00	1,275,725.00
Benefit Payments	(1,626,317.00)	(1,585,171.00)
Changes in Assumptions	(992,247.00)	(3,220,509.00)
Difference Between Expected and Actual Experience	-	-
Net Change in Total OPEB Liability	296,016.00	(2,813,678.00)
Total OPEB Liability, January 1	59,191,010.00	62,004,688.00
Total OPEB Liability, December 31	<u>\$ 59,487,026.00</u>	<u>\$ 59,191,010.00</u>
Covered-Employee Payroll	\$ 8,939,000.00	\$ 7,938,000.00
Total OPEB Liability as a Percentage of Covered Payroll	665.48%	745.67%

Other Notes to Supplementary OPEB Information**Changes in Benefit Terms**

None.

Changes in Assumptions

The discount rate changed from 3.72% as of the December 31, 2022 measurement date to 3.26% as of the December 31, 2023 measurement date.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF WEST DEPTFORD POSTEMPLOYMENT BENEFIT PLAN – DENTAL PLAN

Plan Description and Benefits Provided - The Township is referred to as “Employer” throughout this note. The Employer provides postretirement dental benefits through a dental plan for retirees. The Employer’s provides a single employer post-employment dentalcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: eligible retirees who retire from active employment with the Employer under various classifications who have at least twenty (25) years of service in a state retirement system. This provision is part of various Labor Agreements between the Employer and its employees. The plan is administered by the Employer; therefore, premium payments are made directly to the insurance carriers.

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

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	98
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	
Active Employees	127
	<u>225</u>

Total OPEB Liability

The Employer’s total OPEB liability of \$2,490,837.00 was measured as of December 31, 2023 and was determined by an actuarial valuation as of this same date.

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

Discount Rate	4.00%
Salary Scale	3.00% per annum (for EAN)
Mortality	PUB-2010 mortality table MP-2021 projection
Withdrawal	Sarasson T-5 Table
Healthcare Cost Trend Rate	5% per year
Inflation Rate	3% per annum

The discount rate was based on the S&P 20 AA Municipal Bond Index.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**TOWNSHIP OF WEST DEPTFORD POSTEMPLOYMENT BENEFIT PLAN – DENTAL PLAN (CONT'D)****Total OPEB Liability (Cont'd)****Actuarial Assumptions and Other Inputs (Cont'd)** - Mortality rates were based on the following:

Pre-Retirement, Post-Retirement, Disabled - PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021

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

Changes in Total OPEB Liability

Balance at December 31, 2022		\$ 2,373,426.00
Changes for the Year:		
Service Cost	\$ 80,161.00	
Interest Cost	100,532.00	
Benefit Payments	(81,782.00)	
Changes in Assumptions	(121,659.00)	
Difference between Expected and Actual Experience	140,159.00	
Net Changes		<u>117,411.00</u>
Balance at December 31, 2023		<u>\$ 2,490,837.00</u>

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

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

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

	<u>December 31, 2023</u>		
	1.00% Decrease <u>(3.00%)</u>	Current Discount Rate <u>(4.00%)</u>	1.00% Increase <u>(5.00%)</u>
Total OPEB Liability	<u>\$ 2,971,826.00</u>	<u>\$ 2,490,837.00</u>	<u>\$ 2,115,348.00</u>

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**TOWNSHIP OF WEST DEPTFORD POSTEMPLOYMENT BENEFIT PLAN – DENTAL PLAN (CONT'D)**

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability of the Employer, as well as what the Employer's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	December 31, 2023		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$ 2,098,677.00</u>	<u>\$ 2,490,837.00</u>	<u>\$ 2,999,447.00</u>

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2023, the Employer recognized OPEB (benefit) expense of (\$2,749.00). As of December 31, 2023, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 601,850.00	\$ -
Difference Between Expected and Actual Experience	<u>-</u>	<u>1,574,689.00</u>
	<u>\$ 601,850.00</u>	<u>\$ 1,574,689.00</u>

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

<u>Year Ending Dec 31,</u>	
2024	\$ (183,442.00)
2025	(183,442.00)
2026	(183,442.00)
2027	(183,443.00)
2028	(245,411.00)
Thereafter	<u>6,341.00</u>
	<u>\$ (972,839.00)</u>

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**TOWNSHIP OF WEST DEPTFORD POSTEMPLOYMENT BENEFIT PLAN – DENTAL PLAN (CONT'D)****Supplementary OPEB Information**

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

Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios (Last Six Years)

	Plan Measurement Date December 31,		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability			
Service Cost	\$ 80,161.00	\$ 119,932.00	\$ 128,603.00
Interest Cost	100,532.00	83,531.00	75,390.00
Benefit Payments	(81,782.00)	(85,453.00)	(82,689.00)
Changes in Assumptions	140,159.00	(1,649,498.00)	(165,508.00)
Difference Between Expected and Actual Experience	(121,659.00)	149,680.00	(148,102.00)
Net Change in Total OPEB Liability	117,411.00	(1,381,808.00)	(192,306.00)
Total OPEB Liability, January 1	2,373,426.00	3,755,234.00	3,947,540.00
Total OPEB Liability, December 31	<u>\$ 2,490,837.00</u>	<u>\$ 2,373,426.00</u>	<u>\$ 3,755,234.00</u>
Covered-Employee Payroll	\$ 12,370,417.00	\$ 12,127,860.00	\$ 11,426,000.00
Total OPEB Liability as a Percentage of Covered Payroll	20.14%	19.57%	32.87%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 68,095.00	\$ 62,020.00	\$ 56,795.00
Interest Cost	108,124.00	115,722.00	111,780.00
Benefit Payments	(82,300.00)	(79,552.00)	(78,492.00)
Changes in Assumptions	321,569.00	217,023.00	-
Difference Between Expected and Actual Experience	174,230.00	(176,354.00)	18,753.00
Net Change in Total OPEB Liability	589,718.00	138,859.00	108,836.00
Total OPEB Liability, January 1	3,357,822.00	3,218,963.00	3,110,127.00
Total OPEB Liability, December 31	<u>\$ 3,947,540.00</u>	<u>\$ 3,357,822.00</u>	<u>\$ 3,218,963.00</u>
Covered-Employee Payroll	\$ 8,800,000.00	\$ 8,290,000.00	\$ 8,290,000.00
Total OPEB Liability as a Percentage of Covered Payroll	44.86%	40.50%	38.83%

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**TOWNSHIP OF WEST DEPTFORD POSTEMPLOYMENT BENEFIT PLAN – DENTAL PLAN (CONT'D)****Other Notes to Supplementary OPEB Information**Changes in Benefit Terms

None.

Changes in Assumptions

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

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

Note 12: COMPENSATED ABSENCES

Under the existing policy of the Township, full-time employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may be accumulated and carried forward.

The Township compensates employees for unused sick leave and vacation days upon termination or retirement.

The Township has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2023, the balance of the fund was \$25,123.70. It is estimated that, at December 31, 2023, accrued benefits for compensated absences are valued at \$673,258.92.

Note 13: 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 14: CAPITAL DEBT**General Obligation Bonds**

General Obligation Improvement Bonds, Series 2001 - On October 1, 2001, the Township issued \$9,945,000.00 of general improvement bonds, with an interest rate of 3.25%. The bonds were issued for the purpose of funding various capital acquisitions and improvements within the Township. The final maturity of the bonds is October 1, 2027.

General Obligation Refunding Bonds, Series 2012 - On November 20, 2012, the Township issued \$8,298,673.00 of general obligation refunding bonds, with interest rates ranging from 2.0% to 4.0%. The bonds were issued to advance refund the General Obligation Improvement Bonds Series 2003 and to currently refund the General Obligation Refunding Bonds Series 2009. The final maturity of the bonds is September 1, 2028.

General Obligation Refunding Bonds, Series 2012 (Utility portion) - On November 20, 2012, the Township issued \$5,986,327.00 of general obligation refunding bonds, with interest rates ranging from 2.0% to 4.0%. The bonds were issued to advance refund the utility portion of the General Obligation Bonds Series 2003 and to currently refund the utility portion of the General Obligation Refunding Bonds Series 2009. The final maturity of the bonds is September 1, 2028.

General Obligation Refunding Bonds, Series 2014 - On November 13, 2014, the Township issued \$50,776,834.00 of general obligation refunding bonds, with interest rates ranging from 3.0% to 5.0%. The bonds were issued to currently refund the General Obligation Refunding Bonds Series 2004. The final maturity of the bonds is September 1, 2030.

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

General Obligation Refunding Bonds, Series 2014 (Utility portion) - On November 13, 2014, the Township issued \$3,008,166.00 of general obligation refunding bonds, with interest rates ranging from 3.0% to 5.0%. The bonds were issued to currently refund the utility portion of the General Obligation Refunding Bonds Series 2004. The final maturity of the bonds is September 1, 2030.

General Obligation Refunding Bonds, Series 2017 - On May 18, 2017, the Township issued \$14,040,223.00 of general obligation refunding bonds, with an interest rate of 5.0%. The bonds were issued to currently refund the General Obligation Bonds Series 2007 and the General Obligation Refunding Bonds Series 2012. The final maturity of the bonds is July 1, 2027.

General Obligation Improvement Bonds, Series 2019 - On March 26, 2019, the Township issued \$9,368,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 3.0%. The bonds were issued for the purpose of funding various capital acquisitions and improvements within the Township. The final maturity of the bonds is February 15, 2032.

General Obligation Utility Bonds,, Series 2019 - On March 26, 2019, the Township issued \$568,000.00 of utility improvement bonds, with interest rates ranging from 2.0% to 3.0%. The bonds were issued for the purpose of funding various utility capital acquisitions and improvements within the Township. The final maturity of the bonds is February 15, 2032.

General Obligation Refunding Bonds, Series 2020 - On May 5, 2020, the Township issued \$9,390,000.00 of general obligation refunding bonds, with interest rates ranging from 3.0% to 4.0%. The bonds were issued to currently refund the General Obligation Refunding Bonds Series 2012 for the bonds maturing on July 1 2028 through 2032. The final maturity of the bonds is July 1, 2032.

General Obligation Improvement Bonds, Series 2022 - On August 31, 2022, the Township issued \$3,140,000.00 of general improvement bonds, with an interest rate of 4.0%. The bonds were issued for the purpose of funding various capital acquisitions and improvements within the Township. The final maturity of the bonds is April 1, 2037.

General Obligation Utility Bonds, Series 2022 - On August 31, 2022, the Township issued \$5,045,000.00 of utility improvement bonds, with an interest rate of 4.0%. The bonds were issued for the purpose of funding various utility capital acquisitions and improvements within the Township. The final maturity of the bonds is April 1, 2042.

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

<u>Year</u>	<u>General</u>		<u>Water-Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 7,072,748.00	\$ 2,204,597.59	\$ 777,252.00	\$ 308,427.41	\$ 10,363,025.00
2025	7,391,562.00	1,894,366.44	788,438.00	281,014.81	10,355,381.25
2026	7,725,096.00	1,569,307.09	804,904.00	252,786.66	10,352,093.75
2027	7,952,546.00	1,305,254.21	812,454.00	228,308.29	10,298,562.50
2028	7,379,995.00	1,029,102.83	820,005.00	202,584.67	9,431,687.50
2029-2033	21,185,069.00	1,745,725.78	1,889,931.00	705,674.22	25,526,400.00
2034-2038	1,015,000.00	82,100.00	1,405,000.00	413,500.00	2,915,600.00
2039-2042			1,340,000.00	109,000.00	1,449,000.00
	<u>\$ 59,722,016.00</u>	<u>\$ 9,830,453.94</u>	<u>\$ 8,637,984.00</u>	<u>\$ 2,501,296.06</u>	<u>\$ 80,691,750.00</u>

Note 14: CAPITAL DEBT (CONT'D)**Water-Sewer Utility Capital Fund - New Jersey Environmental Infrastructure Loans**

In November of 2004, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$3,383,346.00, at no interest, from the fund loan, and \$2,530,000.00 at interest rates ranging from 4.0% to 5.0% from the trust loan. Semiannual debt payments are due February 1st and August 1st through 2024.

In November of 2007, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$3,425,131.00, at no interest, from the fund loan, and \$3,455,000.00 at interest rates ranging from 4.0% to 5.0% from the trust loan. Semiannual debt payments are due February 1st and August 1st through 2027.

In June of 2021, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$905,022.00, at no interest, from the fund loan, and \$295,000.00 at interest rates ranging from 2.0% to 5.0% from the trust loan. Semiannual debt payments are due February 1st and August 1st through 2050.

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

<u>Year</u>	<u>Water-Sewer Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 533,937.52	\$ 54,031.25	\$ 587,968.77
2025	459,196.92	41,025.00	500,221.92
2026	460,333.65	29,750.00	490,083.65
2027	469,541.06	18,250.00	487,791.06
2028	40,506.35	6,950.00	47,456.35
2029-2033	202,531.75	28,150.00	230,681.75
2034-2038	202,531.75	20,450.00	222,981.75
2039-2043	202,531.75	14,250.00	216,781.75
2044-2048	227,531.75	8,212.50	235,744.25
2049-2050	91,012.98	1,012.50	92,025.48
	<u>2,889,655.48</u>	<u>\$ 222,081.25</u>	<u>\$ 3,111,736.73</u>
Temporary Loan	<u>4,130,156.00</u>		
	<u>\$ 7,019,811.48</u>		

In addition to the above loans that are currently being paid, on October 17, 2019, the Township entered into a loan agreement with the New Jersey Infrastructure Bank to provide \$4,130,156.00 of funding in the water - sewer utility capital fund for the Water Meter Replacement Project. As of December 31, 2023, the loan has not been fully drawn down and therefore the amortization schedule has not been finalized, thus there is no future payment schedule as of year-end.

Note 14: CAPITAL DEBT (CONT'D)

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

Summary of Debt

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 59,722,016.00	\$ 66,509,390.00	\$ 73,230,812.00
Water - Sewer Utility:			
Bonds and Notes	15,657,795.48	12,866,888.35	10,810,070.78
Total Issued	<u>75,379,811.48</u>	<u>79,376,278.35</u>	<u>84,040,882.78</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	11,454,563.50	4,160,539.50	399,765.50
Water - Sewer Utility:			
Bonds and Notes	3,369,844.00	4,750,000.00	8,501,946.89
Total Authorized but not Issued	<u>14,824,407.50</u>	<u>8,910,539.50</u>	<u>8,901,712.39</u>
Total Issued and Authorized but not Issued	<u>90,204,218.98</u>	<u>88,286,817.85</u>	<u>92,942,595.17</u>
<u>Deductions</u>			
Reserve for Payment of Debt Service --			
General Capital Fund	283,874.49	283,874.49	309,135.51
Water-Sewer Utility	10,228.89	10,228.89	18,732.63
Tax Appeal Refunding Bonds	16,259,813.50	17,784,789.50	19,239,765.50
Self-Liquidating	19,017,410.59	17,606,659.46	19,293,285.04
Total Deductions	<u>35,571,327.47</u>	<u>35,685,552.34</u>	<u>38,860,918.68</u>
<u>Net Debt</u>	<u>\$ 54,632,891.51</u>	<u>\$ 52,601,265.51</u>	<u>\$ 54,081,676.49</u>

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 1.917%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 9,855,000.00	\$ 9,855,000.00	
Water - Sewer Utility	19,027,639.48	19,027,639.48	
General	71,176,579.50	16,543,687.99	\$ 54,632,891.51
	<u>\$ 100,059,218.98</u>	<u>\$ 45,426,327.47</u>	<u>\$ 54,632,891.51</u>

Net debt \$52,632,891.51 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$2,849,173,729.67, equals 1.917%.

Note 14: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$	99,721,080.54
Less: Net Debt		<u>54,632,891.51</u>
Remaining Borrowing Power	\$	<u>45,088,189.03</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		\$	15,449,656.63
Deductions:			
Operating and Maintenance Costs	\$	11,093,000.00	
Debt Service		<u>1,708,488.77</u>	
Total Deductions			<u>12,801,488.77</u>
Excess in Revenue	\$		<u>2,648,167.86</u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 15: SCHOOL TAXES

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

	<u>Balance December 31,</u>	
	<u>2023</u>	<u>2022</u>
Balance of Tax	\$ 17,249,695.51	\$ 16,886,032.51
Deferred	<u>13,540,017.68</u>	<u>13,540,017.68</u>
	<u>\$ 3,709,677.83</u>	<u>\$ 3,346,014.83</u>

Note 16: 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 charge is shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

<u>Description</u>	<u>Balance December 31, 2023</u>	<u>2024 Budget Appropriation</u>
Current Fund:		
Preparation of a Master Plan	\$ 8,000.00	\$ 8,000.00

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

Note 17: RISK MANAGEMENT

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

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

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

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

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

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

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

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

Note 17: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd) - For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

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

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	-	-	\$ 2,170.94	\$ 64,631.28	\$ 156,083.28
2022	-	\$ 740.66	-	577.50	218,543.62
2021	-	505.89	-	16,579.30	218,380.46

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

Note 18: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 11, 2001 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 West Deptford Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2002, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the referendum, the Township levies a tax not to exceed five cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of West Deptford Open Space, Recreation and Farmland Preservation Trust Funds.

Note 19: CONTINGENCIES

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

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

Note 20: 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 21: TAX ABATEMENTS

The Township enters into property tax abatement agreements under Long Term Tax Exemptions Law N.J.S.A. 40A:20-1 et seq. for urban renewal and public housing. Under the law, these urban renewal projects or public housing are defined as a limited dividend entity or a nonprofit entity. These entities undertake redevelopment projects (both commercial and residential), relocation projects for residents displaced by the redevelopment area, and low and moderate income housing projects in return for tax exemptions

For the year ended December 31, 2023, the Township abated net property taxes totaling \$254,403.93 under this program, including the following tax abatement agreements that each exceeded ten percent (10%) of the total amount abated:

- A sixty-three percent (63%) property tax abatement for construction and operation of a low to moderate income 76-unit apartment complex. The abatement amounted to \$160,023.10.
- A thirty percent (30%) property tax abatement for construction and operation of an affordable housing project. The abatement amounted to \$75,653.63.

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Undertaking”) dated as of October 1, 2025 by the Township of West Deptford, New Jersey, a public body corporate and politic of the State of New Jersey (the “Issuer”) is executed and delivered in connection with the issuance of the Issuer’s \$8,500,000 principal amount of Bond Anticipation Notes, Series 2025 (the “Notes”). Capitalized terms used in this Undertaking shall have the respective meanings specified above or in Article IV hereof.

ARTICLE I

THE UNDERTAKING

Section 1.1. Purpose. This Undertaking shall constitute a written undertaking for the benefit of the holders of the Notes, and is being executed and delivered solely to assist the successful bidder in complying with subsection (b)(5) of the Rule.

Section 1.2. Disclosure Event Notices. If a Disclosure Event occurs, the Issuer shall provide, in a timely manner not in excess of ten business days following the occurrence of any of the Disclosure Events, a Disclosure Event Notice to the MSRB.

Section 1.3. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that under some circumstances compliance with this Undertaking, without additional disclosures or other action, may not fully discharge all duties and obligations of the Issuer under such laws.

Section 1.4. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Disclosure Event Notice, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Disclosure Event Notice in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Disclosure Event Notice.

ARTICLE II

OPERATING RULES

Section 2.1. Disclosure Event Notices. Each Disclosure Event Notice shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Notes.

Section 2.2. Transmission of Notices. Unless otherwise required by law and, in the Issuer’s sole determination, subject to technical and economic feasibility, the Issuer shall employ such methods of notice transmission as shall be requested or recommended by the herein-designated recipients of the Issuer’s notices.

ARTICLE III

TERMINATION, AMENDMENT AND ENFORCEMENT

Section 3.1. Termination. (a) The Issuer's obligations under this Undertaking shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Notes.

(b) This Undertaking, or any provision hereof, shall be null and void in the event that the Issuer (1) receives an opinion of Counsel, addressed to the Issuer, to the effect that those portions of the Rule which require this Undertaking, or any of the provisions hereof, do not or no longer apply to the Notes, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion and (2) delivers copies of such opinion to the MSRB.

Section 3.2. Amendment. (a) This Undertaking may be amended, in writing, without the consent of the holders of the Notes (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby, (2) this Undertaking as so amended would have complied with the requirements of the Rule as of the date of this Undertaking, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Issuer shall have received an opinion of Counsel, addressed to the Issuer, to the same effect as set forth in clause (2) above, (4) either (i) the Issuer shall have received an opinion of Counsel or a determination by a person, in each case unaffiliated with the Issuer (such as bond counsel) and acceptable to the Issuer, addressed to the Issuer, to the effect that the amendment does not materially impair the interests of the holders of the Notes or (ii) the holders of the Notes consent to the amendment to this Undertaking and (5) the Issuer shall have delivered copies of such opinion(s) and amendment to the MSRB.

(b) In addition to subsection (a) above, this Undertaking may be amended and any provision of this Undertaking may be waived, in writing, without the consent of the holders of the Notes, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Undertaking which is applicable to this Undertaking, (2) the Issuer shall have received an opinion of Counsel, addressed to the Issuer, to the effect that performance by the Issuer under this Undertaking as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule and (3) the Issuer shall have delivered copies of such opinion and amendment to the MSRB.

Section 3.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Undertaking shall inure solely to the benefit of the holders from time to time of the Notes, except that beneficial owners of Notes shall be third-party beneficiaries of this Undertaking.

(b) Except as provided in this subsection (b), the provisions of this Undertaking shall create no rights in any person or entity. The obligations of the Issuer to comply with the provisions of this Undertaking shall be enforceable (i) in the case of enforcement of obligations

to provide notices, by any holder of outstanding Notes, or (ii) in the case of challenges to the adequacy of the notices so provided, by the holders of not less than a majority in aggregate principal amount of the Notes at the time outstanding. The holders' rights to enforce the provisions of this Undertaking shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Issuer's obligations under this Undertaking. In consideration of the third-party beneficiary status of beneficial owners of Notes pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Notes for purposes of this subsection (b).

(c) Any failure by the Issuer to perform in accordance with this Undertaking shall not constitute a default with respect to the Notes.

(d) This Undertaking shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Undertaking shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Undertaking addresses matters of federal securities laws, including the Rule, this Undertaking shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV

DEFINITIONS

Section 4.1. Definitions. The following terms used in this Undertaking shall have the following respective meanings:

(1) "Counsel" means Gibbons P.C. or other nationally recognized bond counsel or counsel expert in federal securities laws.

(2) "Disclosure Event" means any of the following events with respect to the Notes, whether relating to the Issuer or otherwise:

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

- (vii) modifications to rights of Noteholders; if material;
- (viii) Note calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Notes, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (xv) incurrence of a “financial obligation” (as defined in the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(3) “Disclosure Event Notice” means notice of a Disclosure Event.

(4) “MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to Rule 15c2-12. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

(5) “Official Statement” means the “final official statement”, as defined in paragraph (f)(3) of the Rule.

(6) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this undertaking and as may be amended from time to time, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

(7) “SEC” means the United States Securities and Exchange Commission.

(8) “State” means the State of New Jersey.

IN WITNESS WHEREOF, the Issuer has caused this Undertaking to be executed by its Chief Financial Officer as of the date first above written.

**TOWNSHIP OF WEST DEPTFORD, NEW
JERSEY**

By:_____

Name: Michael T. Kwasizur

Title: Chief Financial Officer

APPENDIX D

FORM OF APPROVING OPINION OF BOND COUNSEL



October __, 2025

Mayor and Township Committee
Township of West Deptford
400 Crown Point Road
West Deptford, New Jersey 08086

Dear Mayor and Committee Members:

We have examined certified copies of the proceedings of the Township Committee of the Township of West Deptford, in the State of New Jersey (the "Township"), including ordinances, affidavits and certificates delivered by officials of the Township, and other proofs submitted to us relative to the issuance and sale of \$8,500,000 Bond Anticipation Notes, Series 2025 (the "Notes"). The Notes are issued in registered form without coupons, are dated the date of delivery, bear interest at the rate of _____ and _____ Hundredths Percent (_____%) per annum and are payable at maturity on October 1, 2026. The Notes are issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the "Local Bond Law") and certain bond ordinances in all respects duly approved and published as required by law. The Notes are not subject to redemption prior to maturity.

The Notes are temporary obligations issued in anticipation of the issuance of bonds.

We have examined the Local Bond Law and such other laws and originals (or copies certified or otherwise identified to our satisfaction) of such instruments, certificates and documents as we deem necessary to render the opinions set forth herein. In such examination, we have assumed 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.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Notes pursuant to the Local Bond Law and other applicable provisions of law, and that the Notes have been duly authorized, executed and delivered and are valid and legally binding obligations of the Township.

2. The Township has the power and is obligated 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. Under existing law, interest on the Notes is excluded from the gross income of the owners of the Notes for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under the Code. We express no opinion regarding any other Federal income tax consequences arising with respect to the Notes .

4. Under existing law, interest on the Notes and any net gains on the sale thereof are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

With respect to our federal income tax opinion, we note that the Code imposes certain requirements that must be met on the date of issuance and on a continuing basis subsequent to the issuance of the Notes in order for interest on the Notes to be excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code. The Township has made certain representations and covenants in its tax certificate, which is executed on the date of issuance of the Notes, as to various tax requirements. In addition, the Township has covenanted to comply with the provisions of the Code applicable to the Notes and has covenanted not to take any action or fail to take any action to be taken which would cause the interest on the Notes to lose the exclusion from gross income for Federal income tax purposes under Section 103 of the Code or cause interest on the Notes to be treated as an item of tax preference under Section 57 of the Code. With your permission, we have relied upon the representations made in the tax certificate and have assumed continuing compliance by the Township with the above covenants in rendering our federal tax opinion with respect to the exclusion of interest on the Notes from gross income for Federal income tax purposes and with respect to interest on the Notes not constituting an item of tax preference.

Attention is called to the fact that for purposes of this letter we have not been requested to examine and have not examined any documents or information relating to the Township other than the certified copies of the proceedings and proofs referred to hereinabove, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of said Notes.

Our opinion concerning the enforceability of the Notes is subject to federal and state laws regarding bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights and remedies generally (including, without limitation, laws relating to fraudulent conveyance, and by general principles of law and equity (regardless of whether enforcement is considered or sought in proceedings at law or in equity) and by limitation on remedial rights under applicable law). Their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The opinions expressed herein are based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions, or laws or judicial decisions hereafter enacted or rendered. Our engagement by the Township with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of laws or judicial decisions hereafter enacted or rendered which impact on this opinion letter.

This opinion letter is rendered to you in connection with the above described transaction. This opinion letter may not be relied upon by you for any other purpose, or relied upon by, or furnished to, any other person, firm or corporation without our prior written consent. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

Very truly yours,

GIBBONS P.C.