

This is a Preliminary Official Statement "deemed final" within the meaning of and with the exception of certain information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission. The Township will deliver a final Official Statement in compliance with Rule 15c2-12. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 3, 2022

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

\$5,573,000*
TOWNSHIP OF MANSFIELD
IN THE COUNTY OF BURLINGTON,
NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2022
Consisting of:
\$5,503,700* General Improvement Bonds
and
\$69,300* Sewer Utility Bonds
(Book-Entry-Only) (Bank-Qualified) (Callable)

The Township of Mansfield, County of Burlington, New Jersey ("Township") is issuing \$5,573,000* aggregate principal amount of its General Obligation Bonds, Series 2022 ("Bonds"). The Bonds consist of: (i) \$5,503,700* General Improvement Bonds; and (ii) \$69,300* Sewer Utility Bonds. The Bonds shall be issued in fully registered book-entry-only form without coupons.

The principal of the Bonds shall be paid on the respective November 1 maturity dates upon presentation and surrender of the Bonds at the offices of the Township or its hereafter designated paying agent, if any ("Paying Agent"). Interest on the Bonds is payable semi-annually on May 1 and November 1 ("Interest Payment Dates"), commencing May 1, 2023 in each year until maturity or earlier redemption thereof. The Bonds are subject to redemption prior to their stated maturity dates on the terms and conditions set forth herein.

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

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2014-10, 2021-09, 2020-12, 2022-10, and 2021-29 ("Bond Ordinances"), duly and finally adopted by the Township and published in accordance with the requirements of the Local Bond Law; (iii) Resolution 2022-10-11 adopted by the Township on October 19, 2022; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on November 10, 2022.

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

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

The Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of Malamut & Associates, LLC, Cherry Hill, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Solicitor, Timothy M. Prime, Esquire, of the law firm Prime & Tuvel, Mount Laurel, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey, has acted as Municipal Advisor to the Township in connection with the issuance of the Bonds. It is anticipated that the Bonds in definitive form will be available for delivery, in immediately available funds, through DTC in New York, New York on or about December 1, 2022.

* Preliminary, subject to change.

\$5,573,000*
GENERAL OBLIGATION BONDS, SERIES 2022
 Consisting of:
\$5,503,700* General Improvement Bonds and
\$69,300* Sewer Utility Bonds

MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIP NUMBERS

<u>Year</u> <u>(November 1)</u>	<u>General</u> <u>Improvement</u> <u>Principal</u> <u>Amount*</u>	<u>Sewer Utility</u> <u>Principal</u> <u>Amount*</u>	<u>Total</u> <u>Aggregate</u> <u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2023	\$238,700	\$9,300	\$248,000	%	%	
2024	290,000	5,000	295,000			
2025	300,000	5,000	305,000			
2026	315,000	5,000	320,000			
2027	325,000	5,000	330,000			
2028	350,000	5,000	355,000			
2029	355,000	10,000	365,000			
2030	365,000	10,000	375,000			
2031	380,000	10,000	390,000			
2032	395,000	5,000	400,000			
2033	410,000	0	410,000			
2034	420,000	0	420,000			
2035	435,000	0	435,000			
2036	450,000	0	450,000			
2037	475,000	0	475,000			

* Preliminary, subject to change.

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

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

<u>Name</u>	<u>Title</u>
Marcial Mojena	Mayor
Rudy Ocello	Deputy Mayor
Robert Tallon	Committeeman
Daniel Golenda	Committeeman
Brian Siz	Committeeman

Township Clerk
Linda Semus

Chief Financial Officer/Treasurer
Bonnie Grouser

Solicitor
Timothy M. Prime, Esquire
Prime & Tuvel
Mount Laurel, New Jersey

Auditor
Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel
Malamut & Associates, LLC
Cherry Hill, New Jersey

Municipal Advisor
Phoenix Advisors, LLC
Bordentown, New Jersey

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

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

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

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

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

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

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OFFICIAL STATEMENT

\$5,573,000*
TOWNSHIP OF MANSFIELD
IN THE COUNTY OF BURLINGTON,
NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2022
Consisting of:
\$5,503,700* General Improvement Bonds
and
\$69,300* Sewer Utility Bonds
(Book-Entry-Only) (Bank-Qualified) (Callable)

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, is to provide certain information relating to the issuance by the Township of Mansfield, County of Burlington, New Jersey ("Township") of its \$5,573,000* aggregate principal amount of General Obligation Bonds, Series 2022 ("Bonds"). The Bonds consist of: (i) \$5,503,700* General Improvement Bonds; and \$69,300* Sewer Utility Bonds.

AUTHORIZATION FOR THE BONDS

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2014-10, 2021-09, 2020-12, 2022-10 and 2021-29 (collectively, the "Bond Ordinances"), duly and finally adopted by the Township and published in accordance with the requirements of the Local Bond Law; (iii) Resolution 2022-10-11 adopted by the Township on October 19, 2022; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on the date hereof.

PURPOSE OF THE ISSUE

Proceeds from the sale and issuance of the Bonds will be used by the Township to: (i) currently refund the Township's \$2,290,070 General Improvement Bond Anticipation Notes and \$69,300 Sewer Utility Bond Anticipation Notes, dated and issued on September 28, 2022 and maturing on January 17, 2023 (the "Prior Notes"), (ii) provide \$3,213,630 in new money to finance various capital improvements; and (iii) provide funds for the costs incurred in connection with the authorization, sale and issuance of the Bonds.

* Preliminary, subject to change.

The improvements to be permanently financed with the proceeds of the Bonds include the following:

General Improvement Bonds

Bond Ordinance	Purpose/Improvement	Original Amount Authorized	Prior Notes Outstanding	Amounts Funded by Bonds Proceeds
2021-09	Various Capital Improvements and Related Expenses	\$1,881,570	\$1,881,570	\$1,881,570
2020-12	Various Capital Improvements and Related Expenses	171,000	171,000	171,000
2022-10	Various Capital Improvements and Related Expenses	3,213,632	0	3,213,630
2021-29	Emergency Road Repairs	237,500	237,500	237,500
TOTAL		\$5,503,702	\$2,290,070	\$5,503,700

Sewer Utility Bonds

Bond Ordinance	Purpose/Improvement	Original Amount Authorized	Prior Notes Outstanding	Amounts Funded by Bonds Proceeds
2014-10	Various Sewer Utility Improvements to Lynwood Farms	\$75,000	\$69,300	\$69,300
TOTAL		\$75,000	\$69,300	\$69,300

DESCRIPTION OF THE BONDS

General

The Bonds will be issued in the aggregate principal amount of \$5,573,000*.

The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds is payable semi-annually on May 1 and November 1 (each an "Interest Payment Date" and collectively, "Interest Payment Dates"), commencing May 1, 2023, in each year until maturity or earlier redemption thereof. Individual purchases of the Bonds may be made in the principal amount of \$5,000, or any integral multiple of \$5,000, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of each series of the Bonds, through book-entries made on the books and the

* Preliminary, subject to change.

records of DTC (as hereinafter defined) and its participants. See "DESCRIPTION OF THE BONDS--Book-Entry-Only System" below. The Bonds will mature on November 1 in the years and in the principal amounts, all as shown on the inside front cover page of this Official Statement.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the offices of the Township or its hereafter designated paying agent, if any, for the Bonds ("Paying Agent"). Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the Paying Agent, as of the close of business on the fifteenth (15th) day of the calendar month preceding an Interest Payment Date (each a "Record Date").

So long as The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to Cede & Co., as nominee of DTC. Disbursements of such payments to the participants of DTC ("DTC Participants") is the responsibility of DTC and disbursements of such payments to the Beneficial Owners (as hereinafter defined) of the Bonds is the responsibility of the DTC Participants and not the Paying Agent, or the Township.

Redemption Provisions

The Bonds maturing prior to November 1, 2030 are not subject to redemption prior to maturity. The Bonds maturing on or after November 1, 2030 are subject to redemption prior to maturity at the option of the Township, as a whole at any time or in part from time to time on or after November 1, 2029, in such order of maturity as the Township may direct at a redemption price equal to one hundred percent (100%) of the principal amount to be redeemed plus accrued interest thereon to the date fixed for redemption.

Notice of redemption shall be given by mailing first class mail in a sealed envelope with postage pre-paid not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the owner of every Bond of which all or a portion is to be redeemed at his or her last address, if any, appearing on the registration books of the Paying Agent. So long as the Bonds are issued in book-entry-only form, all notices of redemption will be sent only to DTC or any successor, and will not be sent to the beneficial owners of the Bonds. Failure of an owner of the Bonds to receive such notice or of DTC to advise any participant or any failure of a participant to notify any beneficial owner of the Bonds shall not affect the validity of any proceedings for the redemption of Bonds. Such notice shall specify: (i) the series and maturity of the Bonds to be redeemed; (ii) the redemption date and the place or places where amounts that are due and payable upon such redemption will be payable; (iii) if less than all of the Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the Bonds to be redeemed; (iv) in the case of a Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (v) that on the redemption date there shall

become due and payable with respect to each Bond or portion thereof to be redeemed the redemption price; and (vi) that from and after the redemption date interest on such Bond or portion thereof to be redeemed shall cease to accrue and be payable.

Book-Entry-Only System¹

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

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

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

¹ Source: The Depository Trust Company

Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

Redemption proceeds and distributions on the Bonds, if any, will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Township, or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

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

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

Discontinuance of Book-Entry-Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions would apply: (i) the Bonds may be exchanged for an equal principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the offices of the Township, or the Paying Agent; (ii) the transfer of the Bonds may be

registered on the books maintained by the Township, or the Paying Agent for such purposes only upon the surrender thereof to the Township, or the Paying Agent together with the duly executed assignment in form satisfactory to the Township, or the Paying Agent; and (iii) for every exchange or registration of transfer of the Bonds, the Township, or the Paying Agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds. In such event, interest on the Bonds will be payable by check or draft, mailed on each Interest Payment Date, to the registered owners thereof as of the close of business on the Record Date, whether or not a business day.

SECURITY FOR THE BONDS

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

The Township may pledge only its own credit and taxing power in respect of the Bonds, and has no power to pledge the credit or taxing power of the State or any other political subdivision thereof, nor shall the Bonds be deemed to be obligations of said State or any other political subdivision thereof, nor shall said State or any other political subdivision thereof be liable for the payment of principal of or interest on the Bonds.

GENERAL INFORMATION REGARDING THE TOWNSHIP

General

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

Financial

Appendix "B" to this Official Statement contains audited financial statements of the Township for the years ended December 31, 2021, 2020, 2019, 2018 and 2017. Copies of the entire completed Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

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

Local Bond Law

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

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

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

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

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

Short-Term Financing – When approved by bond ordinance, the Township may issue bond anticipation notes to temporarily finance capital improvements. Such notes

may not be issued in an aggregate amount exceeding that specified by the ordinance. The Notes may not be issued for periods of more than one year, renewable with the final maturity occurring no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original note. After the third year, the amount of the Notes that may be renewed annually must be decreased by the minimum amount required for the first year's principal payment for the bond issue in anticipation of which the Notes are issued.

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

Local Fiscal Affairs Law

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

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

An independent examination of the Township's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the New Jersey State Board of Accountancy. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2021 is on file with the Township Clerk and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the Chief Financial Officer of the local unit file annually with the Director a verified statement of the financial condition of the local unit as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end local units and August 10 for June 30 fiscal year end local units. The statutory filing deadline of the Annual Compiled Financial Statement for the year ended December 31, 2021 was extended, by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, to March 4, 2022.

Local Budget Law

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

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

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

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

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

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

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

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

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

Miscellaneous Revenues

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

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

Real Estate Taxes

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

Current Year Tax Levy and Reserve for Uncollected Taxes - The current year's taxes to be levied are determined by adding the sums of the cash required from

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

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

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

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

Deferral of Current Expenses

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

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

Budget Transfers

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

Capital Budget

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

Related Constitutional and Statutory Provisions

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

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

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

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

Rights and Remedies of Owners of Bonds

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

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

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

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

Limitation of Remedies Under Federal Bankruptcy Code

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

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

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

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

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. The Township's last property revaluation was done in 1989. The most recent reassessment occurred in 2013, and the compliance was done in 2016.

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

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

Tax Appeals

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

TAX MATTERS

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

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

The Code imposes an alternative minimum tax on individuals and corporations. Interest received with respect to certain types of private activity bonds issued after August 7, 1986 is considered a tax preference subject to the alternative minimum tax. As the Bonds are not private activity bonds, interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the "adjusted financial statement income" of "applicable corporations" subject to alternative minimum tax under Section 55 of the Code as amended by the Inflation Reduction Act of 2022, P.L. 117-169.

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

The Bonds **will be** designated as qualified under Section 265 of the Code by the Township for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

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

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

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

Original Issue Premium

Certain maturities of the Bonds may be sold at an initial offering price in excess of the amount payable at the maturity date (the "Premium Bonds"). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium

Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Premium Bonds should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Bonds.

Additional Federal Income Tax Consequences of Holding the Bonds

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

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

Changes in Federal Tax Law Regarding the Bonds

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

State Taxation

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

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

LITIGATION

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

CERTAIN RISK FACTORS

Recent Healthcare Developments

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus ("Coronavirus" or "COVID-19"), which was first detected in China and has spread to other countries, including the United States, has been declared a pandemic by the World Health Organization, a national emergency by the President of the United States ("President") and a state of emergency by the Governor of the State ("Governor").

In response, the President declared a national emergency on March 13, 2020. Additionally, on March 9, 2020, the Governor issued Executive Order 103, pursuant which the Governor declared a State of Emergency and a Public Health Emergency,

thereby allowing State agencies and departments to utilize State resources to assist affected communities in response to the COVID-19 outbreak. Other Executive Orders (some of which have since been modified or rescinded), limited various activities and undertook measures in an attempt to slow the spread of COVID-19 throughout the State. Quarantine and other “social distancing” measures undertaken by government agencies, businesses, schools and other entities in response to the COVID-19 outbreak altered behavior and have affected commerce in a manner that has negatively affected global, national and local economies.

Notwithstanding the disruptions that have resulted from COVID-19, the State and the Township have recently seen a dramatic reduction in reported cases of COVID-19, and a corresponding reduction in hospitalization rates and fatalities. As a result, on June 4, 2021, the Governor signed legislation formally ending the Public Health Emergency declaration, while retaining certain limited Executive Orders related to public health and safety until January 1, 2022. The previous declaration of the State of Emergency, however, remains in effect as of the date hereof.

In an effort to provide relief to entities impacted by the COVID-19 pandemic, the American Rescue Plan Act of 2021, H.R. 1319 (“Plan”) was signed into law by President Biden on March 12, 2021 and provides \$1.9 trillion in financial assistance to businesses, individuals and governmental entities. In particular, the Plan includes various forms of financial relief, including up to a \$1,400 increase in direct stimulus payments to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan also provides funding for state and local governments to recoup and offset costs related to COVID-19 and to encourage and re-establish economic development and certain infrastructure improvements.

Pursuant to the funding methodology under the Plan, the Township received approximately \$893,136.78 in funding (“Plan Funds”), all of which must be expended by December 31, 2024. Such funds were received in two (2) equal payments; one (1) was received by the Township within 60 days of enactment of the Plan and the balance was received approximately 12 months from the initial payment. Pursuant to the Plan (codified as Section 603(c) of the Social Security Act (42 U.S.C. 603(c)), Plan Funds may be utilized to: (i) respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (ii) respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the Township that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (iii) provide government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the Township prior to the emergency; and (iv) make necessary investments in water, sewer or broadband

infrastructure. Plan Funds may not, however, be utilized for debt service, legal settlements or judgments or financial reserves.

While the effects of COVID-19 have abated significantly in the State, the Township cannot predict, and does not predict, the duration, severity or ultimate impact of COVID-19 upon global, State-wide and local economies and operations, including that of the Township.

Moreover, the Township has provided and intends to continue to provide essential services in and for the Township including, but limited to, emergency services, core health and human services, and public works, together with certain other vital services the Township deems necessary to remain operational and responsive to public needs.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency") has assigned a rating of "___" to the Bonds.

The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Township furnished to the Rating Agency certain information and materials concerning the Bonds and the Township. There can be no assurance that the rating will be maintained for any given period of time or that such rating may not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Bonds.

PREPARATION OF OFFICIAL STATEMENT

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

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

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

An Excerpt of the Report of Audit of financial statements of the Township for the years ended December 31, 2021, 2020, 2019, 2018 and 2017 is included in Appendix B to this Official Statement. The financial statements of the Township for the years 2018 through and including 2021 have been audited by Bowman & Company LLP, Voorhees, New Jersey, independent certified public accountants, as stated in their report appearing in Appendix B to this Official Statement. The financial statements of the Township as of and for the year ended December 31, 2017, were audited by other auditors.

UNDERWRITING

The Bonds have been purchased from the Township at a public sale by _____, as underwriter ("Underwriter"), at a purchase price of \$_____ which represents a par amount of \$_____ plus a bid premium of \$_____ pursuant to a Certificate of Determination and Award, dated November 10, 2022. The Underwriter has purchased the Bonds in accordance with the Notice of Sale prepared in connection with the Bonds. The Bonds are being offered for sale at the yields [or prices] set forth on the inside front cover page of this Official Statement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

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

LEGALITY FOR INVESTMENT

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

NO DEFAULT

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

MUNICIPAL ADVISOR

Phoenix Advisors, LLC, Bordentown, New Jersey has served as Municipal Advisor to the Township (the "Municipal Advisor") with respect to the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CONTINUING DISCLOSURE

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

The Township has previously entered into continuing disclosure undertakings under the Rule in respect to its own obligations and obligations of the Burlington County Bridge Commission for which the Township is an obligated person. The Township appointed Phoenix Advisors, LLC, Bordentown, New Jersey in April of 2014 to act as Continuing Disclosure Agent for the Township to assist in the filing of certain information on EMMA as required under its obligations.

If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under the Resolution, insofar as the provisions of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

The Chief Financial Officer shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of obligations of the Township prior to their offering. Such officer is authorized to enter into additional written contracts or undertakings to implement the Rule and is further authorized to amend such contracts or undertakings or the undertakings set forth in the Resolution, provided such amendment is, in the opinion of nationally recognized bond counsel, in compliance with the Rule.

LEGAL MATTERS

The legality of the Bonds will be subject to the approving legal opinions of Malamut & Associate, LLC, Cherry Hill, New Jersey, Bond Counsel to the Township ("Bond Counsel"). Such opinions will be printed on or accompany the Bonds and provide, *inter alia*, that the Bonds are valid and binding obligations of the Township, and

the Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Township without limitation as to rate or amount for the payment of the Bonds and interest thereon. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, or other law affecting creditors' rights or remedies heretofore or hereinafter enacted. Certain legal matters will be passed upon for the Township by Timothy M. Prime, Esquire, Solicitor.

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

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

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Bonnie Grouser, Chief Financial Officer/Treasurer, Township of Mansfield, at (609) 298-0542 or to the Township's Municipal Advisor, Phoenix Advisors, LLC at (609) 291-0130.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract or agreement with the owners of the Bonds.

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

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

By: _____
BONNIE GROUSER, Chief Financial Officer/Treasurer

Dated: November __, 2022

APPENDIX A
CERTAIN ECONOMIC, FINANCIAL AND
DEMOGRAPHIC INFORMATION REGARDING
THE TOWNSHIP OF MANSFIELD

INFORMATION REGARDING THE TOWNSHIP OF MANSFIELD

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

Location and Character

The Township is located in the center of New Jersey, approximately 15 miles from Trenton, the capital of New Jersey. The Township is easily accessible to the New Jersey Turnpike, U. S. Interstate 295, New Jersey Routes 130, 206 and 68, to facilitate travel to Philadelphia, thirty miles south, and to New York City, sixty miles north. Joint Base McGuire-Dix-Lakehurst are within a fifteen-mile radius via Route 68 in the Township. The Atlantic Ocean shore points and resort areas are within easy traveling distance by the New Jersey Garden State Parkway.

History of Township

The Township, established as a constabulary in 1688, was incorporated in 1798. It is in the northeast part of Burlington County in the State of New Jersey. It is bounded north and northeast by Chesterfield Township, south by Springfield Township and southeast by Florence Township. The soil is generally sandy loam, land level is flat, and climate is mild. The Township consists of over twenty-three square miles and is a predominantly farming community. There are still residents in this generation who bear the name of the founding fathers.

The Township's original governing body consisted of three elected Township Committee persons, which changed in 1995 to a five-member Committee, each serving alternating three year terms. The Mayor is designated by the five-member committee and each Committee member is selected to be a director of the various departments. The Municipal Clerk monitors the daily administrative responsibilities.

TOWNSHIP SERVICES

Fire Protection and Rescue Squad

The Franklin Fire Company No. 1 was organized in 1828 and reorganized in 1861. While the original fire house was located on Atlantic Avenue in the Village of Columbus, it is now located at the Municipal Complex on Route 206. Franklin Fire Company is staffed by volunteers and is supported financially by the Township and through general fund raising efforts. Mansfield Township Ambulance Corps (MTAC) provides service to the citizens of Mansfield Township, Chesterfield Township and Wrightstown Borough. MTAC is a paid staff supported financially by the Township and through general fund raising efforts. There are 31 certified EMT members on the ambulance squad. The Fire Company and Ambulance Squad routinely take CPR and EMT classes.

Police

The Police Department consists of fifteen members operating from the Municipal Complex on Route 206. The Department personnel consist of one Police Chief, one Police Lieutenant, five Sergeants and eight officers. The Township is dispatched by Burlington County communications. The New Jersey State Police service the major highways that traverse the Township.

Public Works

The Township has six full-time employees and uses part-time employees as needed, who are responsible for streets & roads, buildings & grounds, parks and playgrounds.

Parks and Recreation

Mansfield Community Park is a 40-acre park located in the heart of Columbus off East Main Street. Twenty acres have been developed into a very popular and highly utilized gathering place for all Mansfield residents including regulation youth baseball and softball fields, a regulation Babe Ruth baseball field and outdoor batting cage. A paved 6/10 mile walk path, two regulation soccer fields, outdoor basketball and tennis courts, shuffle board and horse shoe pit, large children's playground, and parking for about 100 vehicles are also included on the property. In addition to Mansfield Community Park, Georgetown Park, Country Walk Park and Hedding Park have also been developed into popular gathering places for the residents of Mansfield offering basketball and tennis courts, children's playground areas, soccer fields, baseball fields and a fitness walking path. Mansfield Township is now home to the Kinkora Trail. The Kinkora Trail is a regional trail segment between Mansfield Community Park and Island Road. This is part of a longer proposed regional trail that will eventually connect the Delaware River corridor to Pemberton, following the old Kinkora Railroad right-of-way. Mansfield Township is also home to Crystal Lake Park. Crystal Lake Park is part of the Burlington County Parks System and encompasses over 370 acres. With upland and lowland forests, a freshwater lake and wetlands, diverse vegetation and bird species, visitors can enjoy hiking, biking, fishing and horseback riding in a rustic natural atmosphere.

Pension and Retirement Systems

Substantially all eligible employees participate in the Public Employees' Retirement System, the Police and Firemen's Retirement System or the Defined Contribution Retirement Program, which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (the "Division"). Benefits, contributions, means of funding and the manner of administration are established pursuant to State statute. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations and the employees contribute a portion of the cost. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625 or is available online at www.nj.gov/treasury/pensions/financial-reports.shtml.

The Public Employees' Retirement System ("PERS") 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, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other State pension fund or local jurisdiction's pension fund.

The Police and Firemen's Retirement System ("PFRS") 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, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time county and municipal police and firemen or officer employees with police powers appointed after June 30, 1944.

The Defined Contribution Retirement Program ("DCRP") is a multiple-employer defined contribution pension fund which was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Township Employees

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Full-time	38	32	30	32	32
Part-time	<u>26</u>	<u>29</u>	<u>28</u>	<u>33</u>	<u>34</u>
Total	<u>64</u>	<u>61</u>	<u>58</u>	<u>65</u>	<u>66</u>

Employee Collective Bargaining Units

The Mansfield Township P.B.A. Local 370 is currently represented by thirteen (13) police officers. The agreement with the Mansfield Township P.B.A. Local 370 expires on December 31, 2024. There is also a Communications Workers of America, AFL-CIO and Local 1036 which is represented by one (5) public works employee. The agreement with the Communications Workers of America, AFL-CIO and Local 1036 expires on December 31, 2024.

Township Population(1)

2020 Federal Census	8,897
2010 Federal Census	8,544
2000 Federal Census	5,090
1990 Federal Census	3,874
1980 Federal Census	2,523

Selected Census 2020 Data on the Township(1)

Median Household Income	\$93,036
Median Family Income	\$129,125
Per Capita Income	\$53,701

Business and Industry

There are several shopping centers throughout the Township including Homestead Plaza and Mansfield Square as well as several small businesses in the center of town, commonly referred to as the Village of Columbus. Mansfield Township is home to Manheim Car Auction. Mansfield Township is also home to Mansfield Commons and Mansfield Center primarily housing Offices and Professionals.

Building Permits (2)

The Township records of building permits issued by the Township Construction Code Officer illustrate the following growth patterns within the Township for the years 2017 through 2022.

<u>Year</u>	<u>Number of Permits</u>	<u>Value of Construction</u>
2022	477	\$91,883,258 (3)
2021	653	33,651,741
2020	530	83,890,204
2019	561	24,581,848
2018	505	9,369,671
2017	651	8,989,015

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

(2) Source: Township Construction Office

(3) As of October 3, 2022

Labor Force(1)

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

<u>Year</u>	<u>Labor Force</u>	<u>Employed Persons</u>	<u>Unemployed Persons</u>	<u>Unemployment Rate</u>
Township				
2021	4,056	3,854	202	5.0%
2020	4,023	3,700	323	8.0
2019	4,044	3,927	117	2.9
2018	3,966	3,833	133	3.4
2017	3,989	3,833	156	3.9
County				
2021	242,242	229,429	12,813	5.3%
2020	239,256	220,269	18,987	7.9
2019	240,664	233,163	7,501	3.1
2018	236,181	227,635	8,546	3.6
2017	237,722	228,177	9,545	4.0
State				
2021	4,661,100	4,365,400	295,700	6.3%
2020	4,642,900	4,203,300	439,700	9.5
2019	4,686,700	4,528,200	158,500	3.4
2018	4,609,800	4,426,600	183,200	4.0
2017	4,615,000	4,406,200	208,800	4.5

EDUCATION(2)

Primary and Secondary Education

The Township of Mansfield School District ("School District") is a Type II school district that is coterminous with the borders of the Township. The School District provides a full range of educational services appropriate to Kindergarten through sixth grades.

The Board is comprised of nine members elected by the legally qualified voters in the School District to terms of three years on a staggered basis. The President and Vice President are chosen for one 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, the responsibility to develop the annual School District budget and present it to the legally registered voters in the School District. 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.

(1) Source: New Jersey Department of Labor

(2) Source: School District officials

**TOWNSHIP OF MANSFIELD SCHOOL DISTRICT
SCHOOL ENROLLMENTS**

<u>Grade</u>	<u>October 15,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Pre-School	14	10	17	11	7
K	71	80	84	51	61
1	59	53	62	61	63
2	70	57	66	62	60
3	53	50	66	64	68
4	62	61	75	62	75
5	51	59	79	79	67
6	63	86	97	68	92
Special Education	<u>75</u>	<u>87</u>	<u>89</u>	<u>79</u>	<u>73</u>
Totals	<u>518</u>	<u>543</u>	<u>635</u>	<u>537</u>	<u>566</u>

PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY

<u>Name of School</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Enrollment Oct. 15, 2021</u>	<u>Functional Capacity</u>
John Hydock Elementary	1959	1964, 1988	PreK-2	238	280
Mansfield Twp. Elementary	2003	---	3-6	<u>280</u>	640
				<u>518</u> (1)	

**NORTHERN BURLINGTON COUNTY REGIONAL HIGH SCHOOL DISTRICT
ENROLLMENTS(2)(3)**

	<u>October 15,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Totals	<u>2,183</u>	<u>2,189</u>	<u>2,189</u>	<u>2,187</u>	<u>2,204</u>

HIGHER EDUCATION FACILITIES

Rowan College at Burlington County (Formerly Burlington County College)

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

(1) Mansfield Twp. Elementary School enrollment had Pre-K in 2018.

(2) Source: Regional District officials

(3) Township students only

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

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

RCBC's spring 2022 enrollment in academic courses was 5,623 students. In addition, the County College serves thousands of other County residents each semester through youth programs, Learning is for Everyone, workforce development, theatrical productions, guest speakers, and art exhibitions.

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

Burlington County Institute of Technology

The Burlington County Board of Vocational Education was created by the Board in 1962 after a favorable referendum. The enrollment for the two campuses, Westampton and Medford, for academic year 2020-2021 was 2,109 students.

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

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

Burlington County Special Services School District

The Burlington County Special Services School District (“Special Services School District”) was created by the Board in June 1972. The Special Services School District is comprised of state-of-the-art facilities located in the Townships of Westampton, Lumberton, and Mount Laurel which provide comprehensive educational and therapeutic programs for preschool and school-age students, ranging in age from three to eighteen, as well as young adults, ranging in age from eighteen to twenty-one. Students at the Special Services School District will have access to the following programs: Sensory, Autism, Multiple Disabilities, Behavior Disabilities, Preschool Disabilities, Auditory Impaired, Career and Technical Education, and Transitions, a program designed to prepare students to be a self-sufficient productive member of the community. The enrollment for the Special Services School District for the 2020-2021 academic year was 560 students.

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS(1)

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

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	2022 <u>Assessed</u> <u>Valuation</u>
N.A.D.E.	Auto Auction	\$ 38,270,600
CLPF Urban Renewal Mansfield LLC	Warehouses	6,085,500
CLPF Mansfield 2 LLC	Warehouses	5,294,900
Turnpike Crossing IV, LLC	Trucking/Storage	3,824,400
Homestead Plaza II	Retail/Professional	3,752,000
Mansfield 206 East Urban Renewal	Warehouses	3,627,000
Transcontinental Gas Pipeline Corp	Energy Transmission	2,769,100
MLC Developers LLC	Retail/Professional	2,756,200
Cubalmart	Storage Rental	2,713,000
Segme Mansfield LLC	Warehouses (to be constructed)	2,622,600

CURRENT TAX COLLECTIONS (2)

<u>Year</u>	<u>Total Levy</u>	<u>Outstanding Dec. 31</u>		<u>Collected in Year of Levy</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2021	\$ 34,757,085	\$ 133,198	0.38%	\$ 34,566,040	99.45%
2020	33,807,502	305,509	0.90%	33,340,037	98.62%
2019	34,049,040	494,913	1.45%	33,451,437	98.24%
2018	30,925,184	669,302	2.16%	30,205,823	97.67%
2017	30,776,203	371,436	1.21%	30,329,601	98.55%

(1) Source: Township Tax Assessor

(2) Source: Township Reports of Audit.

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2021	\$ 325,349	\$ 2,866	\$ 303,743	92.54%	\$ -	\$ 1,289	\$ 23,183
2020	510,773	2,336	489,135	95.33%	-	4,134	19,840
2019	681,364	1,750	628,458	92.00%	11,699	27,097	15,860
2018	379,397	9,445	375,804	96.65%	25	951	12,062
2017	326,473	-	314,211	96.24%	2,379	1,922	7,960

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by</u>		<u>Cancellations/ Foreclosures</u>	<u>Balance Dec. 31</u>
		<u>Sales and Transfers</u>	<u>Collected</u>		
2021	\$ 84,170	\$ 10,986	\$ -	\$ -	\$ 95,157
2020	85,142	21,225	22,196	-	84,170
2019	147,781	36,927	1,453	98,113	85,142
2018	125,179	22,602	-	-	147,781
2017	125,199	38,120	38,140	-	125,179

FORECLOSED PROPERTY(1)(2)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added By Transfer</u>	<u>Adjustment to Assessed Valuation</u>	<u>Sale of Foreclosed Property</u>	<u>Balance Dec. 31</u>
2020	816,200	-	(155,748)	57,952	602,500
2019	401,600	98,113	376,487	60,000	816,200
2018	401,600	-	-	-	401,600
2017	157,588	244,012	-	-	401,600

CURRENT SEWER COLLECTIONS(1)

<u>Year</u>	<u>Beginning</u>		<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
	<u>Balance</u>	<u>Total Levy</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2021	\$ 2,251	\$ 45,591	\$ 45,816	95.76%	\$ 2,027	4.24%
2020	1,266	47,005	46,020	95.34%	2,251	4.66%
2019	2,660	42,146	43,541	97.18%	1,266	2.82%
2018	3,298	45,652	46,290	94.57%	2,660	5.43%
2017	3,288	43,114	43,103	92.89%	3,298	7.11%

(1) Source: Township Reports of Audits.

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

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

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (2)</u>				
		<u>Total Rate</u>	<u>Regional</u>			
			<u>County</u>	<u>High School</u>	<u>Local School</u>	<u>Municipal</u>
2022	\$ 1,015,280,102	\$ 3.301	\$ 0.476	\$ 1.077	\$ 1.234	\$ 0.514
2021	1,010,434,339	3.370	0.488	1.157	1.212	0.513
2020	1,010,169,520	3.334	0.489	1.135	1.197	0.513
2019	1,007,732,374	3.252	0.488	1.103	1.161	0.500
2018	988,904,805	3.118	0.489	1.007	1.141	0.481

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

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita</u>
2022	\$ 1,013,507,400	79.18%	\$ 1,280,004,294	\$ 143,869 (4)
2021	1,008,630,600	80.05%	1,260,000,750	141,621 (4)
2020	1,008,361,913	80.83%	1,247,509,480	140,217 (4)
2019	1,005,914,916	81.88%	1,228,523,346	143,788 (5)
2018	987,088,400	81.97%	1,204,206,905	144,439 (5)

REAL PROPERTY CLASSIFICATION(6)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Farmland</u>
2022	\$ 1,013,507,400	\$ 21,406,400	\$ 862,497,000	\$ 81,701,000	\$ 9,732,700	\$ 1,272,600	\$ 36,897,700
2021	1,008,630,600	19,350,800	860,957,300	80,562,400	9,732,700	1,272,600	36,754,800
2020	1,008,361,913	10,937,010	865,098,800	80,745,700	15,818,200	953,400	34,808,803
2019	1,005,914,916	21,829,110	863,643,200	80,221,800	4,437,800	953,400	34,829,606
2018	987,088,400	11,225,200	855,343,900	80,258,400	4,021,200	1,162,800	35,076,900

(1) Source: Township Tax Collector

(2) Per \$100 of assessed valuation

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

(4) Based on 2020 Census of 8,897

(5) Based on 2010 Census of 8,544

(6) Source: Township Tax Assessor

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

The following table summarizes the direct debt of the Township of Mansfield in accordance with the requirements of the Local Bond Law of the State (N.J.S.A. 40A:2-2 et seq.). The gross debt is comprised of short and long-term debt issued, and debt authorized but not issued, including General, Sewer Utility, and debt of the Local and Regional School Districts. Deductions from gross debt to arrive at net debt include deductible school debt, reserve for payment of debt, as well as debt considered to be self-liquidating. The resulting net debt of \$13,590,116 represents 1.079% of the average of equalized valuations for the Township for the last three years, of \$1,259,330,802 within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued		Debt Auth. But Not Issued	Gross Debt	Deductions			Net Debt
	Bonds	Notes			School Debt	Reserve for Payment of Debt	Self- Liquidating	
General	\$ 10,835,000	\$ 2,052,570	\$ 702,546	\$ 13,590,116				\$ 13,590,116
School - Local	1,250,000			1,250,000	\$ 1,250,000			
School - Regional	18,989,329			18,989,329	18,989,329			
Sewer Utility	105,000	70,250	950	176,200			\$ 176,200	
	<u>\$ 31,179,329</u>	<u>\$ 2,122,820</u>	<u>\$ 703,496</u>	<u>\$ 34,005,645</u>	<u>\$ 20,239,329</u>	<u>\$ -</u>	<u>\$ 176,200</u>	<u>\$ 13,590,116</u>

(1) As of December 31, 2021
Source: Township Auditor

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements for 2019, 2020 and 2021	\$	1,259,330,802
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2019, 2020 and 2021		1.08%
2022 Net Valuation Taxable	\$	1,015,280,102
2022 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$	1,281,776,996
Gross Debt (2)		
As a Percentage of 2022 Net Valuation Taxable		3.35%
As a Percentage of 2022 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		2.65%
Net Debt (2)		
As a Percentage of 2022 Net Valuation Taxable		1.34%
As a Percentage of 2022 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		1.06%
Gross Debt per Capita(3)	\$	3,822
Net Debt per Capita(3)	\$	1,527

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Average (2019-21) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$1,259,330,802)	\$	44,076,578
Net Debt		<u>(13,590,116)</u>
Remaining Borrowing Capacity	\$	<u>30,486,462</u>

(1) As of December 31, 2021
(2) Excluding overlapping debt
(3) Based on 2020 population of 8,897

LOCAL SCHOOL BORROWING CAPACITY(1)

2.5% of Average (2019-21) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$1,259,330,802)	\$ 31,483,270
Local School Debt	<u>(1,250,000)</u>
Remaining Borrowing Capacity	<u>\$ 30,233,270</u>

REGIONAL HIGH SCHOOL DISTRICT(1)

3% of Averaged (2019-21) Equalized Valuation of Real Property Including Improvements (\$3,021,771,174)	\$ 90,653,135
Regional High School Debt(2)	<u>(45,565,000)</u>
Remaining Borrowing Capacity	<u>\$ 45,088,135</u>

(1) As of December 31, 2021

(2) Debt portion allocated to the Township is \$18,989,329

**TOWNSHIP OF MANSFIELD
OVERLAPPING DEBT
AS OF DECEMBER 31, 2021**

	<u>DEBT ISSUED</u>			<u>Net Debt Outstanding Allocated to the Issuer</u>	<u>Debt Auth. but not Issued</u>
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>		
County of Burlington:					
General:					
Bonds	\$ 176,500,000	\$ 17,903,104 (1)	\$ 158,596,896	\$ 4,009,561 (2)	
Notes	-		-	-	\$ 18,039,210
Loans	6,288,055		6,288,055	158,971 (2)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	390,398,600	390,398,600 (3)			
Solid Waste Utility	31,875,000	31,875,000			10,304,193
	<u>\$ 605,061,655</u>	<u>\$ 440,176,704</u>	<u>\$ 164,884,951</u>	<u>\$ 4,168,532</u>	<u>\$ 28,343,403</u>

- (1) Includes cash on hand, accounts receivable and County College Bonds paid with State Aid.
- (2) Such debt is allocated as a proportion of the Issuer's share of the total 2021 Net Valuations on which County taxes are apportioned, which is 2.53% .
- (3) Deductible in accordance with N.J.S. 40:37A-80.

**TOWNSHIP OF MANSFIELD
SCHEDULE OF TOWNSHIP DEBT SERVICE
(BONDED DEBT ONLY)**

Existing Debt(1)							
<u>Year</u>	<u>General Debt</u>			<u>Sewer Debt</u>			<u>Grand Total</u>
	<u>Interest</u>	<u>Principal</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>	
2022	\$ 280,462	\$ 1,190,000	\$ 1,470,462	\$ 1,209	\$ 15,000	\$ 16,209	\$ 1,486,671
2023	246,205	1,225,000	1,471,205	1,023	15,000	16,023	1,487,228
2024	204,121	1,445,000	1,649,121	837	15,000	15,837	1,664,958
2025	157,757	1,465,000	1,622,757	651	15,000	15,651	1,638,408
2026	108,644	770,000	878,644	465	15,000	15,465	894,109
2027	95,906	755,000	850,906	279	15,000	15,279	866,185
2028	83,386	735,000	818,386	93	15,000	15,093	833,479
2029	73,531	325,000	398,531			-	398,531
2030	66,219	325,000	391,219			-	391,219
2031	58,906	325,000	383,906			-	383,906
2032	51,594	325,000	376,594			-	376,594
2033	44,281	325,000	369,281			-	369,281
2034	36,969	325,000	361,969			-	361,969
2035	29,656	325,000	354,656			-	354,656
2036	22,344	325,000	347,344			-	347,344
2037	15,031	325,000	340,031			-	340,031
2038	7,719	325,000	332,719			-	332,719
	<u>\$ 1,582,730</u>	<u>\$ 10,835,000</u>	<u>\$ 12,417,730</u>	<u>\$ 4,557</u>	<u>\$ 105,000</u>	<u>\$ 109,557</u>	<u>\$ 12,527,287</u>

(1) As of December 31, 2021
Source: Township Debt Schedules

**TOWNSHIP OF MANSFIELD
2022 MUNICIPAL BUDGET (1)**

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 915,000
Miscellaneous Revenues:	
Local Revenues	217,359
State Aid without Offsetting Appropriations	512,185
Shared Service Agreements	241,096
Public and Private Programs Offset with Appropriations	104,779
Other Special Items of Revenue	2,259,723
Receipts from Delinquent Taxes	185,835
Amount to be Raised by Taxation for Municipal Purposes	5,217,741
Total Anticipated Revenues	\$ 9,653,718

Appropriations:	
Within CAPS:	
Operations	\$ 6,279,952
Deferred Charges and Statutory Expenditures	794,263
Excluded from CAPS:	
Other Operations	29,958
Shared Service Agreements	105,925
Public and Private Programs	104,779
Capital Improvements	185,912
Debt Service	1,843,797
Deferred Charges	116,000
Reserve for Uncollected Taxes	193,132
Total Appropriations	\$ 9,653,718

SEWER UTILITY FUND

Anticipated Revenues:	
Surplus Anticipated	\$ 10,235
Surplus Anticipated with Prior Written Consent of DLGS	45,815
Total Anticipated Revenues	\$ 56,050
Appropriations:	
Operating	\$ 53,400
Debt Service	2,650
Total Appropriations	\$ 56,050

(1) 2022 Adopted Budget.

**TOWNSHIP OF MANSFIELD
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2022 - 2024 (1)**

	<u>Estimated Total Cost</u>	<u>Capital Improvement Fund</u>	<u>Grants-In Aid and Other Funds</u>	<u>Bonds and Notes</u>	
				<u>General</u>	<u>Self Liquidating</u>
General Improvements:					
Purchase of Chevrolet Tahoes for Police	\$ 110,000	\$ 5,500		\$ 104,500	
Water Tender to Replace 1989 Unit	350,000	17,500		332,500	
Breathalyzer	20,000	1,000		19,000	
Police Handguns	30,000	1,500		28,500	
Ambulance	200,000	10,000		190,000	
Brush/Field Truck	100,000	5,000		95,000	
Wood Chipper	103,078	5,154		97,924	
Loader Coupler and Hydraulic Kit for Backhoe	23,102	1,155		21,947	
Pipe Replacement - Sheffield Drive	331,760	16,588		315,172	
Pipe Replacement - Greenbrook Drive	365,130	18,257		346,873	
Pipe Replacement - Hawk Drive, Harvest Lane, Hickory Drive	204,028	10,201		193,827	
Axe Factory Road Guide Rail Evaluation	26,560	1,328		25,232	
Road Improvements - Chesterfield Road	31,572	1,579		29,993	
Road Improvements - Municipal Parking Lot	214,391	10,720		203,671	
Road Improvements - Columbus Park (Guard Rail)	95,276	4,764		90,512	
Columbus Park - Playground Replacement	20,000	1,000		19,000	
Columbus Park - Playground Rubber Surface	225,000	11,250		213,750	
Air Conditioning - Municipal Building	700,000	35,000		665,000	
2nd Floor Microbial Remediation and Water Damage Work	39,940	1,997		37,943	
DPW and Police Impound Garage Addition 50'x72'x16'	355,160	17,758		337,402	
Salt Dome	15,000	750		14,250	
Repair of Basins in Mapleton	100,000	5,000		95,000	
Inlet Replacement - Quantity 50	25,000	1,250		23,750	
Utility Terrain Vehicle	30,000	1,500		28,500	
Replace Engine Bay Floor	150,000	7,500		142,500	
Three (3) Stryker MTS Powerload System @ \$26,500 per Unit	79,500	3,975		75,525	
Two (2) Stryker Power Pro Stretchers @ \$22,663 per Unit	45,326	2,266		43,060	
In-Car Mobile Video System Axon Fleet for Nine (9) Patrol Cars	69,660	3,483		66,177	
Total General Improvements	\$ 4,059,482	\$ 202,974	\$ -	\$ 3,856,508	\$ -

(1) 2022 Adopted Budget

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
AND SELECTED FINANCIAL INFORMATION OF THE
TOWNSHIP OF MANSFIELD**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Mansfield
Columbus, New Jersey 08022

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 Mansfield, in the County of Burlington, State of New Jersey, as of December 31, 2021, 2020, 2019 and 2018, 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 Mansfield, in the County of Burlington, State of New Jersey, as of December 31, 2021, 2020, 2019 and 2018, 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 Mansfield, in the County of Burlington, State of New Jersey, as of December 31, 2021, 2020, 2019 and 2018, 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.

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:

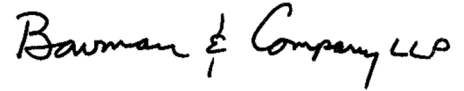
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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.


Prior Period Financial Statements

The financial statements of the Township of Mansfield, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2017, were audited by other auditors whose report dated June 15, 2018, expressed an adverse opinion under accounting principles generally accepted in the United States of America and an unmodified opinion under the regulatory basis of accounting.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
July 27, 2022

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statements of Assets, Liabilities, Reserves
and Fund Balance--Regulatory Basis

	As of December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017(1)</u>
ASSETS					
Cash and Investments	\$ 11,778,285	\$ 10,722,765	\$ 10,345,143	\$ 7,308,431	\$ 9,490,273
Federal and State Grants Receivable	877,943	1,330,049	738,549	1,180,333	1,364,289
Receivables and other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	156,381	325,349	510,773	681,364	379,397
Tax Title Liens Receivable	95,157	84,170	85,142	147,781	125,179
Property Acquired for Taxes-- Assessed Valuation	602,500	602,500	816,200	401,600	401,600
Revenue Accounts Receivable	8,251	9,671	15,577	20,912	14,585
Deferred Charges	148,000	64,000	237,798	39,289	10,899
Interfunds Receivable	3,263		6,900	506	14,590
	<u>\$ 13,669,780</u>	<u>\$ 13,138,505</u>	<u>\$ 12,756,081</u>	<u>\$ 9,780,216</u>	<u>\$ 11,800,812</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$ 196,237	\$ 251,984	\$ 120,100	\$ 35,331	\$ 131,295
Accounts Payable	23,385	13,616	7,295	7,295	6,193
Due State of New Jersey	6,376	9,083	6,644	8,498	8,823
Reserve for Encumbrances	421,285	478,019	145,981	156,011	102,178
Interfunds Payable	106,028	113,466	120,830	586,125	120,773
County Taxes Payable	105,876	18,671	128,837	11,469	4,944
Local District School Taxes Payable	3,133,209	3,216,607	2,862,718	2,283,642	2,558,635
Regional High School Taxes Payable	5,103,760	4,984,385	4,858,475	4,367,491	4,477,337
Prepaid Taxes	270,605	359,212	241,148	268,306	1,247,677
Tax Overpayments	295	3,327	18,058	11,951	6,948
Special Emergency - Note Payable	48,000	64,000	80,000		
Other Liabilities and Special Funds	43,756	115,904	145,146	89,719	283,503
Reserve for Receivables and Other Assets	865,552	1,021,691	1,428,280	1,252,163	935,351
Reserve for Federal and State Grants	1,619,037	1,134,240	919,451	635,317	1,342,056
Fund Balance	1,726,380	1,354,301	1,673,116	66,899	575,099
	<u>\$ 13,669,780</u>	<u>\$ 13,138,505</u>	<u>\$ 12,756,081</u>	<u>\$ 9,780,216</u>	<u>\$ 11,800,812</u>

(1) Restated

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

**TOWNSHIP OF MANSFIELD
CURRENT FUND**

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

	Years Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017(1)</u>
Revenue and Other Income Realized:					
Current Tax Collections	\$ 34,566,040	\$ 33,340,037	\$ 33,451,437	\$ 30,205,823	\$ 30,329,601
Delinquent Tax and Tax Title Liens	303,743	511,331	629,911	375,804	352,352
Total Taxes	34,869,784	33,851,368	34,081,348	30,581,627	30,681,953
Miscellaneous Revenues Anticipated	3,032,134	2,688,610	3,212,888	1,955,392	2,193,414
Non-Budget Revenue	124,296	184,990	115,311	145,664	115,749
Other Credits to Income	172,032	211,861	21,470	74,433	166,299
Fund Balance Utilized	840,000	800,000	30,000	545,000	635,000
Total Income	39,038,245	37,736,829	37,461,017	33,302,116	33,792,414
Expenditures:					
Operating	6,249,602	6,044,210	5,708,511	4,841,552	4,875,283
Capital Improvements	156,632	15,000	15,000	17,500	3,000
Debt Service	1,833,775	1,875,805	1,765,546	1,787,950	1,781,070
Deferred Charges and Statutory Expenditures	707,825	816,179	686,763	525,835	617,334
County Taxes	5,033,547	4,946,108	5,034,839	4,834,145	4,883,693
Local District School Tax	12,238,303	12,087,391	11,697,322	11,291,574	10,989,160
Regional High School Tax	11,690,283	11,467,192	11,112,182	9,961,034	10,110,680
Overexpenditure of Appropriation Reserves				15,803	1,996
Added Tax Payments	10,069	1,423		1,798	
Refund of Prior Year Revenue			17,318	49	11,950
Reimbursement due to Taxation Audit				1,750	
Refund of Tax Appeals				932	
Interfunds Created	3,263		569		7,909
Prior Year Veterans' and Senior Citizens' Deductions Disallowed	2,866	2,336	1,750	1,281	
Other				603	
Total Expenditures and Encumbrances	37,926,166	37,255,644	36,039,800	33,281,806	33,282,077
Excess in Revenues	1,112,079	481,185	1,421,217	20,310	510,338
Adjustments to Income Before Fund Balance:					
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	100,000		215,000	16,491	
Statutory Excess to Fund Balance	1,212,079	481,185	1,636,217	36,801	510,338
Fund Balance Beginning of Year	1,354,301	1,673,116	66,899	575,098	699,761
Decreased by:	2,566,380	2,154,301	1,703,116	611,899	1,210,099
Utilized as Revenue	840,000	800,000	30,000	545,000	635,000
Fund Balance Ending of Year	\$ 1,726,380	\$ 1,354,301	\$ 1,673,116	\$ 66,899	\$ 575,099

(1) Restated

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

TOWNSHIP OF MANSFIELD
GENERAL CAPITAL FUND
Statements of Assets, Liabilities, Reserves
and Fund Balance--Regulatory Basis

	As of December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017(1)</u>
ASSETS					
Cash	\$ 1,553,809	\$ 175,318	\$ 176,644	\$ 342,405	\$ 265,631
Interfunds Receivable	970			1,444	1,435
Deferred Charges to Future Taxation:					
Funded	11,517,000	12,894,000	14,269,000	9,809,000	10,944,000
Unfunded	2,755,116	636,046	465,046	5,848,546	5,751,046
	<u>\$ 15,826,895</u>	<u>\$ 13,705,364</u>	<u>\$ 14,910,690</u>	<u>\$ 16,001,395</u>	<u>\$ 16,962,113</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Serial Bonds	\$ 10,835,000	\$ 11,891,000	\$ 12,962,000	\$ 8,206,000	\$ 9,056,000
Bond Anticipation Notes	2,052,570	171,000		5,383,660	5,117,110
BCBC Lease Payable	682,000	1,003,000	1,307,000	1,603,000	1,888,000
Improvement Authorizations:					
Funded	2,212	91,487	77,391	15	15
Unfunded	477,196	360,881	351,379	467,335	544,614
Reserve for Encumbrances	1,748,469	145,879	166,802	72,289	125,592
Capital Improvement Fund	1,300	13,800	7,800	5,300	300
Reserve for Payment of Debt Service	0	170	10,170	235,170	204,120
Interfunds Payable				485	2,719
Other Liabilities and Special Funds	27,843	27,843	27,843	27,843	23,346
Fund Balance	304	304	304	298	298
	<u>\$ 15,826,895</u>	<u>\$ 13,705,364</u>	<u>\$ 14,910,690</u>	<u>\$ 16,001,395</u>	<u>\$ 16,962,113</u>

(1) Restated

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

TOWNSHIP OF MANSFIELD
SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves
and Fund Balance--Regulatory Basis

	As of December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
ASSETS					
Operating Fund:					
Cash and Investments	\$ 44,336	\$ 35,866	\$ 35,556	\$ 40,358	\$ 32,873
Deferred Charges			1,900		
Receivables with Full Reserves:					
Sewer Rents Receivable	2,027	2,251	1,266	2,660	3,298
Total Operating Fund	46,363	38,117	38,722	43,019	36,171
Assessment Trust Fund:					
Interfund Receivables	106,008	113,348	114,519	116,125	107,589
Assessments Receivable	33,928	41,588	55,416	68,811	92,347
Total Assessment Trust Fund	139,936	154,936	169,936	184,936	199,936
Capital Fund:					
Cash	1,623,555	1,623,555	1,623,555	1,153,665	1,623,665
Interfund Receivables				470,000	
Fixed Capital Authorized and Uncompleted	75,000	75,000	75,000	75,000	75,000
Total Capital Fund	1,698,555	1,698,555	1,698,555	1,698,665	1,698,665
	<u>\$ 1,884,854</u>	<u>\$ 1,891,608</u>	<u>\$ 1,907,213</u>	<u>\$ 1,926,620</u>	<u>\$ 1,934,773</u>

(Continued)

TOWNSHIP OF MANSFIELD
SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves
and Fund Balance--Regulatory Basis

	As of December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Reserve for Encumbrances	\$ 2,544	\$ 2,412		\$ 1,272	\$ 685
Appropriation Reserves	9,196	2,457	\$ 261	4,034	6,237
Accrued Interest on Bonds and Notes	385	1,446	1,692	2,187	1,895
Interfunds Payable	4,213			1,334	485
Reserve for Receivables	2,027	2,251	1,266	2,660	3,298
Fund Balance	27,998	29,551	35,504	31,532	23,571
Total Operating Fund	46,363	38,117	38,722	43,019	36,171
Assessment Trust Fund:					
Serial Bonds Payable	105,000	120,000	135,000	150,000	165,000
Fund Balance	34,936	34,936	34,936	34,936	34,936
Total Assessment Trust Fund	139,936	154,936	169,936	184,936	199,936
Capital Fund:					
Bond Anticipation Note	70,250	71,200	72,150	74,050	74,050
Improvement Authorizations:					
Funded	1,614,602	1,614,602	1,614,602	1,614,602	1,614,602
Unfunded	9,063	9,063	9,063	9,063	9,063
Interfunds Payable				110	950
Reserve for Amortization	3,800	2,850	1,900		
Reserve for Payment of Debt Service	840	840	840	840	
Total Capital Fund	1,698,555	1,698,555	1,698,555	1,698,665	1,698,665
	\$ 1,884,854	\$ 1,891,608	\$ 1,907,213	\$ 1,926,620	\$ 1,934,773

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

**TOWNSHIP OF MANSFIELD
SEWER UTILITY FUND**

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

	For the Years Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:					
Fund Balance Utilized	\$ 3,620	\$ 9,419			
Rents	45,816	46,020	\$ 43,541	\$ 46,290	\$ 43,536
Other Credits to Income	1,994	145	4,034	5,048	6,787
Total Income	51,429	55,583	47,575	51,338	50,323
Expenditures:					
Operating	45,500	43,000	36,000	35,712	36,900
Debt Service	3,862	7,216	9,503	7,665	7,750
Deferred Charges		1,900			
Total Expenditures	49,362	52,116	45,503	43,377	44,650
Excess in Revenue	2,067	3,467	2,072	7,961	5,673
Adjustments to Income Before Fund Balance:					
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year			1,900		
Statutory Excess to Fund Balance	2,067	3,467	3,972	7,961	5,673
Fund Balance Beginning of Year	29,551	35,504	31,532	23,571	17,898
	31,618	38,970	35,504	31,532	23,571
Decreased by:					
Utilized as Revenue	3,620	9,419	0	0	0
Fund Balance Ending of Year	\$ 27,998	\$ 29,551	\$ 35,504	\$ 31,532	\$ 23,571

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

TOWNSHIP OF MANSFIELD
TRUST FUND
Statements of Assets, Liabilities and Reserves--Regulatory Basis

	As of December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
ASSETS					
Cash	\$ 7,579,392	\$ 3,938,289	\$ 2,445,707	\$ 1,500,985	\$ 1,554,002
Interfunds Receivable		118			1,450
Investments	945,280	775,940	629,655	502,651	563,659
	<u>\$ 8,524,672</u>	<u>\$ 4,714,347</u>	<u>\$ 3,075,362</u>	<u>\$ 2,003,637</u>	<u>\$ 2,119,111</u>
LIABILITIES AND RESERVES					
Interfunds Payable	\$ 5,488	\$ 4,412	\$ 74,226	\$ 2,822	\$ 3,730
Payroll Deductions Payable	27,419	25,269	20,241	7,282	27,769
Other Liabilities and Special Funds	8,491,766	4,684,666	2,980,894	1,993,533	2,087,612
	<u>\$ 8,524,672</u>	<u>\$ 4,714,347</u>	<u>\$ 3,075,362</u>	<u>\$ 2,003,637</u>	<u>\$ 2,119,111</u>

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

TOWNSHIP OF MANSFIELD
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Mansfield (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature in 1798. It is in the northeast part of Burlington County and is bounded north and northeast by Bordentown Township, northeast by Chesterfield Township, south by Springfield Township and southwest by Florence Township. According to the 2020 census, the population is 8,897.

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.

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

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

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

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

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

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

Public Assistance Fund - The public assistance fund accounts for receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

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

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

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

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

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

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

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

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

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

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$1,000.00. 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.

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 balance included in the current fund and sewer utility operating fund represents amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

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

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

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Mansfield School District and Northern Burlington Regional High School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2020 and decreased by the amount deferred at December 31, 2021 for both school districts.

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

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

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

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

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

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

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital fund 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 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, 2021, the Township's bank balances of \$22,648,341.71 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 20,958,687.89
Uninsured and Uncollateralized	<u>1,689,653.82</u>
Total	<u>\$ 22,648,341.71</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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	<u>\$ 3.370</u>	<u>\$ 3.334</u>	<u>\$ 3.252</u>	<u>\$ 3.118</u>	<u>\$ 3.116</u>
Apportionment of Tax Rate:					
Municipal	\$.513	\$.513	\$.500	\$.481	\$.471
County	.488	.489	.488	.489	.496
Regional High School	1.157	1.135	1.103	1.007	1.025
Local School	1.212	1.197	1.161	1.141	1.124

Note 3: PROPERTY TAXES (CONT'D)

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

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2021	\$ 1,010,434,339.00
2020	1,010,169,520.00
2019	1,007,732,374.00
2018	988,904,805.00
2017	986,394,154.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2021	\$ 34,757,085.39	\$ 34,566,040.41	99.45%
2020	33,807,501.57	33,340,036.75	98.62%
2019	34,049,039.71	33,451,436.83	98.24%
2018	30,925,184.07	30,205,822.63	97.67%
2017	30,776,202.67	30,329,601.08	98.55%

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>
2021	\$ 95,156.68	\$ 156,380.89	\$ 251,537.57	0.72%
2020	84,170.48	325,349.08	409,519.56	1.21%
2019	85,141.64	510,772.67	595,914.31	1.75%
2018	147,780.90	681,363.73	829,144.63	2.68%
2017	125,179.25	379,397.05	504,576.30	1.64%

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>
2021	10
2020	10
2019	13
2018	15
2017	15

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>
2021	\$ 602,500.00
2020	602,500.00
2019	816,200.00
2018	401,600.00
2017	401,600.00

Note 5: SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year</u> <u>Receivable</u>	<u>Levy</u>	<u>Total</u>	<u>Cash</u> <u>Collections</u>
2021	\$ 2,251.11	\$ 45,591.31	\$ 47,842.42	\$ 45,815.66
2020	1,265.77	47,004.95	48,270.72	46,019.61
2019	2,660.37	42,146.49	44,806.86	43,541.09
2018	3,298.19	45,651.86	48,950.05	46,289.68
2017	3,287.87	43,113.67	46,401.54	43,103.35

Note 6: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance</u> <u>December 31,</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding Year</u>	<u>Percentage</u> <u>of Fund</u> <u>Balance Used</u>
2021	\$ 1,726,379.90	\$ 915,000.00	53.00%
2020	1,354,301.38	840,000.00	62.02%
2019	1,673,116.24	800,000.00	47.81%
2018	66,899.45	30,000.00	44.84%
2017	575,098.51	545,000.00	94.77%

Note 6: FUND BALANCES APPROPRIATED (CONT'D)**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>
2021	\$ 27,998.21	\$ 10,235.00	36.56%
2020	29,551.31	3,620.00	12.25%
2019	35,503.60	9,419.00	-
2018	31,532.07	-	-
2017	23,570.99	-	-

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2021:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 3,263.32	\$ 106,027.78
General Capital	970.00	-
Sewer Utility - Operating	-	4,213.32
Sewer Assessment Trust Fund	106,007.78	-
Totals	<u>\$ 110,241.10</u>	<u>\$ 110,241.10</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 2022, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

In June of 2022, the New Jersey Division of Local Government Services issued Local Finance Notice 2022-12 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2021 was not available, therefore the information dated June 30, 2020 is disclosed below.

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

Note 8: PENSION PLANS (CONT'D)

State of New Jersey
 Division of Pensions and Benefits
 P.O. Box 295
 Trenton, New Jersey 08625-0295

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

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

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

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

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 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

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 21, 2010
- 4 Members who were eligible to enroll after May 21, 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 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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.

The Township's contractually required contribution rate for the year ended December 31, 2020 was 13.38% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$115,260.00, and was payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$111,812.00, which was paid on April 1, 2020. Employee contributions to the Plan during the year ended December 31, 2020 were \$67,260.74.

Note 8: 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 Township's contractually required contribution rate for the year ended December 31, 2020 was 30.00% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$357,145.00, and was payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$320,911.00, which was paid on April 1, 2020. Employee contributions to the Plan during the year ended December 31, 2020 were \$120,925.90.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2020 was 4.14% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2020 is \$49,331.00, and was payable by April 1, 2021. Based on the PFRS measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2019 was \$41,365.00, which was paid on April 1, 2020.

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

Public Employees' Retirement System - At December 31, 2020, the Township's proportionate share of the PERS net pension liability was \$1,718,168.00. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Township's proportion was 0.0105361347% which was a decrease of 0.0009588149% from its proportion measured as of June 30, 2019.

At December 31, 2020, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date is \$(42,684.00). This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Township's contribution to PERS was \$111,812.00, and was paid on April 1, 2020.

Police and Firemen's Retirement System - At December 31, 2020, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 4,130,778.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>641,078.00</u>
	<u>\$ 4,771,856.00</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2020 measurement date, the Township's proportion was .0319687001%, which was an increase of .0001988126% from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the Township, was .0319687001% which was an increase of .0001988126% from its proportion, on-behalf of the Township, measured as of June 30, 2019.

At December 31, 2020, the Township's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date is \$300,365.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Township's contribution to PFRS was \$320,911.00, and was paid on April 1, 2020.

At December 31, 2020, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2020 measurement date is \$72,653.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2020, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 31,285.00	\$ 41,645.00	\$ 72,930.00	\$ 6,076.00	\$ 14,825.00	\$ 20,901.00
Changes of Assumptions	55,739.00	10,395.00	66,134.00	719,413.00	1,107,437.00	1,826,850.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	58,728.00	242,207.00	300,935.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	37,124.00	702,019.00	739,143.00	200,884.00	265,047.00	465,931.00
Township Contributions Subsequent to the Measurement Date	57,630.00	178,573.00	236,203.00	-	-	-
	<u>\$ 240,506.00</u>	<u>\$ 1,174,839.00</u>	<u>\$ 1,415,345.00</u>	<u>\$ 926,373.00</u>	<u>\$ 1,387,309.00</u>	<u>\$ 2,313,682.00</u>

\$57,630.00 and \$178,573.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ended December 31, 2021. These amounts were based on the April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the Township's year end of December 31, 2020.

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Township will amortize the above other deferred outflow 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, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90

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

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

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2021	\$ (254,272.00)	\$ (324,313.00)	\$ (578,585.00)
2022	(238,912.00)	(140,568.00)	(379,480.00)
2023	(148,408.00)	73,776.00	(74,632.00)
2024	(85,386.00)	29,800.00	(55,586.00)
2025	(16,519.00)	(29,738.00)	(46,257.00)
	<u>\$ (743,497.00)</u>	<u>\$ (391,043.00)</u>	<u>\$ (1,134,540.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. 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: ⁽¹⁾		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

⁽¹⁾ based on years of service

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

For PERS, 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-2020.

For PFRS, pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% 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 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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, 2020) 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, 2020 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

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

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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 would be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Police and Firemen's Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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 will be based on 78% of the actuarially determined contributions for the State 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 Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability at June 30, 2020, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 2,162,887.00</u>	<u>\$ 1,718,168.00</u>	<u>\$ 1,340,812.00</u>

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

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of June 30, 2020, the Plan's measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	PFRS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 5,493,084.00	\$ 4,130,778.00	\$ 2,999,278.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	852,502.00	641,078.00	465,474.00
	<u>\$ 6,345,586.00</u>	<u>\$ 4,771,856.00</u>	<u>\$ 3,464,752.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Eight Plan Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0105361347%	0.0114949496%	0.0112894949%	0.0114154551%
Township's Proportionate Share of the Net Pension Liability	\$ 1,718,168.00	\$ 2,071,216.00	\$ 2,222,845.00	\$ 2,657,335.00
Township's Covered Payroll (Plan Measurement Period)	\$ 762,436.00	\$ 804,472.00	\$ 792,812.00	\$ 790,184.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	225.35%	257.46%	280.37%	336.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0116460675%	0.0112303627%	0.0139710110%	0.0128555575%
Township's Proportionate Share of the Net Pension Liability	\$ 3,449,231.00	\$ 2,520,991.00	\$ 2,615,755.00	\$ 2,456,952.00
Township's Covered Payroll (Plan Measurement Period)	\$ 801,164.00	\$ 774,672.00	\$ 916,596.00	\$ 931,512.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	430.53%	325.43%	285.38%	263.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 115,260.00	\$ 111,812.00	\$ 112,294.00	\$ 105,752.00
Township's Contribution in Relation to the Contractually Required Contribution	\$ (115,260.00)	\$ (111,812.00)	(112,294.00)	(105,752.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 861,582.00	\$ 769,158.00	\$ 784,028.00	\$ 802,234.00
Township's Contributions as a Percentage of Covered Payroll	13.38%	14.54%	14.32%	13.18%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 103,462.00	\$ 96,551.00	\$ 115,175.00	\$ 96,864.00
Township's Contribution in Relation to the Contractually Required Contribution	(103,462.00)	(96,551.00)	(115,175.00)	(96,864.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 782,305.00	\$ 764,211.00	\$ 776,668.00	\$ 903,692.00
Township's Contributions as a Percentage of Covered Payroll	13.23%	12.63%	14.83%	10.72%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Eight Plan Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0319687001%	0.0317698875%	0.0291462975%	0.0239451503%
Township's Proportionate Share of the Net Pension Liability	\$ 4,130,778.00	\$ 3,887,941.00	\$ 3,943,975.00	\$ 3,696,668.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>641,078.00</u>	<u>613,913.00</u>	<u>535,724.00</u>	<u>414,058.00</u>
Total	<u>\$ 4,771,856.00</u>	<u>\$ 4,501,854.00</u>	<u>\$ 4,479,699.00</u>	<u>\$ 4,110,726.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,103,076.00	\$ 1,076,780.00	\$ 939,420.00	\$ 853,584.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	374.48%	361.07%	419.83%	433.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0300581134%	0.0293560623%	0.0292515360%	0.0289866298%
Township's Proportionate Share of the Net Pension Liability	\$ 5,741,869.00	\$ 4,889,697.00	\$ 3,679,572.00	\$ 3,853,511.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>482,175.00</u>	<u>428,810.00</u>	<u>396,228.00</u>	<u>359,194.00</u>
Total	<u>\$ 6,224,044.00</u>	<u>\$ 5,318,507.00</u>	<u>\$ 4,075,800.00</u>	<u>\$ 4,212,705.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 960,732.00	\$ 929,656.00	\$ 923,904.00	\$ 909,696.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	597.66%	525.97%	398.26%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

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

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 357,145.00	\$ 320,911.00	\$ 284,948.00	\$ 211,919.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(357,145.00)</u>	<u>(320,911.00)</u>	<u>(284,948.00)</u>	<u>(211,919.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,190,559.00	\$ 1,110,611.00	\$ 1,063,347.00	\$ 944,100.00
Township's Contributions as a Percentage of Covered Payroll	30.00%	28.89%	26.80%	22.45%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 245,076.00	\$ 238,621.00	\$ 224,672.00	\$ 211,480.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(245,076.00)</u>	<u>(238,621.00)</u>	<u>(224,672.00)</u>	<u>(211,480.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 838,993.00	\$ 868,623.00	\$ 903,822.00	\$ 925,213.00
Township's Contributions as a Percentage of Covered Payroll	29.21%	27.47%	24.86%	22.86%

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

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

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

None

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%
2017	6.14%		

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

In June of 2022, the New Jersey Division of Local Government Services issued Local Finance Notice 2022-12 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2021 was not available, therefore the information dated June 30, 2020 is disclosed below.

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

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

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

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

The Township was billed monthly by the Plan and paid \$23,599.96, for the year ended December 31, 2020, representing 1.15% of the Township's covered payroll. During the year ended December 31, 2020, retirees were required to contribute \$1,508.52 to the Plan.

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

Special Funding Situation Component (Cont'd) - The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township, is not known; however, under the special funding situation, the State's OPEB (benefit) expense, on-behalf of the Township, is (\$167,891.00) for the year ended December 31, 2020, representing (8.18%) of the Township's covered payroll.

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

OPEB Liability - At December 31, 2020, the Township's and State's proportionate share of the net OPEB liability were as follows:

Township's Proportionate Share of Net OPEB Liability	\$ 3,272,385.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Township	<u>3,372,644.00</u>
	<u>\$ 6,645,029.00</u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

The Township's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020. For the June 30, 2020 measurement date, the Township's proportion was .018234%, which was an increase of .002138% from its proportion measured as of the June 30, 2019 measurement date.

The State's proportion of the net OPEB liability, on-behalf of the Township was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2019 through June 30, 2020. For the June 30, 2020 measurement date, the State's proportion on-behalf of the Township was .061744%, which was an increase of .014783% from its proportion measured as of the June 30, 2019 measurement date.

OPEB (Benefit) Expense - At December 31, 2020, the Township's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date, is (\$21,668.00). This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Township made contributions to the Plan totaling \$23,599.96.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2020, the Township had deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 86,192.00	\$ 609,379.00
Changes of Assumptions	489,446.00	727,728.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	2,078.00	-
Changes in Proportion	416,132.00	532,383.00
Township Contributions Subsequent to the Measurement Date	<u>10,797.58</u>	<u>-</u>
	<u>\$ 1,004,645.58</u>	<u>\$ 1,869,490.00</u>

Deferred outflows of resources in the amount of \$10,797.58 will be included as a reduction of the Township's net OPEB liability during the year ending December 31, 2021. The Township will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

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

Year Ending Dec. 31,		
2021	\$	(223,464.00)
2022		(223,624.00)
2023		(223,881.00)
2024		(224,117.00)
2025		(118,604.00)
Thereafter		<u>138,048.00</u>
	<u>\$</u>	<u>(875,642.00)</u>

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Initial Fiscal Year Applied:	
Rate through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Rate for all Future Years	3.25% to 15.25%

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

PERS mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020.

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions (Cont'd)**

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

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability, calculated using a discount rate of 2.21%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
Township's Proportionate Share of the Net OPEB Liability	\$ 3,868,650.00	\$ 3,272,385.00	\$ 2,800,387.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>3,987,178.00</u>	<u>3,372,644.00</u>	<u>2,886,185.00</u>
	<u>\$ 7,855,828.00</u>	<u>\$ 6,645,029.00</u>	<u>\$ 5,686,572.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate**

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Township's Proportionate Share of the Net OPEB Liability	\$ 2,707,902.00	\$ 3,272,385.00	\$ 4,011,583.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>2,790,866.00</u>	<u>3,372,644.00</u>	<u>4,134,490.00</u>
	<u>\$ 5,498,768.00</u>	<u>\$ 6,645,029.00</u>	<u>\$ 8,146,073.00</u>

OPEB Plan Fiduciary Net Position

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

Supplementary OPEB Information

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

Schedule of the Township's Proportionate Share of the Net OPEB Liability (Last Four Plan Years)

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.018234%	0.016096%	0.017381%	0.018110%
Township's Proportionate Share of the Net OPEB Liability	\$ 3,272,385.00	\$ 2,180,376.00	\$ 2,723,015.00	\$ 3,697,299.00
State's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>3,372,644.00</u>	<u>2,594,933.00</u>	<u>3,280,102.00</u>	<u>4,373,445.00</u>
Total	<u>\$ 6,645,029.00</u>	<u>\$ 4,775,309.00</u>	<u>\$ 6,003,117.00</u>	<u>\$ 8,070,744.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,935,379.00	\$ 1,859,353.00	\$ 1,788,436.00	\$ 1,687,390.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	169.08%	117.27%	152.26%	219.11%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%	1.98%	1.97%	1.03%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)****Schedule of the Township's Contributions (Last Four Years)**

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 23,599.96	\$ 25,622.52	\$ 30,692.72	\$ 10,410.24
Township's Contributions in Relation to the Required Contribution	(23,599.96)	(25,622.52)	(30,692.72)	(10,410.24)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 2,052,141.00	\$ 1,879,769.00	\$ 1,847,375.00	\$ 1,746,334.00
Township's Contributions as a Percentage of Covered Payroll	1.15%	1.36%	1.66%	0.60%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of June 30, 2019 included updates to the provisions of Chapter 48, along with newly adopted changes in different levels of subsidy for employers.

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	2.21%	2018	3.87%
2019	3.50%	2017	3.58%

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

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend, repealment of the excise tax, and updated mortality improvement assumptions.

The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. Medical and prescription drug trend rates are determined by utilizing experience data, industry experience which includes surveys and Aon trend guidance. These rates are adjusted further to be appropriate with respect to the plan provisions. For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage rates for Plan Years 2019 through 2022 are reflected. For Plan Year 2023 the Medicare Advantage trend rate includes an assumed increase in the premiums based on recent experience and discussions with the Medicare Advantage vendor. The assumed post-65 medical trend is 4.50% for all future years. For prescription drug benefits, the initial trend rate is 7.00% decreasing to a 4.50% long-term trend rate after seven years.

On October 21, 2020, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2020. The MP-2020 scale reflects more recent mortality data for the U.S. population.

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 on September 22, 2002 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the Township approved the adoption of the Plan at the general election held on November 5, 2002, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2003. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

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

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

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

The Township elected to contribute between \$765.25 and \$1,718.00 for the year ended December 31, 2021 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, 2021, the Township's total expenditure to the Plan was \$21,916.87.

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 a trust 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. 5:30-11.63 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, 2021, 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: COMPENSATED ABSENCES

Under the existing policy of the Township, unaffiliated full-time employees are entitled to accumulate annual unused sick leave and vacation days, and police are entitled to accumulate unused sick and vacation days in accordance with their bargaining agreements. 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, but the carry-forward is limited to the equivalent of one year's accrued vacation days.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2021, accrued benefits for compensated absences are valued at \$212,017.50.

Note 12: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 13: LEASE OBLIGATIONS

Capital Leases - The Township has authorized participation in the Burlington County Bridge Commission's 2003 Governmental Leasing Program. Under this program, the Commission will acquire or construct certain equipment and improvements and lease these assets to the Township under capital lease agreements.

The Commission will finance this project through the issuance of County-Guaranteed Lease Revenue Bonds, Series 2003. Lease payments by the Township are based upon the principal and interest necessary to amortize debt service on the Series 2003 bonds. Payments by the Township are adjusted to reflect accrued interest earned on the balance of funds unused and held in trust by the Commission. The Township began utilizing the Program's funds during 2003 for various improvements and equipment authorizations. Principal and interest payments began in 2005 and the final maturity is August 2023. The following schedule represents the remaining debt service, through maturity, for the capital lease:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 332,000.00	\$ 34,100.00	\$ 366,100.00
2023	<u>350,000.00</u>	<u>17,500.00</u>	<u>367,500.00</u>
Total	<u>\$ 682,000.00</u>	<u>\$ 51,600.00</u>	<u>\$ 733,600.00</u>

Note 14: CAPITAL DEBT

General Improvement Bonds

Refunding Bonds, Series 2014 - On November 18, 2014, the Township issued \$5,610,000.00 of refunding bonds with interest rates ranging from 3.0 – 5.0%. The final maturity of the bonds is September 1, 2025.

General Improvement Bonds, Series 2019 - On October 10, 2019, the Township issued \$5,621,000.00 of general improvement bonds, with interest rates ranging from 2.25 – 2.375%. The bonds were issued for the purpose of funding ordinances 2007-02, 2008-08, 2011-06, 2012-06, 2012-11, 2013-10, 2013-07, 2014-11, 2015-04, 2016-10, 2017-07, 2018-03 and 2019-12. The final maturity of the bonds is October 15, 2038.

Refunding Bonds, Series 2021 - On March 24, 2021, the Township issued \$2,875,000.00 of refunding bonds with interest rates of 1.240%. The final maturity of the bonds is April 1, 2028.

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,190,000.00	\$ 280,461.76	\$ 1,470,461.76
2023	1,225,000.00	246,204.76	1,471,204.76
2024	1,445,000.00	204,120.76	1,649,120.76
2025	1,465,000.00	157,757.26	1,622,757.26
2026	770,000.00	108,643.76	878,643.76
2027-2031	2,465,000.00	377,948.30	2,842,948.30
2032-2036	1,625,000.00	184,843.80	1,809,843.80
2037-2038	650,000.00	22,750.02	672,750.02
Totals	<u>\$ 10,835,000.00</u>	<u>\$ 1,582,730.42</u>	<u>\$ 12,417,730.42</u>

Sewer Assessment Bonds

Sewer Assessment Refunding Bonds, Series 2021 - On March 24, 2021, the Township issued \$105,000.00 of refunding bonds with interest rates of 1.240%. The final maturity of the bonds is April 1, 2028.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 15,000.00	\$ 1,209.00	\$ 16,209.00
2023	15,000.00	1,023.00	16,023.00
2024	15,000.00	837.00	15,837.00
2025	15,000.00	651.00	15,651.00
2026	15,000.00	465.00	15,465.00
2027-2028	30,000.00	372.00	30,372.00
Totals	<u>\$ 105,000.00</u>	<u>\$ 4,557.00</u>	<u>\$ 109,557.00</u>

Note 14: CAPITAL DEBT (CONT'D)

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 12,887,570.00	\$ 12,062,000.00	\$ 12,962,000.00
Sewer Utility:			
Assessment Bonds and Notes	105,000.00	120,000.00	135,000.00
Bonds and Notes	70,250.00	71,200.00	72,150.00
	<u>13,062,820.00</u>	<u>12,253,200.00</u>	<u>13,169,150.00</u>
Total Issued	<u>13,062,820.00</u>	<u>12,253,200.00</u>	<u>13,169,150.00</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	702,546.00	465,046.00	465,046.00
Sewer Utility:			
Bonds, Loans and Notes	950.00	950.00	950.00
	<u>703,496.00</u>	<u>465,996.00</u>	<u>465,996.00</u>
Total Authorized but not Issued	<u>703,496.00</u>	<u>465,996.00</u>	<u>465,996.00</u>
Total Issued and Authorized but not Issued	<u>13,766,316.00</u>	<u>12,719,196.00</u>	<u>13,635,146.00</u>
<u>Deductions</u>			
General:			
Reserve for Debt Service	0.22	170.22	10,170.22
Sewer Utility:			
Self-Liquidating	176,200.00	192,150.00	208,100.00
	<u>176,200.22</u>	<u>192,320.22</u>	<u>218,270.22</u>
Total Deductions	<u>176,200.22</u>	<u>192,320.22</u>	<u>218,270.22</u>
Net Debt	<u>\$ 13,590,115.78</u>	<u>\$ 12,526,875.78</u>	<u>\$ 13,416,875.78</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.079%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Purposes	\$ 1,250,000.00	\$ 1,250,000.00	
Regional School Purposes	18,989,329.33	18,989,329.33	
Self-Liquidating	176,200.00	176,200.00	
General	13,590,116.00	0.22	\$ 13,590,115.78
	<u>\$ 34,005,645.33</u>	<u>\$ 20,415,529.55</u>	<u>\$ 13,590,115.78</u>

Note 14: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)**

Net debt \$13,590,115.78 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$1,259,330,802.33, equals 1.079%.

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 44,076,578.08
Less: Net Debt	<u>13,590,115.78</u>
Remaining Borrowing Power	<u><u>\$ 30,486,462.30</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 49,435.66
Deductions:	
Operating and Maintenance Costs	\$ 45,500.00
Debt Service	<u>3,862.47</u>
Total Deductions	<u>49,362.47</u>
Excess in Revenue	<u><u>\$ 73.19</u></u>

Note 15: CAPITAL DEBT REFUNDING

On April 12, 2021, the Township issued \$2,875,000.00 in general obligation refunding bonds with an interest rate of 1.24% to advance refund \$2,831,000.00 of outstanding 2011 general obligation bonds with interest rates ranging from 4.00% to 4.50%; and \$105,000.00 in sewer assessment refunding bonds with an interest rate of 1.24% to advance refund \$105,000.00 of outstanding 2011 sewer assessment bonds with an interest rates ranging from 3.00% to 4.50%. The net proceeds, for both issues totaling \$3,009,900.530 (after payment of issuance costs and additional cash deposits) were used to purchase U.S. Treasury Bills. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the above refunded serial bonds. As a result of the current refunding, the Township will reduce its total debt service payments over the next seven years by \$357,973.96, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$341,961.91, or 11.647% of the principal amount being refunded. The current refunding meets the requirements of an in-substance defeasance and the liability for the refunded bonds was removed from the Township's financial statements.

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, 2021, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

<u>Description</u>	<u>Balance December 31, 2021</u>	<u>2022 Budget Appropriation</u>
Current Fund:		
Emergency Appropriations NJSA 40A:4-46	\$ 100,000.00	\$ 100,000.00
Special Emergency Authorizations NJSA 40A:4-53	48,000.00	16,000.00

The appropriations in the 2022 Budget as adopted are not less than that required by the statutes.

Note 17: SCHOOL TAXES

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

	<u>Local School District Balance December 31,</u>		<u>Regional High School District Balance December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance of Tax	\$ 6,118,908.50	\$ 6,202,306.50	\$ 5,785,243.05	\$ 5,665,867.96
Deferred	<u>2,985,700.00</u>	<u>2,985,700.00</u>	<u>681,483.00</u>	<u>681,483.00</u>
Taxes Payable	<u>\$ 3,133,208.50</u>	<u>\$ 3,216,606.50</u>	<u>\$ 5,103,760.05</u>	<u>\$ 4,984,384.96</u>

Note 18: RISK MANAGEMENT

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

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

The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ -	\$ 1,488.23	\$ 20,162.65
2020	-	3,495.72	21,650.88
2019	-	4,673.21	25,146.60

There are no unreimbursed payments on behalf of the Township at December 31, 2021.

Note 18: RISK MANAGEMENT (CONT'D)

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

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

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

The Fund publishes its own financial report for the year ended December 31, 2021, which can be obtained from:

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

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

Note 19: 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: COVID-19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Township’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Borough is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2022.

Note 22: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Authorization</u>
Ord 2022-10 - Various Capital Improvements	\$ 3,213,632.00

The above bond ordinance was introduced on July 20, 2022 and is scheduled to be adopted on August 17, 2022.

APPENDIX C
FORM OF BOND COUNSEL OPINION

December __, 2022

Township Council
Township of Mansfield
3135 Route 206 South, Suite 1
Columbus, New Jersey 08022

Re: Township of Mansfield, in the County of Burlington, New Jersey
\$5,573,000 General Obligation Bonds, Series 2022

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery of the \$5,573,000 General Obligation Bonds, Series 2022, (the "Bonds") consisting of \$5,503,700 General Improvement Bonds and \$69,300 Water and Sewer Utility Bonds by the Township of Mansfield (the "Township") in the County of Burlington, New Jersey (the "County").

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) Resolution 2022-10-11 of the Township adopted by the Township Council on October 19, 2022 ("Authorizing Resolution") and (iii) the bond ordinances set forth in the Authorizing Resolution of the Township (the "Bond Ordinances").

The Bonds are dated December __, 2022, and mature on November 1 in each of the years and in the respective principal amounts as set forth on the inside cover of an Official Statement dated November __, 2022 related to the Bonds, and bear interest at the respective interest rates per annum set forth in the Official Statement, payable semi-annually thereafter on May 1st and November 1st of each year, commencing May 1, 2023.

The Bonds are issued without coupons. The principal amounts of the Bonds are subject to optional redemption prior to their respective maturity and principal payment dates as set forth therein.

As the basis for the opinion set forth below, we have examined such matters of law as we have deemed necessary including, *inter alia*, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended ("Code"), and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the proceedings of the Township Council in connection with the adoption of the Ordinances and the Authorizing Resolution, and the other certifications, instruments, documents and opinions prepared in connection with the Bonds.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, instruments and certifications examined.

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

1. The Bond Ordinances and the Authorizing Resolution have been duly adopted by the Township Council and are in full force and effect.

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

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

4. On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Bonds in order to preserve the tax-exempt status of the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in its Certificate, it is our opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the "adjusted financial statement income" of "applicable corporations" subject to alternative minimum tax under Section 55 of the Code as amended by the Inflation Reduction Act of 2022, P.L. 117-169. Further, in our opinion, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

We express no other opinion regarding other federal or State tax consequences arising with respect to the Bonds.

This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention after the date of this opinion, or any changes in law or interpretations thereof that may occur after the date of this opinion, or for any reason whatsoever.

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

We express no opinion herein as to the adequacy, accuracy or completeness of any official statement, private placement memorandum or other offering material pertaining to the offering of the Bonds.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Mansfield in the County of Burlington, New Jersey (the "Issuer") in connection with the issuance by the Issuer of its \$5,573,000 General Obligation Bonds, Series 2022 (the "2022 Bonds"). The Tax-Exempt Bonds are being issued pursuant to a Resolution 2022-10-11 duly adopted by the Township on October 19, 2022 (the "Resolution") and the bond ordinances listed therein (the "Ordinances"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the 2022 Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2022 Bonds (including persons holding 2022 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2022 Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any 2022 Bond, including Beneficial Owners of the 2022 Bonds.

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

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Securities and Exchange Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt and taxable bonds, including the 2022 Bonds, and other filers on behalf of such issuers shall upload continuing disclosure information to assist underwriters in complying with the Rule and to provide the general public with access to such continuing disclosure information.

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

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

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

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

"Participating Underwriter" shall mean the original underwriter of the 2022 Bonds required to comply with the Rule in connection with the offering of the 2022 Bonds.

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

"State" shall mean the State of New Jersey.

SECTION 3. Provision of Annual Reports.

(a) The Township shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Township's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent, the Annual Report prepared for the preceding fiscal year of the Township (commencing for the fiscal year ending December 31, 2022). Each Annual Report provided to the Dissemination Agent by the Township shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Securities and Exchange Commission.

(b) The Dissemination Agent, promptly (within fifteen (15) Business Days) after receiving the Annual Report from the Township, shall submit each Annual Report received by it to the Repository and thereafter shall file a written report with the Township certifying that the Annual Report has been provided pursuant to this Disclosure Agreement to the Repository and stating the date it was provided to the Repository.

(c) If the Township fails to provide the Annual Report to the Dissemination Agent by the date required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the Township advising of such failure. Whether or not such notice is given or received, if the Township thereafter fails to submit the Annual Report to the Dissemination Agent within fifteen

(15) Business Days after the Annual Report was due pursuant to the provisions of subsection (a) of this Section 3, the Dissemination Agent shall promptly send a notice (with copies of said notice to the Township) to the Repository in substantially the form attached as EXHIBIT "A" hereto.

SECTION 4. Contents of Annual Report. Annual Report shall mean: annual financial information with respect to the Township consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Township and certain financial information and operating data consisting of (i) the Township and overlapping indebtedness including a schedule of outstanding debt issued by the Township, (ii) the Township's most current adopted budget, (iii) property valuation information, and (iv) tax rate, levy and collection data. The audited financial information will be prepared in accordance with modified cash accounting as mandated by State of New Jersey statutory principles in effect from time to time or with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law and shall be filed electronically and accompanied by identifying information with the MSRB.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following listed events ("Listed Events"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Tax Exempt Bonds or other material events affecting the tax status of the 2022 Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) 2019 Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the 2022 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Township;
- (13) the consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the

Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a “financial obligation” of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Township, if any such event reflects financial difficulties.

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

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

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2022 Bonds. If such termination occurs prior to the final maturity of the 2022 Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2022 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2022 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the 2022 Bonds.

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

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the 2022 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default on the 2022 Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Submission of Information to MSRB. Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in

electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

SECTION 12. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 13. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Township or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 14. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 15. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

SECTION 16. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Bondholders and Beneficial Owners from time to time of the 2022 Bonds and shall create no rights in any other person or entity.

Date December __, 2022

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

By: _____
Bonnie Grouser,
Chief Financial Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

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

Name of Bond Issue: \$5,573,000 GENERAL OBLIGATION BONDS, SERIES 2022

Date of Issuance: December __, 2022

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated December __, 2022. The Issuer anticipates that the Annual Report will be filed by _____.

Dated:

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

By: _____
Authorized Officer