

**PRELIMINARY OFFICIAL STATEMENT DATED MAY 29, 2024**

**RATING: S&P: "AA"  
(See "RATING" herein)**

**NEW ISSUE**

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

**\$5,002,000\***  
**TOWNSHIP OF MANTUA**  
**County of Gloucester, New Jersey**  
**GENERAL OBLIGATION BONDS, SERIES 2024**  
**(Book-Entry-Only) (Bank Qualified) (Non-Callable)**

**Dated: Date of Delivery**

**Due: February 15, as shown on the inside front cover**

The Township of Mantua, County of Gloucester, New Jersey ("Township"), is issuing \$5,002,000\* aggregate principal amount of its General Obligation Bonds, Series 2024 ("Bonds"). The Bonds shall be issued in fully registered book-entry-only form without coupons.

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 and interest on the Bonds will be made 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 principal of the Bonds shall be paid on the maturity dates thereof upon presentation and surrender of the Bonds at the offices of TD Bank, National Association, Cherry Hill, New Jersey, as hereafter designated paying agent ("Paying Agent"). Interest on the Bonds is payable semi-annually on February 15 and August 15, commencing February 15, 2025, in each year until maturity. The Bonds are not subject to optional redemption prior to their stated maturity dates.

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 2020-04, 2021-09, 2022-04, and 2023-11, each duly and finally adopted by Township Committee and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township Committee on May 13, 2024; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on June \_\_, 2024.

The Bonds are being issued by the Township to provide funds that will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of the principal of bond anticipation notes of the Township, dated September 19, 2023, and maturing on June 19, 2024; and (ii) pay certain costs and expenses incidental to the issuance and delivery of 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 property within the Township without limitation as to rate or amount.

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

*The Bonds are offered when, as and if issued and subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Solicitor, Stuart A. Platt, Esquire, Stratford, New Jersey. Acacia Financial Group, Inc., Mount Laurel, New Jersey has served as Municipal Advisor in connection with the Bonds. The Bonds are expected to be available for delivery in definitive form through DTC in New York, New York on or about June 18, 2024.*

**ELECTRONIC SUBMISSIONS FOR THE BONDS WILL BE RECEIVED VIA PARITY UNTIL 11:00 A.M. ON JUNE 5, 2024.  
FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY VIEW THE NOTICE OF SALE POSTED AT  
WWW.GOVDEBT.NET.**

\* Preliminary, subject to change.

This is a Preliminary Official Statement, complete with the exception for the specific information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission. The Township has authorized distribution of this Preliminary Official Statement to prospective purchasers and others. In accordance with Rule 15c2-12, this Preliminary Official Statement is deemed final. Upon the sale of the Bonds described herein, the Township will deliver a final Official Statement within seven business days following such sale.

**\$5,002,000\***  
**TOWNSHIP OF MANTUA,**  
**County of Gloucester, New Jersey**  
**GENERAL OBLIGATION BONDS, SERIES 2024**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS\*\***

<u>Year</u> <u>(February 15)</u>	<u>General</u> <u>Obligation*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2025	\$332,000	%	%	
2026	375,000			
2027	395,000			
2028	410,000			
2029	430,000			
2030	575,000			
2031	590,000			
2032	610,000			
2033	630,000			
2034	655,000			

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\* Preliminary, subject to change.

\*\* Registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. 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 MANTUA  
COUNTY OF GLOUCESTER, NEW JERSEY**

**Elected Officials**

Robert Zimmerman	Mayor
Peter Scirrotto	Deputy Mayor
John Legge	Committee member
Shawn K. Layton	Committee member
Eileen Lukens	Committee member

**Administrator/Township Clerk**

Jennica N. Bileci

**Chief Financial Officer**

Karyn Paccione

**Solicitor**

Stuart A. Platt, Esquire  
Stratford, New Jersey

**Auditor**

Bowman & Company LLP  
Woodbury and Voorhees, New Jersey

**Bond Counsel**

Parker McCay P.A.  
Mount Laurel, New Jersey

**Municipal Advisor**

Acacia Financial Group, Inc.  
Mount Laurel, New Jersey

The information which is set forth herein has been provided by the Township of Mantua, County of Gloucester, New Jersey ("Township"), The Depository Trust Company and by other sources which are believed to be reliable by the Township, but the information provided by such sources is not guaranteed as to accuracy or completeness by the Township. Certain general and financial information concerning the Township is contained in Appendices "A" and "B" to this Official Statement. Such information has been furnished by the Township.

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Township or the 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**  
**Relating to the**  
  
**\$5,002,000\***  
**TOWNSHIP OF MANTUA**  
**County of Gloucester, New Jersey**  
**GENERAL OBLIGATION BONDS, SERIES 2024**  
  
**(Book-Entry-Only) (Bank Qualified) (Non-Callable)**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Mantua, County of Gloucester, New Jersey ("Township"), in connection with the issuance and sale of \$5,002,000\* aggregate principal amount of its General Obligation Bonds, Series 2024 ("Bonds"). This Official Statement has been executed by and on behalf of the Township by the Chief Financial Officer and may be distributed in connection with the sale of the Bonds.

**AUTHORIZATION AND PURPOSE OF 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 ("State"), as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2020-04, 2021-09, 2022-04, and 2023-11 (collectively, the "Bond Ordinances"), each duly and finally adopted by Township Committee and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township Committee on May 13, 2024; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on June \_\_, 2024.

The Bonds are being issued by the Township to provide funds that will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of the principal of bond anticipation notes of the Township, dated September 19, 2023, and maturing on June 19, 2024; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

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\* Preliminary, subject to change

<b>Ordinance Number</b>	<b>Purpose</b>	<b>Amount Authorized</b>	<b>Notes Outstanding</b>	<b>Funds Available</b>	<b>Bonds to be Issued</b>
2020-04	Completion of Various Capital Improvements and Acquisition of Various Capital Equipment	\$984,000	\$984,000	-0-	\$984,000
2021-09	Completion of Various Capital Improvements and Acquisition of Various Capital Equipment	1,323,000	1,323,000	-0-	1,323,000
2022-04	Completion of Various Capital Improvements and Acquisition of Various Capital Equipment	1,482,000	1,482,000	-0-	1,482,000
2023-11	Completion of Various Capital Improvements and Acquisition of Various Capital Equipment	1,213,250	1,213,250	\$250	1,213,000
	<b>TOTAL</b>	<b>\$5,002,250</b>	<b>\$5,002,250</b>	<b>\$250</b>	<b>\$5,002,000</b>

## **THE BONDS**

### General

The Bonds will be issued in the aggregate principal amounts as shown on the inside front cover page hereof. 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 August 15 and February 15 (each an "Interest Payment Date"), commencing February 15, 2025, in each year until maturity. Interest on the Bonds shall be calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

The Bonds are not subject to redemption prior to their stated maturity dates.

Individual purchases of the Bonds may be made in the principal amount of \$5,000, integral multiples thereof, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds, through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See "BOOK-ENTRY-ONLY SYSTEM" below. The Bonds will mature on February 15 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 principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey as its hereafter designated 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 Township for such purpose at the offices of the Paying Agent, as of the close of business on the first (1st) day of the calendar month containing 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 Township.

## BOOK-ENTRY-ONLY SYSTEM

### General

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 term 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 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 Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the 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, or its Paying Agent, 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 its Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Township, or its 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 its 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. 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 Underwriters (as hereinafter defined) take any responsibility for the accuracy thereof.

NEITHER THE TOWNSHIP NOR ITS 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.

#### Discontinuation 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 its Paying Agent; (ii) the transfer of the Bonds may be registered on the books maintained by the Township, or its Paying Agent, for such purposes only upon the surrender thereof to the Township, or its Paying Agent, together with the duly executed assignment in form satisfactory to the Township, or its Paying Agent; and (iii) for every exchange or registration of transfer of the Bonds, the Township, or its 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 AND SOURCE OF PAYMENT**

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

The Township may pledge only its own credit and taxing power in respect of the 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 compiled financial statements of the Township for the year ended December 31, 2023 and also contains audited financial statements of the Township for the years ended December 31, 2022, 2021, 2020, 2019 and 2018. The financial data was extracted from the reports prepared by Bowman & Company LLP, Woodbury and Voorhees, New Jersey ("Auditor") to the extent and for the period set forth in their report appearing in Appendix "B". The Auditor has consented to the inclusion of their reports in this Official Statement. Copies of the complete Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

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

### Local Bond Law

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

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

Bonds, notes and long-term loans are included in the computation of debt for the statutory debt limit. The Township, including the issuance of the 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.

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

## Local Fiscal Affairs Law

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

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

An independent examination of the Township's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the municipality's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2022 is on file with the Township Clerk and is available for review during business hours, and is available online at the Township's website: [www.mantuatownship.com](http://www.mantuatownship.com).

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

## The Local Budget Law

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

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

No budget shall be adopted unless the Director shall have previously certified 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 municipality to increase its overall appropriations, it does not limit the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service on the Bonds. The Cap Law provides that a municipality shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year's final appropriations subject to certain exceptions. The "index rate" is the rate of annual

percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

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

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

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

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

### Real Estate Taxes

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

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

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

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

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

Deferral of Current Expenses

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

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

Budget Transfers

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

## Capital Budget

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

## Related Constitutional and Statutory Provisions

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

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

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

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

## Rights and Remedies of Owners of Bonds

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

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

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

Under Article 6 of the Act, while the Commission functions in the municipality, no judgment, levy, or execution against the municipality or its property for the recovery of the amount due on any bonds, notes

or other obligations of the municipality in the payment of which it has defaulted, shall be enforced unless otherwise directed by Court Order. However, Article 6 of the Act also provides that upon application of any creditor made upon notice to the municipality and the Commission, a court may vacate, modify or restrict any such statutory stay contained therein.

#### Limitation of Remedies Under Federal Bankruptcy Code

The rights and remedies of the registered owners of the 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 municipality's debts may be filed or accepted by the petitioner without express authority from the Commission to do so.

**THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE TOWNSHIP EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE COMMISSION, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY OF THE 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 resulting in an increase of the assessment ratio to its present level of 103.44%. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could not keep pace with rising values. The last complete revaluation of property within the Township was completed in 2022, effective for the year 2023.

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



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

### Tax Appeals

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

## **CONTINUING DISCLOSURE**

In accordance with the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule"), the Township has undertaken to provide certain secondary market disclosure information, pursuant to Continuing Disclosure Agreement, in the form attached as Appendix "D" to this Official Statement.

Within the past five (5) years, the Township previously failed to timely file certain notices with respect to financial obligations incurred in the years 2021 through 2023. The Township has since filed the applicable notices on EMMA. Acacia Financial Group, Inc. currently serves as continuing disclosure agent for the Township.

## **LITIGATION**

To the knowledge of the Township Solicitor for the Township, Stuart A. Platt, Esquire, Stratford, New Jersey ("Township Solicitor"), there is no litigation of any nature now pending, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Township Solicitor, no litigation is presently pending that, in the opinion of the Township Solicitor, would have a material adverse impact on the financial condition of the Township if adversely decided.

## **TAX MATTERS**

### Federal

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, assuming continuing compliance by the Township with the tax covenants described below, under existing law, interest on the Bonds is not included for federal income tax purposes in the gross income of the owners

thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

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

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

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

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

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

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

## New Jersey

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

## Changes in Federal and State Tax Law

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

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

## **RATING**

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

An explanation of the significance of such ratings may be obtained from the Rating Agency at 55 Water Street, New York, New York 10041. The ratings are not a recommendation to buy, sell or hold the Bonds and there is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the Rating Agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings by the Rating Agency may have an adverse effect on the market price of the Bonds.

## **NO DEFAULT**

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

## CERTAIN RISK FACTORS

### Recent Healthcare Developments

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

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

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

Pursuant to the funding methodology under the Plan, the Township received \$1,553,281.35 in funding ("Plan Funds"). The deadline to obligate the funds is December 31, 2024 and to spend funds is December 31, 2026. Such funds were received in two (2) equal payments; one (1) received within 60 days of enactment of the Plan, and the balance was received no earlier than 12 months from the initial payment. Pursuant to the Plan (codified as Section 603(c) of the Social Security Act (42 U.S.C. 603(c)), Plan Funds may be utilized to: (i) respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (ii) respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the Township that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (iii) provide government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the Township prior to the emergency; and (iv) make necessary investments in water, sewer or broadband infrastructure. Plan Funds may not, however, be utilized for debt service, legal settlements or judgments or financial reserves.

While the effects of COVID-19 have abated significantly in the State, the Township cannot predict, and does not predict, whether or if the Coronavirus or any similar viral disease (including any variants or sub-variants thereof) may reemerge in the future and, if such reemergence occurs, what the effects thereof may have upon global, State-wide and local economies and operations, including that of the Township.

## Cyber Security

The Township relies on a complex technology environment to conduct its various operations. As a result, the Township faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyberattacks, the Township has invested in multiple forms of cybersecurity and operational safeguards. In addition, the Township maintains certain insurance coverage for cyberattacks and related events.

## Climate

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

## **UNDERWRITING**

The Bonds have been purchased from the Township at a public sale by \_\_\_\_\_, as underwriter ("Underwriter"), pursuant to a Certificate of Determination and Award, dated June \_\_, 2024 at a price of \$ \_\_\_\_\_. The purchase price of the Bonds reflects the par amount of the Bonds, [plus a bid premium in the amount of \$ \_\_\_\_\_]. 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 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 and notes into investment trusts) at yields higher than the public offering yield set forth on the inside front cover page of this Official Statement, and such public offering yields may be changed, from time to time, by the Underwriter without prior notice.

## **MUNICIPAL ADVISOR**

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

## **APPROVAL OF LEGAL PROCEEDINGS**

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

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

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

## **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.

## **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.

The Municipal Advisor has participated in the review of this Official Statement, but has not verified the accuracy, completeness, or fairness of financial, statistical or demographic information contained in this Official Statement, and, accordingly, expresses no opinion or other assurance with respect thereto, but takes responsibility for the information contained under the headings entitled "MUNICIPAL ADVISOR" and "CONTINUING DISCLOSURE" (as to the second paragraph only) and expresses no opinion or other assurance other than that which is specifically set forth therein with respect thereto.

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

### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Karyn Paccione, Chief Financial Officer, Township of Mantua, at (856) 468-1500, or Acacia Financial Group, Inc., 6000 Midlantic Drive, Suite 410 North, Mount Laurel, New Jersey 08054, (856) 234-2266.

### **MISCELLANEOUS**

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

### **TOWNSHIP OF MANTUA, COUNTY OF GLOUCESTER, NEW JERSEY**

By: \_\_\_\_\_  
**KARYN PACCIONE, Chief Financial Officer**

Dated: June \_\_, 2024

**APPENDIX A**

**GENERAL INFORMATION REGARDING THE  
TOWNSHIP OF MANTUA**



## CERTAIN INFORMATION REGARDING THE TOWNSHIP OF MANTUA

### Overview

The Township occupies 16.3 square miles in central Gloucester County. The Township was a part of Greenwich Township until February 23, 1853. The Township is bounded by the Townships of East Greenwich and West Deptford to the north, the Townships of Deptford and Washington and the Borough of Wenonah to the east, the Boroughs of Pitman and Glassboro to the south, and Harrison Township to the west.

### Planning and Development

The existing housing stock in the Township consists mainly of single-family dwellings. The Township Land Use Plan continues to provide for a range of housing types to meet a variety of needs, inclinations and economic circumstances. In addition to providing a range of housing types, an overall theme of the plan is to channel moderate and high-density residential development to specific areas of the Township while maintaining the prevailing suburban, county and rural atmosphere.

The following analysis from the construction office reflects developments planned and under construction:

<u>Project/Address</u>	<u>Project Size</u>	<u>Total Number of Certificate of Occupancies Issued</u>
Shadowbrook Trail	16	15
Country Gardens	398	283
Myers Creek	9	8
Heritage Forest	9	7

### Form of Government

A five (5) member Township Committee is elected on a partisan basis for staggered three (3) year terms. A Mayor is elected each year by the Township Committee. The Township Committee appoints a Township Clerk for a term of three (3) years.

## Public Services

A number of services are provided by the Township and paid for from general revenues. The Township's municipal services include a full-time police force. In addition, street lighting, garbage and trash collection including recycling, senior citizen transportation, zoning and planning boards, road repairs and maintenance, public assistance, recreation and parks, and construction code services are provided.

Fire services are provided by the Board of Commissioners of Fire District No. 1 in the Township of Mantua (the "Fire District"). The Board of Commissioners consists of five residents who are elected at-large for three-year terms by the legal voters of the Township. The Fire District's annual budget must be approved by the voters. Once the budget is approved, the Commissioners have the authority to establish the tax rate for the Fire District. The budget supports the needs of two fire houses within the Township. The Fire District has both paid and volunteer firefighters.

Ambulance services to nearby hospitals are provided by the County of Gloucester.

## Financial Institutions

The Township contains one (1) branch of Newfield National Bank, one (1) branch of Fulton Bank N.A., and one (1) branch of 1st Colonial Community Bank. Fulton Bank, N.A. also has an operations center located within the Township.

## Library

The Township residents are served by the Gloucester County Library System in Harrison Township.

## Township Employees

The Township employs the following number of people.

	<u>2023</u>	<u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Full Time</b>	60	59	61	58	64
<b>Part Time</b>	<u>38</u>	<u>37</u>	<u>32</u>	<u>38</u>	<u>30</u>
<b>Total</b>	<u>98</u>	<u>96</u>	<u>93</u>	<u>96</u>	<u>94</u>

## Compensated Absences

Full-time police employees are entitled to fifteen paid sick leave days each year. All other full-time employees are entitled to twelve paid sick leave days each year. All employees may accumulate and carry forward five vacation days not used.

The Township of Mantua compensates employees for unused sick leave upon retirement divided equally over a four-year period. The Township of Mantua compensates employees for unused sick leave under the following criteria: (i) for non-police employees, sick leave may be accumulated to a maximum of 365 days and will be paid at 75% of accrued time; (ii) for police employees hired before January 1, 2002, sick leave may accumulate a maximum of 365 days and will be paid for 75% of accrued time; and (iii) for police employees hired after January 1, 2002, sick leave may be accumulated to a maximum of 365 days will be paid for 100 days at 75% of accrued time. For all employees, unused vacation days shall be paid 100%.

## Retirement Systems

Township employees who are eligible for pension coverage are enrolled in the State Public Employees Retirement System and Police and Fire Retirement System. The Division of Pensions within the Treasury Department of the State is the administrator of the fund. The Division of Pensions charges the participating municipalities and other governmental units for their respective coverage on an annual basis. The Township raises its charges through taxation and is current with its required payments. Township employees are also covered by the Federal Insurance Contribution Act.

## Employee Collective Bargaining Units

There are 27 Township employees represented by the Policeman's Benevolent Association Local 122 which includes police and superior officers. The agreement with the Policeman's Benevolent Association Local 122 expires December 31, 2024. There is also a public works department union of 24 members affiliated with Teamsters Local 676.

## Population(1)

2020 Federal Census	15,235
2010 Federal Census	15,217
2000 Federal Census	14,217
1990 Federal Census	10,074
1980 Federal Census	9,193

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

Median Household Income	\$108,958
Per Capita Income	\$54,658

## Labor Force(2)

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Township</b>					
Labor Force	8,596	8,443	8,236	8,180	8,206
Employment	8,251	8,159	7,791	7,521	7,944
Unemployment	345	284	445	659	262
Unemployment Rate	4.0%	3.4%	5.4%	8.1%	3.2%
<b>County</b>					
Labor Force	164,258	161,341	158,400	157,268	156,454
Employment	157,191	155,427	148,428	143,282	150,862
Unemployment	7,067	5,914	9,972	13,986	5,592
Unemployment Rate	4.3%	3.7%	6.3%	8.9%	3.6%

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

(2) Source: New Jersey Department of Labor

**Labor Force (continued)**

	<b>2023</b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>State</b>					
Labor Force	4,829,671	4,739,800	4,666,100	4,650,300	4,686,300
Employment	4,615,722	4,564,100	4,357,200	4,212,400	4,524,300
Unemployment	213,949	175,700	308,900	437,900	162,000
Unemployment Rate	4.4%	3.7%	6.6%	9.4%	3.5%

**Business, Industry and Transportation**

The Township is mainly an agricultural/rural-residential community with some commercial activity.

**Building, Zoning and Development Codes**

Minimum land requirements for residential development vary, but begin at 10,890 square feet for single-family detached units. There are also zones designated for townhouses, garden apartments and duplexes at higher densities. There is a minimum requirement of 20,000 square feet for neighborhood commercial zones; 40,000 square feet for highway commercial zones; and five (5) acres for planned commercial, light industrial and industrial zones.

There are also subdivision and site plan ordinances, which regulate the development of land in terms of required improvements. The Township works with developers for business and industrial properties to assure that proposed developmental needs of the Township and constraints of the site are all taken into consideration.

**Building Permits(1)**

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

<b><u>Year</u></b>	<b><u>Permits Issued</u></b>	<b><u>Value of Construction</u></b>
2024(2)	6	\$1,839,935
2023	23	9,464,113
2022	21	10,823,955
2021	35	3,738,340
2020	60	8,156,469
2019	68	8,227,569

**Health Care Facilities**

Jefferson University Hospital, Washington Township Division, Turnersville, New Jersey, is located within five (5) miles of the Township. Inspira Medical Center Mullica Hill contains a 210 bed hospital on Route 322 in Harrison Township. This facility borders the Township and replaced the Woodbury location. Inspira Medical Center has also recently undergone an expansion, including an expanded/renovated emergency room/center, plans to build a surgical center and the establishment of several additional family practice centers throughout the County.

**Transportation**

An efficient system of highway, railroads and airlines is readily accessible to residents and businesses in the Township. Route 45 transverses the Township providing access to regional shopping facilities and the interstate highway network. Interstate 295, Route 55, the Atlantic City Expressway and the

(1) Source: Township's Construction Office

(2) As of April 15, 2024

New Jersey Turnpike are nearby and assure rapid travel to all parts of southern New Jersey. Routes 42, 130 and 295 provide direct access from the Township to the Benjamin Franklin Bridge, the Walt Whitman Bridge, and the Commodore Barry Bridge - three gateways to the Philadelphia marketplace. The Delaware River Port Authority's highspeed rail transit line to Camden and Philadelphia is easily accessible to commuters. Philadelphia International Airport is within twenty minutes traveling time.

**TEN LARGEST EMPLOYERS**

<u>Employer</u>	<u>Employees</u>
Delaware Valley Florist	425
Mantua Board of Education	275
Target	182
Lowe's	154
Home Depot	135
Campbell's Express	129
Pet Smart	120
Kohl's	118
Township of Mantua	117
K-Tron	91

**GENERAL INFORMATION ON THE SCHOOL DISTRICT**

**School System**

The school system is comprised of three schools which serve pre-kindergarten through 6th grade. There are currently 1,254 students enrolled in the Mantua Township School District. Students in grades 7-12 are sent to the Clearview Regional High School District located in Harrison Township.

<u>School</u>	<u>Classes</u>	<u>Enrollment</u>
Sewell School	Pre-K and K	301
Centre City School	1-3	487
J. Mason Tomlin School	4-6	470

The school system is governed by a nine member Board of Education ("Board") elected for three (3) year terms. The Superintendent, appointed by the Board, is also the Chief School Administrator. Approximately 258 people are employed by the school system of whom 157 are teachers. At present, the capacity of the three schools is 1,418 which is considered adequate to accommodate estimated future growth.

**HIGHER EDUCATION FACILITIES**

**Rowan College of South Jersey**

Rowan College of South Jersey, formerly known as Rowan College at Gloucester County and Gloucester County College, is a public community college with two (2) campuses, one in Sewell and one in Vineland. The college was established in 1966 as Gloucester County College. In 2014 the college changed its name to Rowan College of Gloucester County when Rowan University and Gloucester County College entered into a partnership. The college then expanded in 2019, combining Rowan College at Gloucester County and Cumberland County College to become Rowan College of South Jersey. The college now offers

conditional dual enrollment with Rowan University depending on GPA. While GCC took the Rowan name, the community college maintains its independence with its own Board of Trustees and administration.

Total enrollment for the fall 2023<sup>1</sup> semester was 5,615 students. In addition, the College's Division of Career and Technical Education provides various educational, career training and personal enrichment courses, as well as outreach programs, to community residents.

The College offers more than 120 academic programs in a full spectrum of career fields. The College also maintains a well-rounded cultural, artistic and sports calendar of events.

A number of selective admission programs related to the allied-health field, including nursing, diagnostic medical sonography (DMS) and nuclear medicine technology (NMT) are available at the College.

The College awards both certificate and associate degrees leading to immediate career and transfer opportunities. With an extensive record of matriculation agreements with four-year colleges and universities, graduates are able to transfer seamlessly into baccalaureate and master degree programs. The College added an automatic-dual acceptance initiative with five (5) four- year universities which makes earning a bachelor's degree an uncomplicated progression with added benefits. The College's educational partners offer a variety of programs and incentives to the College graduates ranging from tuition discounts to obtaining a bachelor's degree on the College campus.

## **Rowan University**

Today, Rowan is a selective, medium-sized national public research university located primarily in Glassboro, New Jersey. It is recognized for its nationally ranked academic and athletic programs, talented professors, and high-tech facilities. Rowan prides itself on being able to provide its nearly 23,000 students an outstanding education at an exceptional value.

The University's approved degree programs as of June 30, 2023, include 98 bachelor's degrees, 58 master's degrees, 16 doctoral degrees (Ed.D. and Ph.D.) and two professional degrees, a Doctor of Medicine (M.D.) and a Doctor of Osteopathic Medicine (D.O.). A Doctor of Veterinary Medicine degree has also been approved and the University plans to admit its first class of students in Fall 2025.

Rowan is continually recognized for excellence by top organizations including *U.S. News & World Report*, *Forbes*, *the Chronicle of Higher Education* and the website *College Factual*.

For 2023, *U.S. News & World Report* ranked Rowan #163 among national research universities and #88 among public research universities. Rowan was also recognized in the following categories:

- Best Value Schools – National Universities, #104
- Best Colleges for Veterans – National Universities, #113
- Social Mobility – National Universities, #91

*The Chronicle of Higher Education* recognized Rowan as the nation's 4th fastest-growing research university in the U.S. in August of 2023.

The University's main campus, on approximately 200 acres in the southern New Jersey town of Glassboro, is about 20 minutes southeast of Philadelphia and about one hour west of Atlantic City. It is approximately two hours from New York City and just a two-and-a-half-hour drive to Washington, D.C. The locale provides students all of the advantages of a suburban campus plus opportunities for entertainment, cultural events, and professional opportunities in major east coast metropolises and the nation's capital.

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<sup>1</sup> Represents the latest data available. (Unaudited)

The University has a campus in Camden. In addition to the Camden campus, the University also has two medical schools: CMSRU located in Camden and Rowan-Virtua SOM with campuses in Stratford, and Sewell, New Jersey. Rowan Medicine, as defined herein, also has practice sites in the New Jersey counties of Atlantic, Burlington, Camden, Cumberland and Gloucester.

Rowan acquired approximately 600 acres of open space in Glassboro and neighboring Harrison and Mantua Townships, some of which is home to the South Jersey Technology Park at Rowan University. A portion of the land on that parcel informally referred to as the “West Campus” was developed into athletic fields. In May of 2016, Rowan sold 100 acres of West Campus land in Harrison Township to Inspira Health Network of New Jersey (“Inspira”). Inspira broke ground in May 2017 on its new \$349 million, 467,000 square foot, 204-bed medical center which opened in December 2019. It currently employs 1,400 workers and provides Rowan with a wide range of educational opportunities. It also will act as an anchor that is expected to attract health-care providers, researchers, and businesses to the area. The Rowan University Shreiber School of Veterinary Medicine (“Shreiber SVM”) building will also be located on the West Campus. Designed as a multipurpose learning environment, the envisioned 167,000 square foot complex will include a veterinary hospital, academic building, and research space housing the School of Translational Biomedical Sciences.



### Campus Facilities

Construction of Discovery Hall, an approximately 68,000 square foot building which includes additional laboratories, classrooms and permanent space for the staff and faculty of the School of Earth and Environment and the College of Science & Mathematics, was completed in September 2021.

The Chamberlain Student Center (CSC) is a 132,245 square foot building that provides a safe, welcoming and inclusive environment for all members of the Rowan University community. The CSC is currently undergoing an expansion with the construction of a new addition. The new addition is an opportunity to enrich the social and intellectual experiences on campus by providing space to facilitate collaborative working, student work and flexible social space so students can see and be seen. The new addition includes a student and class demonstration area where students can present and demonstrate their work in an open common space for other students. The 2-story 38,500 square foot addition to the CSC is under construction and is expected to be completed in late Spring 2024.

The Jean & Ric Edelman Fossil Park ("Fossil Park"), a 44,000 square foot museum and dig site in Mantua New Jersey is currently under construction which will provide researchers with the best window, east of the Mississippi, into the Cretaceous Period – the heyday of the dinosaurs. The Fossil Park is five miles from Main Campus and will be part of the University's School of Earth & Environment. With access to the Fossil Park, Rowan students will have an unprecedented opportunity to perform and observe research pertaining to the period of extinction of the dinosaurs. It is anticipated that each week in the Fall and Spring, elementary and middle school-aged students from the region will visit the Fossil Park to explore how fossils form and participate in a dig for 65-million-year-old fossils. Each visit to the Fossil Park will be tailored to meet the expectations of the class and to support curriculum standards. The Fossil Park is expected to be complete and open to visitors in late Spring 2024.

The new Rowan Medical Center in Sewell is located on the Gloucester County campus of RCSJ. The 56,540 square foot, two-story building houses four outpatient medical clinics, a physical therapy suite, and cafeteria, office for the Dean and space for 100 students. This new building, completed in 2021, is also the home for the Rowan Integrated Special Needs ("RISN") Center.

Rowan Medicine Building – Cumberland is currently under construction. The new nearly 15,000 square foot medical facility will be dedicated to the health and psychological well-being of children and families in Cumberland County and the surrounding region. The facility will house the NeuroMusculoskeletal Institute ("NMI"), the Child Abuse Research Education and Service ("CARES") Institute and the RISN Center Clinical Practices. Anticipated completion of the new facility is Spring 2024.

### **Gloucester County Institute of Technology**

The Gloucester County Institute of Technology ("Institute") provides a full range of regionalized occupational and technical County-wide educational services and programs appropriate to the needs of the students of 13 public high schools, and adults who seek educational opportunities that lead to employment or higher education. The Institute also provides programming for secondary students who wish to continue to higher education through Tech Prep matriculation agreements with various county colleges and four-year institutions.

As of March 27, 2024, there are approximately 1,700 students are enrolled in the Institutes' Academy and Career-Technical programs. Recent construction has added, among other things, a cafeteria, gymnasium and classrooms to the academic facilities in order to keep pace with demand.

In addition to its day school enrollment, the Institute serves an average of 1,000 residents in various programs, including: (i) adult and continuing education programs; (ii) County employees in customized training programs; (iii) adults in the skill center; (iv) over 455 at-risk youth and their families in school-based youth services counseling; (v) the U.S. swim team of 200 members; and (vi) the joint auto technology program with Rowan College serving 40 adult students in an AAS degree program.

### **School for Neurodiversity at Gloucester County Special Services School District**

The School for Neurodiversity provides a wide range of educational services to the families of the County. The School for Neurodiversity serves children with special needs from birth to age 21. The enrollment for the 28-acre Bankbridge complex in Deptford, as of March 27, 2024, was 552 special needs students.

Bankbridge Regional opened its doors in September 2000 and serves secondary level students who have special needs. In September 2002, The School for Neurodiversity opened Bankbridge Elementary School. The elementary school is located next to Bankbridge Regional and serves special needs students from pre-kindergarten to grade five.

The Bankbridge Development Center ("BDC") opened in 2007. With an emphasis on developing skills in the areas of communication, socialization, and independence, the BDC strives toward helping



students become participating and contributing members of their community. Education, advocacy, public awareness efforts, and the promotion of research form the cornerstones of the activities. Together, they can promote lifelong access and opportunity for all individuals within the autism spectrum and/or multiply disabled.

BDC student outcome goals include, but are not limited to:

- The development of a functional communication system in order to increase interaction and enhance adaptive behaviors.
- Effectively providing functional, skill-based instruction to develop each student's social, behavioral and academic abilities.
- Providing students with the skills necessary to become contributing and functional members of society.

The staff at BDC is dedicated to educating and supporting the special needs students who attend BDC. Each classroom and specialty area has been carefully designed to provide an encouraging but challenging learning environment to help the children reach their maximum potential. The programs are tailored to meet the specific needs of each child. The philosophy, goals, and objectives of the BDC reflect the diversity of the children they serve. Programs are designed to meet their educational, social, and emotional needs.

In addition to the schools, the School for Neurodiversity provides the following services to support the special needs children of the County: (i) the Early Intervention Program for children from birth to age 3 and their families; and (ii) the Center for Regional Education Support Services (CRESS) which provides professional services to the school districts in the County and the County of Camden.

The School for Neurodiversity also provides support to nonpublic students through their schools including remedial programs, speech-language therapy and textbook purchasing. The School for Neurodiversity’s Special Projects Program provides Migrant Services to more than 3,000 students and families throughout the southern region of New Jersey.

**CERTAIN TAX INFORMATION**

**TEN LARGEST TAXPAYERS(1)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<b>2024</b> <u>Assessed</u> <u>Valuation</u>
Target Corporation	Retail Sales	\$ 15,683,400
Lowes Home Center Inc.	Home Improvement Store	14,944,200
HD Development of MD Inc.	Retail Sales	10,818,100
CH Realty IX-Baranof SS Phila	Retail Sales	9,504,200
ND LIV LLC	Wholesale Florist	8,994,100
Route 553 Retail LLC	Retail Sales	8,593,200
Kohls Department Stores Inc.	Retail Sales	8,228,900
Timberline Plaza, LLC	Retail Sales	7,886,400
Frezza LLC	Mobile Home Park	6,057,700
570 Mantua LLC	Warehouse	6,010,100

(1) Source: County Tax Assessor

**CURRENT TAX COLLECTIONS(1)**

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2023 (2) \$	51,099,857 \$	50,538,794	98.90%	476,277	0.93%
2022	48,527,817	47,837,466	98.58%	585,752	1.21%
2021	48,178,219	47,542,260	98.68%	501,518	1.04%
2020	47,434,427	46,700,017	98.45%	577,756	1.22%
2019	46,281,922	45,520,038	98.35%	646,905	1.40%

**DELINQUENT TAXES(1)**

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2023 (2) \$	587,622 \$	3,250	569,338	96.36%	2,512	1,385	17,638
2022	508,250	4,919	510,626	99.50%	422	250	1,871
2021	579,871	4,193	571,734	97.89%	5,597	-	6,732
2020	647,858	5,558	635,590	97.27%	14,573	1,138	2,115
2019	713,197	7,007	703,674	97.70%	15,577	-	953

**TAX TITLE LIENS(1)**

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by Sales, Adjusts., Penalty and Transfers</u>		<u>Transferred to Foreclosed Property</u>		<u>Other Credits</u>	<u>Balance Dec. 31</u>
		<u>Balance Jan. 1</u>	<u>Assessed Valuation</u>	<u>From Tax Title Liens</u>	<u>Other Credits</u>		
2023 (2) \$	758,571	49,986	4,237	305,754	6,635	491,931	
2022	728,860	111,505	81,793	81,793	-	758,571	
2021	634,685	125,078	30,904	30,904	-	728,860	
2020	500,739	146,999	13,053	13,053	-	634,685	
2019	414,078	116,055	24,238	24,238	5,156	500,739	

**FORECLOSED PROPERTY(1)(3)**

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Adjustment to Assessed Valuation</u>		<u>Transfers From Tax Title Liens</u>	<u>Other Credits</u>	<u>Balance Dec. 31</u>
		<u>Balance Jan. 1</u>	<u>Assessed Valuation</u>			
2023 (2) \$	914,800	764,546	305,754	-	1,985,100	
2022	914,800	-	-	-	914,800	
2021	914,800	-	-	-	914,800	
2020	914,800	-	-	-	914,800	
2019	914,800	-	-	-	914,800	

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

(2) Source: Compiled Annual Financial Statement

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

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

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (2)</u>						
		<u>Total Rate</u>	<u>County</u>	<u>Local School</u>	<u>Regional High School</u>	<u>Municipal Municipal</u>	<u>Open Space</u>	<u>Fire District</u>
2024 (5) \$	1,999,936,800	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2023 (6)	2,002,009,200 \$	2.548 \$	0.581 \$	0.763 \$	0.587 \$	0.515 \$	0.019 \$	0.083 \$
2022	1,374,129,000	3.498	0.789	1.079	0.793	0.716	0.020	0.101
2021	1,358,528,699	3.524	0.809	1.060	0.820	0.716	0.020	0.099
2020	1,347,665,987	3.496	0.806	1.047	0.812	0.715	0.019	0.097
2019	1,334,477,687	3.437	0.784	1.041	0.801	0.695	0.020	0.096

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

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita (4)</u>
2024 (5) \$	1,999,936,800	95.79%	2,087,834,638 \$	137,042 \$
2023 (6)	2,002,009,200	103.44%	1,935,430,394	127,038
2022	1,374,129,000	86.32%	1,591,901,066	104,490
2021	1,358,528,699	90.53%	1,500,639,235	98,499
2020	1,347,665,987	92.41%	1,458,355,142	95,724

**REAL PROPERTY CLASSIFICATION(7)  
ASSESSED VALUE**

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>						
	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Farm</u>	
2024 \$	18,268,800 \$	1,725,809,400 \$	207,228,900 \$	16,313,400 \$	2,818,000 \$	29,498,300 \$	
2023 (6)	19,416,600	1,728,663,200	205,195,600	16,313,400	2,818,000	29,602,400	
2022	13,351,600	1,154,209,900	168,713,700	12,486,500	2,646,000	22,721,300	
2021	14,081,700	1,144,374,100	163,284,300	12,486,500	2,646,000	21,656,099	
2020	15,743,800	1,129,713,700	163,083,500	12,486,500	2,933,400	23,705,087	

(1) Source: Township's Tax Collector

(2) Per \$100 of assessed valuation

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

(4) Based on Federal Census 2020 of 15,235

(5) Preliminary

(6) Revaluation

(7) Source: County Tax Assessor

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

The following table summarizes the direct debt of the Township in accordance with the requirements of the Local Bond Law. The gross debt comprises short and long-term debt issued, including General, and debt of the Clearview Regional School District. Deductions from gross debt to arrive at net debt include deductible school debt. The resulting net debt of \$9,517,250 represents 0.511% of the average of equalized valuations for the Township for the last three years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

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	Debt Issued		Gross Debt	Deductions	Net Debt
	Bonds	Notes		School Debt	
General	\$ 4,515,000	\$ 5,002,250	\$ 9,517,250		\$ 9,517,250
School - Regional	26,909,783		26,909,783	\$ 26,909,783	
	\$ 31,424,783	\$ 5,002,250	\$ 36,427,033	\$ 26,909,783	\$ 9,517,250

(1) As of December 21, 2023

Source: Township Auditor

**DEBT RATIOS AND VALUATIONS (1) (2)**

Average of Equalized Valuations of Real Property with Improvements and Second Class Railroad for 2021, 2022 and 2023	\$	1,860,732,448
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2021, 2022 and 2023		0.511%
2024 Preliminary Net Valuation Taxable	\$	1,999,936,800
2024 Preliminary Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$	2,087,834,638
Gross Debt (3)		
As a Percentage of 2024 Net Valuation Taxable		1.82%
As a Percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		1.74%
Net Debt (3)		
As a Percentage of 2024 Net Valuation Taxable		0.48%
As a Percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		0.46%
Gross Debt per Capita (4)	\$	2,391
Net Debt per Capita (4)	\$	625

**TOWNSHIP BORROWING CAPACITY(1) (2)**

3.5% of Average (2021-23) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$1,860,732,448)	\$	65,125,636
Net Debt		<u>9,517,250</u>
Remaining Borrowing Capacity	\$	<u><u>55,608,386</u></u>

**LOCAL SCHOOL DISTRICT BORROWING CAPACITY (1) (2)**

2.5% of Average (2021-23) Equalized Valuation of Real Property with Improvements Including Improvements (\$1,860,732,448)	\$	46,518,311
School Debt		<u>-</u>
Remaining Borrowing Capacity	\$	<u><u>46,518,311</u></u>

(1) As of December 31, 2023  
(2) Source: Township Auditor  
(3) Excluding overlapping debt  
(4) Based on Federal Census 2020 of 15,235

**REGIONAL HIGH SCHOOL DISTRICT BORROWING CAPACITY (1) (2)**

3.5% of Average (2021-23) Equalized Valuation of Real Property with Improvements	
Including Improvements (\$3,421,153,136)	\$ 133,066,952
Gross Debt (3)	<u>54,983,000</u>
Remaining Borrowing Capacity	<u><u>\$ 78,083,952</u></u>

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

	<u>DEBT ISSUED</u>					
	<u>Debt</u>	<u>Deductions</u>		<u>Net</u>	<u>Net Debt</u>	<u>Debt Auth.</u>
	<u>Outstanding</u>			<u>Debt</u>	<u>Allocated to</u>	<u>but not</u>
				<u>Outstanding</u>	<u>the Issuer</u>	<u>Issued</u>
County of Gloucester(4):						
General	\$ 224,530,000	\$ 17,263,364	(5)	\$ 207,266,636	\$ 11,648,385	(7)
Bonds Issued by Other Public Bodies						
Guaranteed by the County	110,308,418	110,308,418	(6)	-	-	
Mantua Township MUA	4,587,024			4,587,024	4,587,024	
	<u>\$ 339,425,442</u>	<u>\$ 127,571,782</u>		<u>\$ 211,853,660</u>	<u>\$ 16,235,409</u>	<u>\$ -</u>

(1) As of December 31, 2023

(2) Source: Township Auditor

(3) Debt portion allocated to the Township is \$26,909,783

(4) Source: County's Annual Debt Statement

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

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

(7) Such debt is allocated as a proportion of the Issuer's share of the total 2023 Net Valuation on which County taxes are apportioned, which is 5.62%.

**TOWNSHIP OF MANTUA**  
**SCHEDULE OF DEBT SERVICE (1)**  
**(BONDED DEBT ONLY)**

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<b>Year Ended</b>			
<b><u>Dec. 31,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2024	\$ 710,000.00	\$ 105,487.50	\$ 815,487.50
2025	725,000.00	89,450.00	814,450.00
2026	745,000.00	72,450.00	817,450.00
2027	760,000.00	54,950.00	814,950.00
2028	780,000.00	37,100.00	817,100.00
2029	795,000.00	18,750.00	813,750.00
	<u>\$4,515,000.00</u>	<u>\$ 378,187.50</u>	<u>\$ 4,893,187.50</u>

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(1) As of December 31, 2023.

Source: Township Auditor

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

**CURRENT FUND**

Anticipated Revenues:	
Fund Balance	\$ 1,600,000.00
Miscellaneous Revenues:	
Local Revenues	415,000.00
State Aid without Offsetting Appropriations	1,358,472.49
Dedicated Uniform Construction Code Fees	251,000.00
Shared Service Agreements	30,000.00
Public and Private Programs Offset with Appropriations	192,836.35
Other Special Items of Revenue	2,225,817.85
Receipts from Delinquent Taxes	510,000.00
Amount to be Raised by Taxation for Municipal Purposes	10,303,917.67
 Total Appropriated Revenues	 \$ 16,887,044.36
Appropriations:	
Within CAPS:	
Operations	\$ 12,239,835.00
Deferred Charges and Statutory Expenditures	1,996,710.24
Excluded from CAPS:	
Shared Service Agreements	85,000.00
Public and Private Programs	194,086.35
Capital Improvements	370,000.00
Debt Service	882,480.00
Deferred Charges	250.00
Reserve for Uncollected Taxes	1,118,682.77
 Total Appropriations	 \$ 16,887,044.36

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

	<u>Estimated</u> <u>Total Cost</u>	<u>Capital</u> <u>Improvement</u> <u>Fund</u>	<u>Grants-in Aid</u> <u>and Other</u> <u>Funds</u>	<u>Bonds</u> <u>and Notes</u> <u>General</u>
Various Roadway Improvements	\$ 3,450,000.00	\$ 600,000.00		\$ 2,850,000.00
Various Roadway Improvements - McCarthy Avenue	225,000.00	103,175.00	\$ 121,825.00	
Acquisition of Roll Off Truck	290,000.00	290,000.00		
Various Township Park Improvements	114,000.00	114,000.00		
Acquisition of Various Technology Equipment	40,000.00	40,000.00		
Acquisition of Various Police Equipment	56,000.00	56,000.00		
 Totals--All Projects	 \$ 4,175,000.00	\$ 1,203,175.00	\$ 121,825.00	\$ 2,850,000.00

(1) Introduced May 13, 2024



**APPENDIX B**

**FINANCIAL STATEMENTS OF THE TOWNSHIP OF MANTUA**

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**FOR THE YEAR ENDED 2023**  
**COMPILED FINANCIAL STATEMENTS**

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**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Mantua  
Mantua, New Jersey 08051

Management is responsible for the accompanying financial statements of the Township of Mantua, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2023 and the related statements of operations and changes in fund balances--regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

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

Respectfully submitted,

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

/s/ Stefanie J. DeSantis  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
May 3, 2024

**TOWNSHIP OF MANTUA**  
**CURRENT FUND**  
Statement of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis  
As of December 31, 2023

Assets:

Regular Fund:

Cash:

Treasurer	\$ 7,860,192.19
Change Fund	<u>1,240.00</u>
	<u>7,861,432.19</u>

Receivables and Other Assets without Full Reserves:

Due from State of New Jersey:

Senior Citizens' and Veterans' Deductions	<u>1,975.58</u>
	<u>1,975.58</u>

Receivables and Other Assets with Full Reserves:

Delinquent Property Taxes Receivable	493,914.68
Tax Title Liens Receivable	491,931.18
Property Acquired for Taxes - Assessed Valuation	1,985,100.00
Revenue Accounts Receivable	4,566.22
Sales Contract Receivable	137,500.00
Due from Trust Other Fund	<u>22,351.38</u>
	<u>3,135,363.46</u>

Federal and State Grant Fund:

Due from Current Fund	426,051.25
Grants Receivable	<u>142,341.47</u>
	<u>568,392.72</u>
	<u>\$ 11,567,163.95</u>

(Continued)

**TOWNSHIP OF MANTUA**  
**CURRENT FUND**  
Statement of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis  
As of December 31, 2023

Liabilities, Reserves and Fund Balance:

Regular Fund:

Appropriation Reserves	\$	659,611.37
Reserve for Encumbrances		141,333.33
Accounts Payable		46,101.82
Due to State of New Jersey:		
Marriage License Fees		351.00
Construction DCA Fees		8,105.00
Prepaid Taxes		499,326.22
Tax Overpayments		138,764.20
Due County for Added and Omitted Taxes		25,596.64
Local District School Taxes Payable		1,443,777.43
Regional High School District Taxes Payable		1,266,069.77
Due to Federal and State Grant Fund		426,051.25
Due to General Capital Fund		7,313.00
Reserve for Land Sale Deposits		21,919.99
Reserve for Municipal Relief Aid		126,942.49

4,811,263.51

Reserves for Receivables		3,135,363.46
Fund Balance		3,052,144.26

10,998,771.23

Federal and State Grant Fund:

Unappropriated Reserves		76,565.68
Appropriated Reserves		475,003.71
Reserve for Encumbrances		16,823.33

568,392.72

\$ 11,567,163.95

See Independent Accountant's Compilation Report and selected notes.

**TOWNSHIP OF MANTUA**  
**CURRENT FUND**  
Statement of Operations and Changes in Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2023

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<b>Revenue and Other Income Realized:</b>	
Fund Balance Utilized	\$ 1,490,000.00
Miscellaneous Revenues Anticipated	5,490,197.68
Receipts from Delinquent Taxes	573,574.88
Receipts from Current Taxes	50,538,793.51
Nonbudget Revenues	72,683.33
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	430,967.66
	58,596,217.06
 <b>Expenditures:</b>	
Budget and Emergency Appropriations:	
Appropriations Within "CAPS"	
Operations:	
Salaries and Wages	5,951,215.00
Other Expenses	6,009,100.00
Deferred Charges and Statutory Expenditures	1,840,942.00
Appropriations Excluded from "CAPS"	
Operations:	
Salaries and Wages	83,662.78
Other Expenses	638,841.61
Capital Improvements	600,000.00
Municipal Debt Service	1,229,613.49
Deferred Charges	200,000.00
County Taxes	11,602,066.72
Due County for Added and Omitted Taxes	25,596.64
Local District School Tax	15,269,674.00
Regional High School Tax	11,737,321.00
Special District Taxes	1,659,216.00
Municipal Open Space Tax	400,400.00
Municipal Open Space Added and Omitted Taxes	1,407.51
Prior Year Senior Citizens' and Veterans' Deductions Disallowed	3,250.00
Refund of Prior Year Revenue	2,723.89
Grant Fund Receivables/Reserves Canceled (Net)	7,248.42
General Capital Fund Receivable Balances Canceled	7,313.00
Interfund Receivables Created	22,351.38
	57,291,943.44
Excess in Revenues	1,304,273.62
Fund Balance January 1	3,237,870.64
	4,542,144.26
Decreased by:	
Utilization as Anticipated Revenue	1,490,000.00
Fund Balance December 31	\$ 3,052,144.26

See Independent Accountant's Compilation Report and selected notes.

**TOWNSHIP OF MANTUA**  
**TRUST FUND**  
Statement of Assets, Liabilities and Reserves -- Regulatory Basis  
As of December 31, 2023

Assets:

Animal Control Fund:	
Cash - Chief Financial Officer	\$ <u>70.15</u>
Municipal Open Space Fund:	
Cash - Chief Financial Officer	<u>88,401.12</u>
Other Funds:	
Cash - Chief Financial Officer	2,498,186.57
Accounts Receivable	13,292.28
Investments - Length of Service Awards Program	<u>837,365.46</u>
	<u>3,348,844.31</u>
	<u>\$ 3,437,315.58</u>

Liabilities and Reserves:

Animal Control Fund:	
Due to State of New Jersey	\$ 5.40
Reserve for Animal Control Fund Expenditures	<u>64.75</u>
	<u>70.15</u>
Municipal Open Space Fund:	
Appropriation Reserves	52,320.84
Reserve for Future Use	<u>36,080.28</u>
	<u>88,401.12</u>
Other Funds:	
Due to Current Fund	27,351.38
Reserve for Affordable Housing	1,575,138.30
Reserve for Developers' Escrow	313,789.34
Reserve for Payroll Deductions Payable	49,659.34
Reserve for Off Duty Police	61,159.87
Reserve for Street Opening Deposits	32,051.50
Reserve for Tax Redemption	22,310.86
Reserve for Tax Premium	161,900.00
Reserve for Community Day Donations	2,533.41
Reserve for Police Explorer's Donations	2,011.00
Reserve for Parking Offense Adjudication Act	11,036.63
Reserve for Police Canine Donations	24,424.19
Reserve for Recreation	9,903.85
Reserve for Public Defender Fees	20,226.40
Reserve for Forfeited Funds	21,974.07
Reserve for Historical Donations	65,325.59
Reserve for Community Development Block Grant	51,000.00
Reserve for Fossil Fund	7,255.53
Reserve for Veteran's Commission	1,962.38
Reserve for Accumulated Absences	25,000.00
Reserve for Length of Service Awards Program	837,365.46
Reserve for Child Safety Seat	2,604.53
Reserve for Encumbrances	<u>22,860.68</u>
	<u>3,348,844.31</u>
	<u>\$ 3,437,315.58</u>

See Independent Accountant's Compilation Report and selected notes.

**TOWNSHIP OF MANTUA**  
**GENERAL CAPITAL FUND**  
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
As of December 31, 2023

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Assets:

Cash	\$	3,000,213.66
Federal and State Aid Receivable		323,085.57
Deferred Charges to Future Taxation:		
Funded		4,515,000.00
Unfunded		5,002,250.00
Due from Current Fund		<u>7,313.00</u>
	\$	<u><u>12,847,862.23</u></u>

Liabilities, Reserves and Fund Balance:

Encumbrances Payable	\$	611,756.26
Capital Improvement Fund		971,482.11
Improvement Authorizations:		
Funded		550,377.86
Unfunded		1,167,884.06
Bond Anticipation Notes		5,002,250.00
General Serial Bonds		4,515,000.00
Fund Balance		<u>29,111.94</u>
	\$	<u><u>12,847,862.23</u></u>

See Independent Accountant's Compilation Report and selected notes.



**TOWNSHIP OF MANTUA**  
 Selected Information - Substantially All Disclosures Required  
 By the Regulatory Basis of Accounting Have Been Omitted  
 For the Year Ended December 31, 2023

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

**Description of Financial Reporting Entity** - The Township of Mantua (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on February 23, 1853. The Township, located in Gloucester County, New Jersey, has a total area of approximately 16.3 square miles, and is located approximately twenty miles southwest of the City of Philadelphia. The Township borders the Townships of East Greenwich and West Deptford to the north, the Townships of Deptford and Washington and the Borough of Wenonah to the east, the Boroughs of Pitman and Glassboro to the south, and the Harrison Township to the west. According to the 2020 census, the population is 15,235.

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

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

Mantua Township Municipal Utilities Authority  
 401 Main Street  
 Mantua, New Jersey 08051

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

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

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

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

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

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

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

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

**Budgets and Budgetary Accounting** - The Township must adopt an annual budget for its current and municipal open space. 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 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.

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

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

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

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

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

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

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

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

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

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Gloucester, the Township of Mantua School District, the Clearview Regional High School District, and the Township of Mantua Fire District No. 1. 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 Mantua School District and the Clearview Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the both school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2021 and decreased by the amount deferred at December 31, 2022.

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

**Fire District Taxes** - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Mantua Fire District No. 1. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

**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 and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

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

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

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

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

**Impact of Recently Issued Accounting Principles****Recently Issued Accounting Pronouncements**

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

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

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**FOR THE YEARS ENDED 2022, 2021, 2020, 2019 AND 2018**

**AUDITED FINANCIAL STATEMENTS**

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Mantua  
Mantua, New Jersey 08051

### **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 Mantua, in the County of Gloucester, State of New Jersey, as of December 31, 2022, 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 Mantua, in the County of Gloucester, State of New Jersey, as of December 31, 2022, 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 Mantua, in the County of Gloucester, State of New Jersey, as of December 31, 2022, 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.

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

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

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

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

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



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

Respectfully submitted,

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

/s/ Stefanie J. DeSantis  
Certified Public Accountant  
Registered Municipal Accountant

Woodbury, New Jersey  
March 25, 2024

**TOWNSHIP OF MANTUA**  
**CURRENT FUND**  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCES--  
REGULATORY BASIS

	As of December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>					
Cash and Investments	\$ 8,221,128	\$ 7,845,490	\$ 6,443,658	\$ 5,641,718	\$ 5,443,370
Due from State of New Jersey		428	797		
Federal and State Grants Receivable	296,785	166,696	85,243	82,380	84,996
Receivables and other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	587,622	508,250	579,871	647,858	713,197
Tax Title Liens Receivable	758,571	728,860	634,685	500,739	414,078
Property Acquired for Taxes-- Assessed Valuation	914,800	914,800	914,800	914,800	914,800
Revenue Accounts Receivable	3,853	4,264	5,509	51,253	7,519
Interfunds Receivable	1,133,002	1,087,453	211,358	236,028	252,244
Deferred Charges	200,000	10,000	20,000	30,000	40,000
	<u>\$ 12,115,761</u>	<u>\$ 11,266,240</u>	<u>\$ 8,895,920</u>	<u>\$ 8,104,775</u>	<u>\$ 7,870,203</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
Appropriation Reserves	\$ 553,025	\$ 790,106	\$ 1,105,101	\$ 349,889	\$ 629,334
Reserve for Encumbrances	374,952	347,681	377,699	289,129	349,874
Interfunds Payable	167,912	11,698		2,452	163
Accounts Payable	10,752	17,131	49,323	21,341	3,292
Due to State	4,722	6,661	15,644	8,825	6,707
Due to Federal and State Grant Fund	1,133,002	1,079,265	203,170	231,819	246,644
Reserve for Federal and State Grant Fund	1,418,399	1,229,044	257,492	299,458	296,780
Regional High School District Taxes Payable	851,102	971,883	873,157	744,673	682,305
Local District School Taxes Payable	1,286,630	1,010,269	857,757	1,023,683	1,023,999
Due to Wenonah Borough				4,389	
Due Mantua Township Fire District				73	73
Due Mantua Township MUA				11,200	12,434
Prepaid Taxes	588,521	481,262	522,986	419,715	424,812
Tax Overpayments	29,715	219,662	154,008	110,339	65,871
Due County Taxes Payable					
Due County for Added and Omitted Taxes	105,829	74,324	79,560	96,163	46,106
Other Reserves	88,484	24,590	24,506	28,208	50,563
Reserve for Receivables and Other Assets	2,264,846	2,164,361	2,143,053	2,118,859	2,055,193
Fund Balance	<u>3,237,871</u>	<u>2,838,302</u>	<u>2,232,464</u>	<u>2,344,563</u>	<u>1,976,053</u>
	<u>\$ 12,115,761</u>	<u>\$ 11,266,240</u>	<u>\$ 8,895,920</u>	<u>\$ 8,104,775</u>	<u>\$ 7,870,203</u>

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

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

	For the Years Ended December 31,				
	2022	2021	2020	2019	2018
Revenue Realized:					
Current Tax Collections	\$47,837,466	\$47,542,260	\$46,700,017	\$45,520,038	\$44,539,361
Delinquent Tax Collections	592,420	602,638	648,644	727,912	642,997
Total Taxes	48,429,886	48,144,897	47,348,661	46,247,950	45,182,358
Miscellaneous Revenues Anticipated	5,090,833	3,804,654	3,861,625	4,296,188	3,475,705
Non-Budget and Other Income	949,605	1,310,833	506,027	802,322	740,007
Fund Balance Utilized	1,390,000	1,390,000	1,280,000	1,250,000	1,250,000
Total Income	55,860,324	54,650,384	52,996,313	52,596,461	50,648,069
Expenditures and Encumbrances:					
Operating	12,024,031	11,173,432	11,179,599	10,821,639	10,462,666
Capital Improvements	665,000	78,000	60,000	127,000	47,000
Debt Service	1,429,931	1,429,658	1,447,892	1,852,395	1,328,440
Deferred Charges and Statutory Expenditures	1,825,403	1,741,275	1,564,965	1,475,620	1,386,445
Municipal Open Space Tax	277,674	273,967	271,419	269,347	267,940
Regional High School Tax	10,907,381	11,148,945	10,951,499	10,694,524	10,569,790
Special District Taxes	1,385,527	1,335,973	1,306,724	1,266,048	1,110,122
County Taxes	10,928,350	11,037,791	10,917,216	10,542,818	10,371,137
Local District School Tax	14,822,690	14,402,658	14,097,633	13,893,493	13,841,847
Other Adjustments	4,769	32,848	27,293	34,875	24,225
Creation of Reserve for Interfunds			4,172	193	
Total Expenditures and Encumbrances	54,270,756	52,654,545	51,828,411	50,977,951	49,409,614
Excess in Revenues	1,589,568	1,995,838	1,167,901	1,618,509	1,238,456
Adjustments to Income Before Fund Balance:					
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	200,000				
Statutory Excess to Fund Balance	1,789,568	1,995,838	1,167,901	1,618,509	1,238,456
Fund Balance, January 1	2,838,302	2,232,464	2,344,563	1,976,053	1,987,598
Decreased by:	4,627,871	4,228,302	3,512,464	3,594,563	3,226,053
Utilized as Anticipated Revenue	1,390,000	1,390,000	1,280,000	1,250,000	1,250,000
Fund Balance December 31	\$3,237,871	\$2,838,302	\$2,232,464	\$2,344,563	\$1,976,053

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

**TOWNSHIP OF MANTUA**  
**GENERAL CAPITAL FUND**  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCES--  
REGULATORY BASIS

	As of December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>					
Cash and Investments	\$644,906	\$1,582,954	\$30,579	\$1,163,331	\$1,789,444
Interfunds Receivable	105,948	1,610			
Federal and State Aid Receivable	138,615	326,157	114,157	296,838	192,922
Deferred Charges to Future Taxation:					
Funded	5,699,000	7,104,000	8,474,000	9,828,112	6,305,066
Unfunded	3,789,000	2,307,000	985,650	1,650	3,374,400
	<u>\$10,377,469</u>	<u>\$11,321,721</u>	<u>\$9,604,386</u>	<u>\$11,289,931</u>	<u>\$11,661,832</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
General Serial Bonds	\$5,699,000	\$7,104,000	\$8,474,000	\$9,819,000	\$6,278,000
Bond Anticipation Notes	2,307,000	2,307,000			3,374,400
Reserve for Payment of Debt				18,423	
Green Trust Loan Payable				9,112	27,066
Improvement Authorizations:					
Funded	318,613	580,421	529,145	761,065	647,551
Unfunded	504,326	508,301	357,517	1,650	211,541
Encumbrances Payable	912,003	786,527	216,251	561,011	1,016,371
Capital Improvement Fund	622,472	35,472	27,472	19,335	6,585
Interfund Payables				10	
Fund Balance	14,055			100,324	100,317
	<u>\$10,377,469</u>	<u>\$11,321,721</u>	<u>\$9,604,386</u>	<u>\$11,289,931</u>	<u>\$11,661,832</u>

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

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

	As of December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>					
Cash	\$2,534,505	\$2,708,061	\$2,377,419	\$2,402,319	\$2,237,724
Interfunds Receivable	62,054	10,088		2,452	163
Investments - Length of Service Awards Program	691,818	852,429	699,720	592,293	492,917
Other Accounts Receivable	13,292	13,292	13,292	4,633	3,785
	<u>\$3,301,669</u>	<u>\$3,583,871</u>	<u>\$3,090,431</u>	<u>\$3,001,697</u>	<u>\$2,734,589</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
Reserve for Special Funds	\$3,271,312	\$3,548,344	\$3,040,898	\$2,939,756	\$2,705,539
Other Accounts Payable	1,265	1,240	694	657	650
Interfunds Payable		8,188	8,188	4,199	5,600
Appropriation Reserves	4,017		239		8,106
Encumbrance's Payable	25,076	26,099	40,413	57,085	14,694
	<u>\$3,301,669</u>	<u>\$3,583,871</u>	<u>\$3,090,431</u>	<u>\$3,001,697</u>	<u>\$2,734,589</u>

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

**TOWNSHIP OF MANTUA**  
Notes to Financial Statements  
For the Year Ended December 31, 2022

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

**Description of Financial Reporting Entity** - The Township of Mantua (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on February 23, 1853. The Township, located in Gloucester County, New Jersey, has a total area of approximately 16.3 square miles, and is located approximately twenty miles southwest of the City of Philadelphia. The Township borders the Townships of East Greenwich and West Deptford to the north, the Townships of Deptford and Washington and the Borough of Wenonah to the east, the Boroughs of Pitman and Glassboro to the south, and the Harrison Township to the west. According to the 2020 census, the population is 15,235.

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

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

Mantua Township Municipal Utilities Authority  
401 Main Street  
Mantua, New Jersey 08051

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

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

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

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

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

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

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

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

**Budgets and Budgetary Accounting** - The Township must adopt an annual budget for its current and municipal open space 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 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.

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

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

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

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

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

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



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

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

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

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Gloucester, the Township of Mantua School District, the Clearview Regional High School District, and the Township of Mantua Fire District No. 1. 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 Mantua School District and the Clearview Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the both school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2021 and decreased by the amount deferred at December 31, 2022.

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

**Fire District Taxes** - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Mantua Fire District No. 1. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

**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 and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

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

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

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

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

**Impact of Recently Issued Accounting Principles****Recently Issued Accounting Pronouncements**

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

Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Statement will become effective for the Township's year ending December 31, 2023. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Township, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Township.

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

**Note 2: CASH AND CASH EQUIVALENTS**

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

As of December 31, 2022, the Township's bank balances of \$11,735,054.09 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 11,214,498.81
Uninsured and Uncollateralized	<u>520,555.28</u>
Total	<u><u>\$ 11,735,054.09</u></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:

	<u>Year Ended</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$ 3.498</u>	<u>\$ 3.524</u>	<u>\$ 3.496</u>	<u>\$ 3.437</u>	<u>\$ 3.388</u>
Apportionment of Tax Rate:					
Municipal	\$ .716	\$ .716	\$ .715	\$ .695	\$ .679
Municipal Open Space	.020	.020	.019	.020	.019
County	.699	.715	.713	.692	.682
County Library	.048	.050	.050	.049	.050
County Open Space	.042	.044	.043	.043	.043
Local School	1.079	1.060	1.047	1.041	1.038
Regional School District	.793	.820	.812	.801	.793
Fire District	.101	.099	.097	.096	.084

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2022	\$ 1,374,129,000.00
2021	1,358,528,699.00
2020	1,347,665,987.00
2019	1,334,477,687.00
2018	1,334,185,026.00

**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):

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2022	\$ 48,527,817.46	\$ 47,837,466.36	98.58%
2021	48,178,218.85	47,542,259.64	98.68%
2020	47,434,426.58	46,700,016.89	98.45%
2019	46,281,922.33	45,520,038.30	98.35%
2018	45,408,659.99	44,539,360.51	98.09%

**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>
2022	\$ 758,571.17	\$ 587,622.19	\$ 1,346,193.36	2.77%
2021	728,859.71	508,250.15	1,237,109.86	2.57%
2020	634,685.30	579,870.84	1,214,556.14	2.56%
2019	500,738.54	647,858.01	1,148,596.55	2.48%
2018	414,077.56	713,196.58	1,127,274.14	2.48%

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>
2022	51
2021	53
2020	50
2019	55
2018	46

**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>
2022	\$ 914,800.00
2021	914,800.00
2020	914,800.00
2019	914,800.00
2018	914,800.00

**Note 5: FUND BALANCES APPROPRIATED**

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

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2022	\$ 3,237,870.64	\$ 1,490,000.00	46.02%
2021	2,838,302.34	1,390,000.00	48.97%
2020	2,232,513.33	1,390,000.00	62.26%
2019	2,344,562.76	1,280,000.00	54.59%
2018	1,976,053.42	1,250,000.00	63.26%

**Note 6: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2022:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current		\$ 1,300,913.97
Federal and State Grant	\$ 1,133,002.04	
Trust - Animal Control	2,678.20	
Trust - Municipal Open Space	15,558.80	
Trust - Other	43,726.95	
General Capital	105,947.98	
	<u>\$ 1,300,913.97</u>	<u>\$ 1,300,913.97</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 2023, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 7: PENSION PLANS**

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

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

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans****Plan Descriptions**

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

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

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

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

**Tier Definition**

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

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

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

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

The following represents the membership tiers for PFRS:

**Tier Definition**

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

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

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

**Contributions**

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

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

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

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

The Township's contractually required contribution rate for the year ended December 31, 2022 was 17.06% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the Township's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$343,787.00, and is payable by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the Township's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$313,457.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$154,676.13.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, under Chapter 133, P.L. 2001, for the year ended December 31, 2022 was .43% of the Township's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Township, to the pension plan for the year ended December 31, 2022 was \$8,656.00, and is payable by April 1, 2023.

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



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

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

The Township's contractually required contribution rate for the year ended December 31, 2022 was 37.57% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2022, the Township's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$1,123,0020.00, and is payable by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the Township's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$987,646.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$300,671.20.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2022 was 7.33% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2022 was \$218,992.00, and is payable by April 1, 2023. For the prior year measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2021 was \$151,331.00, which was paid on April 1, 2022.

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

For the year ended December 31, 2022, employee contributions totaled \$6,216.32, and the Township's contributions were \$3,390.72. There were no forfeitures during the year.

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

**Pension Liability** - As of December 31, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Township's proportionate share of the PERS net pension liability was \$4,114,212.00. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the Township's proportion was .0272620070%, which was an increase of .0004963459% from its proportion measured as of June 30, 2021.

**Pension (Benefit) Expense** - For the year ended December 31, 2022, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was (\$343,319.00). This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the Township's contribution to PERS was \$313,457.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PERS pension (benefit) expense, associated with the Township, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2022 measurement date, was \$8,656.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

**Police and Firemen's Retirement System**

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

Proportionate Share of Net Pension Liability	\$ 9,883,860.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>1,759,037.00</u>
	<u>\$ 11,642,897.00</u>

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

**Pension Liability (Cont'd)** - The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2022 measurement date, the Township's proportion was .0863494000%, which was an increase of .0016066938% from its proportion measured as of June 30, 2021. Likewise, at June 30, 2022, the State of New Jersey's proportion, on-behalf of the Township, was .0863495700%, which was an increase of .0016068540% from its proportion, on-behalf of the Township, measured as of June 30, 2021.

**Pension (Benefit) Expense** - For the year ended December 31, 2022, the Township's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was \$297,595.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the Township's contribution to PFRS was \$987,646.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2022 measurement date, was \$202,946.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 29,694.00	\$ 447,370.00	\$ 477,064.00	\$ 26,186.00	\$ 605,521.00	\$ 631,707.00
Changes of Assumptions	12,747.00	27,088.00	39,835.00	616,060.00	1,244,183.00	1,860,243.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	170,284.00	905,071.00	1,075,355.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	171,766.00	990,547.00	1,162,313.00	190,970.00	-	190,970.00
Contributions Subsequent to the Measurement Date	171,894.00	561,510.00	733,404.00	-	-	-
	<u>\$ 556,385.00</u>	<u>\$ 2,931,586.00</u>	<u>\$ 3,487,971.00</u>	<u>\$ 833,216.00</u>	<u>\$ 1,849,704.00</u>	<u>\$ 2,682,920.00</u>

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

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Deferred outflows of resources in the amounts of \$171,894.00 and \$561,510.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2023. These amounts were based on an estimated April 1, 2024 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2022 to the Township's year end of December 31, 2022.

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

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

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

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

<b>Year Ending Dec 31,</b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2023	\$ (364,867.00)	\$ (155,869.00)	\$ (520,736.00)
2024	(183,075.00)	(10,883.00)	(193,958.00)
2025	(106,315.00)	(88,365.00)	(194,680.00)
2026	205,202.00	712,556.00	917,758.00
2027	330.00	48,984.00	49,314.00
Thereafter	-	13,949.00	13,949.00
	<u>\$ (448,725.00)</u>	<u>\$ 520,372.00</u>	<u>\$ 71,647.00</u>

**Actuarial Assumptions**

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

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

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

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

**Police and Firemen's Retirement System**

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

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

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

**Note 7: PENSION PLANS (CONT'D)**

**Actuarial Assumptions (Cont'd)**

**Discount Rate -**

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

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

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

**Public Employees' Retirement System (PERS)** - The following presents the Township's proportionate share of the net pension liability as of the June 30, 2022 measurement date, calculated using a discount rate of 7.00%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
Proportionate Share of the Net Pension Liability	<u>\$ 5,285,557.00</u>	<u>\$ 4,114,212.00</u>	<u>\$ 3,117,350.00</u>

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

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Proportionate Share of the Net Pension Liability	\$ 13,561,723.00	\$ 9,883,860.00	\$ 6,822,021.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>2,413,589.00</u>	<u>1,759,037.00</u>	<u>1,214,120.00</u>
	<u>\$ 15,975,312.00</u>	<u>\$ 11,642,897.00</u>	<u>\$ 8,036,141.00</u>

**Pension Plan Fiduciary Net Position**

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



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

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

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

	<u>Measurement Date Ended June 30,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.0272620070%	0.0267656611%	0.0276385686%	0.0276746680%	0.0258480915%
Proportionate Share of the Net Pension Liability	\$ 4,114,212.00	\$ 3,170,794.00	\$ 4,507,128.00	\$ 4,986,555.00	\$ 5,089,360.00
Covered Payroll (Plan Measurement Period)	\$ 1,960,028.00	\$ 1,932,636.00	\$ 1,955,708.00	\$ 1,967,832.00	\$ 1,818,336.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	209.91%	164.07%	230.46%	253.40%	279.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	<u>Measurement Date Ended June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.0286775637%	0.0282309807%	0.0285156370%	0.0275009663%	0.0268311188%
Proportionate Share of the Net Pension Liability	\$ 6,675,678.00	\$ 8,361,207.00	\$ 6,401,189.00	\$ 5,148,933.00	\$ 5,127,960.00
Covered Payroll (Plan Measurement Period)	\$ 1,947,728.00	\$ 1,943,300.00	\$ 1,919,016.00	\$ 1,848,732.00	\$ 1,852,576.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	342.74%	430.26%	333.57%	278.51%	276.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

Note 7: PENSION PLANS (CONT'D)Supplementary Pension Information (Cont'd)*Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)*

	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 343,787.00	\$ 313,457.00	\$ 302,352.00	\$ 269,193.00	\$ 257,105.00
Contribution in Relation to the Contractually Required Contribution	<u>(343,787.00)</u>	<u>(313,457.00)</u>	<u>(302,352.00)</u>	<u>(269,193.00)</u>	<u>(257,105.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,014,707.00	\$ 1,908,763.00	\$ 1,922,556.00	\$ 1,983,382.00	\$ 1,935,485.00
Contributions as a Percentage of Covered Payroll	17.06%	16.42%	15.73%	13.57%	13.28%
	Year Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 265,667.00	\$ 250,800.00	\$ 245,158.00	\$ 226,714.00	\$ 202,167.00
Contribution in Relation to the Contractually Required Contribution	<u>(265,667.00)</u>	<u>(250,800.00)</u>	<u>(245,158.00)</u>	<u>(226,714.00)</u>	<u>(202,167.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 1,836,637.00	\$ 1,853,942.00	\$ 1,921,632.00	\$ 1,868,119.00	\$ 1,829,003.00
Contributions as a Percentage of Covered Payroll	14.46%	13.53%	12.76%	12.14%	11.05%

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

	<u>Measurement Date Ended June 30,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.0863494000%	0.0847427062%	0.0827781173%	0.0774778527%	0.0743008215%
Proportionate Share of the Net Pension Liability	\$ 9,883,860.00	\$ 6,193,973.00	\$ 10,696,025.00	\$ 9,481,599.00	\$ 10,054,126.00
State's Proportionate Share of the Net Pension Liability	1,759,037.00	1,742,054.00	1,659,974.00	1,497,163.00	1,365,687.00
Total	<u>\$ 11,642,897.00</u>	<u>\$ 7,936,027.00</u>	<u>\$ 12,355,999.00</u>	<u>\$ 10,978,762.00</u>	<u>\$ 11,419,813.00</u>
Covered Payroll (Plan Measurement Period)	\$ 3,053,768.00	\$ 2,970,664.00	\$ 2,856,248.00	\$ 2,541,320.00	\$ 2,549,212.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	323.66%	208.50%	374.48%	373.10%	394.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.33%	77.26%	63.52%	65.00%	62.48%
	<u>Measurement Date Ended June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.0729735063%	0.0720503805%	0.0692094994%	0.0651345070%	0.0636758731%
Proportionate Share of the Net Pension Liability	\$ 11,265,699.00	\$ 13,763,466.00	\$ 11,527,890.00	\$ 8,193,317.00	\$ 8,465,133.00
State's Proportionate Share of the Net Pension Liability	1,261,853.00	1,155,790.00	1,010,957.00	882,283.00	789,053.00
Total	<u>\$ 12,527,552.00</u>	<u>\$ 14,919,256.00</u>	<u>\$ 12,538,847.00</u>	<u>\$ 9,075,600.00</u>	<u>\$ 9,254,186.00</u>
Covered Payroll (Plan Measurement Period)	\$ 2,360,736.00	\$ 2,274,236.00	\$ 2,224,756.00	\$ 2,104,652.00	\$ 2,101,456.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	477.21%	605.19%	518.16%	389.30%	402.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%	62.41%	58.70%

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

	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 1,123,020.00	\$ 987,646.00	\$ 924,773.00	\$ 782,612.00	\$ 726,400.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,123,020.00)</u>	<u>(987,646.00)</u>	<u>(924,773.00)</u>	<u>(782,612.00)</u>	<u>(726,400.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,989,524.00	\$ 3,052,385.00	\$ 2,962,542.00	\$ 2,809,398.00	\$ 2,620,090.00
Contributions as a Percentage of Covered Payroll	37.57%	32.36%	31.22%	27.86%	27.72%
	Year Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 645,829.00	\$ 587,456.00	\$ 562,570.00	\$ 500,278.00	\$ 464,565.00
Contribution in Relation to the Contractually Required Contribution	<u>(645,829.00)</u>	<u>(587,456.00)</u>	<u>(562,570.00)</u>	<u>(500,278.00)</u>	<u>(464,565.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,546,796.00	\$ 2,404,069.00	\$ 2,297,002.00	\$ 2,234,788.00	\$ 2,141,534.00
Contributions as a Percentage of Covered Payroll	25.36%	24.44%	24.49%	22.39%	21.69%

**Note 7: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

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

Changes in Assumptions

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

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

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

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

None.

Changes in Assumptions

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

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

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

**Note 8: 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 August 14, 2001 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

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

The tax deferred income benefits for emergency service volunteers of the Mantua Township Fire District, 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 \$764.25 for the year ended December 31, 2022 per eligible volunteer, into the Plan. 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, 2022, the Township's total expenditure, net of any forfeitures, to the Plan was \$17,963.50.

**Note 8: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)**

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

**Vesting** - The Township, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 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, 2022, 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 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**TOWNSHIP OF MANTUA POSTEMPLOYMENT BENEFIT PLAN**

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

**Employees Covered by Benefit Terms** - As of December 31, 2021, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	78
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	62
	140

**Total OPEB Liability**

The Township's total OPEB liability of \$52,898,772.00 was measured as of December 31, 2022 and was determined by an actuarial valuation as of the same date.

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

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	3.72%
Healthcare Cost Trend Rates	5.3% for Medical in 2022, reducing by 0.2% per annum, leveling at 4.5% per annum in 2026. 6.5% for Drug in 2022, reducing by 0.5% per annum, leveling at 4.5% per annum in 2026. 4.5% for Medicare Advantgae per annum. 3.5% for Dental and Vision per annum.
Retirees' Share of Benefit-Related Costs	NJ Chapter 78

- The discount rate was based on the Bond Buyer 20 Index December 31, 2022.
- Mortality rates were based on the PUB 2010 "General" classification headcount weighted morality with generational improvement using Scale MP-2021.
- Turnover was based on the NJ State Ultimate Withdraw Rates – prior to benefits eligibility.
- Assumed Retirement Age was based on at first eligibility after completing 25 years of service.
- Full Attribution Period was based on service to assumed retirement age.
- Medical Cost Aging Factor was based on NJ SHBP Medical Morbidity Rates.

An experience study was not performed on the actuarial assumptions used in the December 31, 2022 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.



**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**TOWNSHIP OF MANTUA POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

**Changes in Total OPEB Liability**

Balance at December 31, 2021		\$ 51,619,348.00
Changes for the Year:		
Service Cost	\$ 504,994.00	
Interest Cost	1,061,252.00	
Benefit Payments	(1,214,568.00)	
Changes in Assumptions	8,236,211.00	
Difference between Expected and Actual Experience	<u>(7,308,465.00)</u>	
Net Changes		<u>1,279,424.00</u>
Balance at December 31, 2022		<u>\$ 52,898,772.00</u>

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

Changes of assumptions and other inputs reflect a change in the discount rate from 2.06% at December 31, 2021 to 3.72% at December 31, 2022.

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

	<u>December 31, 2022</u>		
	<b>1.00% Decrease (1.06%)</b>	<b>Current Discount Rate (2.06%)</b>	<b>1.00% Increase (3.06%)</b>
Total OPEB Liability	<u>\$ 60,988,446.00</u>	<u>\$ 52,898,772.00</u>	<u>\$ 44,423,973.00</u>

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>December 31, 2022</u>		
	<b>1.00% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1.00% Increase</b>
Total OPEB Liability	<u>\$ 45,039,186.00</u>	<u>\$ 52,898,772.00</u>	<u>\$ 60,068,885.00</u>

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**TOWNSHIP OF MANTUA POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

**OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended December 31, 2022, the Township recognized OPEB (benefit) expense of \$1,836,995.00. As of December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Changes of Assumptions	\$ 16,835,591.00	
Difference Between Expected and Actual Experience		\$ 12,497,408.00
	\$ 16,835,591.00	\$ 12,497,408.00

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

<b><u>Year Ending Dec 31,</u></b>	
2023	\$ 270,749.00
2024	270,749.00
2025	270,749.00
2026	270,749.00
2027	270,749.00
Thereafter	2,984,438.00
	\$ 4,338,183.00

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****TOWNSHIP OF MANTUA POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Supplementary OPEB Information**

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

***Schedule of Changes in the Township's Total OPEB Liability and Related Ratios (Last Four Years):***

	<u>Plan Measurement Date December 31,</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 504,994.00	\$ 627,075.00	\$ 587,224.08
Interest Cost	1,061,252.00	1,214,741.00	1,319,954.81
Benefit Payments	(1,214,568.00)	(769,608.00)	(792,270.00)
Changes in Assumptions	8,236,211.00	3,625,991.00	3,054,674.59
Difference Between Expected and Actual Experience	(7,308,465.00)	(6,509,710.00)	-
Net Change in Total OPEB Liability	1,279,424.00	(1,811,511.00)	4,169,583.48
Total OPEB Liability - Beginning of Fiscal Year	51,619,348.00	53,430,859.85	49,261,276.37
Total OPEB Liability - End of Fiscal Year	<u>\$ 52,898,772.00</u>	<u>\$ 51,619,348.85</u>	<u>\$ 53,430,859.85</u>
Covered-Employee Payroll	\$ 4,526,779.00	\$ 4,535,204.00	\$ 4,468,295.00
Total OPEB Liability as a Percentage of Covered Payroll	1168.57%	1138.19%	1195.78%

	<u>Plan Measurement Date December 31,</u>	
	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 585,399.32	\$ 585,399.32
Interest Cost	1,701,223.87	1,643,042.18
Benefit Payments	(809,395.81)	(809,395.81)
Changes in Assumptions	6,471,496.82	-
Difference Between Expected and Actual Experience	-	-
Net Change in Total OPEB Liability	7,948,724.20	1,419,045.69
Total OPEB Liability - Beginning of Fiscal Year	41,312,552.17	39,893,506.48
Total OPEB Liability - End of Fiscal Year	<u>\$ 49,261,276.37</u>	<u>\$ 41,312,552.17</u>
Covered-Employee Payroll	\$ 4,494,676.00	\$ 4,283,611.00
Total OPEB Liability as a Percentage of Covered Payroll	1095.99%	964.43%

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****TOWNSHIP OF MANTUA POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Other Notes to Supplementary OPEB Information**

Changes of Benefit Terms:  
None

Changes of Assumptions:  
Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

<u>Year</u>	<u>Percentage</u>
2022	3.72%
2021	2.06%
2020	2.12%
2019	2.74%
2018	4.10%

**Note 10: COMPENSATED ABSENCES**

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

The Township of Mantua compensates employees for unused sick leave upon retirement divided equally over a four year period. The Township of Mantua compensates employees for unused sick leave under the following criteria. For non-police employees, sick leave may be accumulated to a maximum of 365 days and will be paid at 75% of accrued time. For police employees hired before January 1, 2002, sick leave may accumulate a maximum of 365 days and will be paid for 75% of accrued time. For police employees hired after January 1, 2002, sick leave may be accumulated to a maximum of 365 days will be paid for 100 days at 75% of accrued time. For all employees, unused vacation days shall be paid 100%.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2022, accrued benefits for compensated absences are valued at \$1,110,733.42.

**Note 11: 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 12: CAPITAL DEBT****General Improvement Bonds**

General Improvement Bonds, Series 2008 – On September 24, 2008, the Township issued \$5,504,000.00 of general improvement bonds, with interest rates ranging from 4.0% to 4.25%. The purpose of the bonds is to fund various capital projects in the Township. The final maturity of the bonds is September 1, 2023.

General Improvement Refunding Bonds, Series 2011 – On January 27, 2011, the Township issued \$2,850,000.00 in general improvement refunding bonds, with interest rates ranging from 2.0% to 4.75%, net interest cost of 3.35%, to advance refund \$2,771,000.00 outstanding 2002 general improvement bonds with an interest rate pf 4.25% to 4.75%. The final maturity of the bonds is May 15, 2022.

General Improvement Bonds, Series 2014 – On November 13, 2014, the Township issued \$3,500,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 3.0%. The purpose of the bonds is to fund various capital projects in the Township. The final maturity of the bonds is December 1, 2029.

General Improvement Bonds, Series 2019 – On December 10, 2019, the Township issued \$4,705,000.00 of general improvement bonds, with interest rates ranging from 1.25% to 2.0%. The purpose of the bonds is to fund various capital projects in the Township. The final maturity of the bonds is November 15, 2029.

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>
2023	\$ 1,184,000.00	\$ 141,163.76	\$ 1,325,163.76
2024	710,000.00	105,487.50	815,487.50
2025	725,000.00	89,450.00	814,450.00
2026	745,000.00	72,450.00	817,450.00
2027	265,000.00	24,750.00	289,750.00
2028-2029	<u>2,070,000.00</u>	<u>86,050.00</u>	<u>2,156,050.00</u>
	<u>\$ 5,699,000.00</u>	<u>\$ 519,351.26</u>	<u>\$ 6,218,351.26</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b><u>Issued</u></b>			
Bonds and Notes	\$ 8,006,000.00	\$ 9,411,000.00	\$ 8,474,000.00
<b><u>Authorized but not Issued</u></b>			
Bonds and Notes	<u>1,482,000.00</u>		<u>985,650.00</u>
<b>Net Debt</b>	<u>\$ 9,488,000.00</u>	<u>\$ 9,411,000.00</u>	<u>\$ 9,459,650.00</u>

**Note 12: CAPITAL DEBT (CONT'D)**

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .571%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 1,765,515.23	\$ 1,765,515.23	
General	9,488,000.00		\$ 9,488,000.00
	<u>\$ 11,253,515.23</u>	<u>\$ 1,765,515.23</u>	<u>\$ 9,488,000.00</u>

Net debt \$9,488,000.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$1,660,279,812.33, equals .571%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 58,109,793.43
Less: Net Debt	<u>9,488,000.00</u>
Remaining Borrowing Power	<u>\$ 48,621,793.43</u>

**Note 13: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

Current Fund:		
Emergency Authorization	<u>\$ 200,000.00</u>	<u>\$ 200,000.00</u>

The appropriations in the 2023 Budget as adopted are not less than that required by the statutes.

**Note 14: SCHOOL TAXES**

The Township of Mantua School District tax and the Clearview Regional High School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31,</u>	
	<u>2022</u>	<u>2021</u>
<b><u>Township of Mantua School District</u></b>		
Balance of Tax	\$ 7,618,158.93	\$ 7,341,797.97
Deferred	<u>6,331,528.50</u>	<u>6,331,528.50</u>
	<u>\$ 1,286,630.43</u>	<u>\$ 1,010,269.47</u>
	<u>Balance December 31,</u>	
	<u>2022</u>	<u>2021</u>
<b><u>Clearview Regional School District</u></b>		
Balance of Tax	\$ 5,314,920.29	\$ 5,435,701.29
Deferred	<u>4,463,818.54</u>	<u>4,463,818.54</u>
	<u>\$ 851,101.75</u>	<u>\$ 971,882.75</u>

**Note 15: RISK MANAGEMENT**

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

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

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

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

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

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

**Note 15: RISK MANAGEMENT (CONT'D)**

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

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

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

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

**Note 16: DEBT SERVICE AGREEMENT (FINANCIAL GUARANTEE)**

On December 23, 1977, the Township entered into a debt service agreement with the Mantua Municipal Utilities Authority, a component unit of the Township. This agreement obligates the Township to advance payment for any debt service deficiency of the Authority. The Authority is obligated, by the agreement, to repay the Township all advances paid on their behalf, contingent upon the financial ability to do so. At December 31, 2022, the Authority had \$5,379,802.34 in outstanding debt covered by this agreement.

**Note 17: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST**

On July 13, 2001 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township of Mantua authorized the establishment of the Township of Mantua Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2002, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the two referendums, the Township levies a tax not to exceed three cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Mantua Open Space, Recreation and Farmland Preservation Trust Funds.

**Note 18: 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 19: 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 20: SUBSEQUENT EVENTS**

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
Acquisition of Various Pieces of Capital Equipment and Completion of Various Capital Equipment	8/14/2023	<u>\$ 1,460,000.00</u>

**APPENDIX C**  
**FORM OF BOND COUNSEL OPINION**



June \_\_, 2024

Mayor and Township Committee  
of the Township of Mantua  
401 Main Street  
Mantua, New Jersey

**RE: \$5,002,000 TOWNSHIP OF MANTUA, COUNTY OF GLOUCESTER, NEW JERSEY, GENERAL OBLIGATION BONDS, SERIES 2024**

Mayor and Township Committee:

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

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) the bond ordinances set forth in the Resolution (hereinafter defined), each duly and finally adopted by the Township Committee and published in accordance with applicable law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Township Committee on May 13, 2024 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on June 5, 2024 ("Award Certificate").

The Bonds are dated their date of delivery, mature on February 15 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the interest rates per annum below, payable semi-annually on February 15 and August 15, commencing February 15, 2025, in each year until maturity.

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>
2025	\$332,000	%	2030	\$575,000	%
2026	375,000		2031	590,000	
2027	395,000		2032	610,000	
2028	410,000		2033	630,000	
2029	430,000		2034	655,000	

The Bonds are issued in fully registered book-entry-only form without coupons, and are not subject to redemption prior to their stated maturity dates.

The Bonds are being issued to provide funds which will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment, at maturity, of the principal of certain bond anticipation notes



heretofore issued by the Township; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

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

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

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

1. 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").

2. 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 Township without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.

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

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

In addition, passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter



C earnings and profits at the close of the taxable year if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

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

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

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

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



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

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

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

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

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

Very truly yours,

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

## CONTINUING DISCLOSURE AGREEMENT

**THIS CONTINUING DISCLOSURE AGREEMENT** ("Disclosure Agreement") is made on this \_\_\_\_ day of June, 2024, between the Township of Mantua, County of Gloucester, New Jersey ("Township") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Township of its General Obligation Bonds, Series 2024, in the principal amount of \$\_\_\_\_\_ ("Bonds").

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the Bonds (collectively, the "Bondholders") and in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended from time to time, including administrative or judicial interpretations thereof, as it applies to the Bonds ("Rule").

**SECTION 2. Definitions.** Capitalized terms, not otherwise defined herein, shall, for purposes of this Disclosure Agreement, have the following meanings:

**"Annual Report"** shall mean, the Township's Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

**"Commission"** shall have the meaning set forth in Section 1 of this Disclosure Agreement

**"Business Day"** shall mean any day other than a Saturday, Sunday or a day on which the Township or the Dissemination Agent is authorized by law or contract to remain closed.

**"Continuing Disclosure Information"** shall mean: (i) the Annual Report; (ii) any notice required to be filed with the National Repository pursuant to Section 5 hereof; and (iii) any notice of an event required to be filed with the National Repository pursuant to Section 3(c) hereof.

**"Dissemination Agent"** shall mean Acacia Financial Group, Inc., Mount Laurel, New Jersey, or any successor Dissemination Agent designated in writing by the Township and which has filed with the Township 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 Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt bonds, including the 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.

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

**"MSRB"** shall mean the Municipal Securities Rulemaking Board.

**"National 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.



**"Official Statement"** shall mean the Official Statement of the Township, dated \_\_\_\_\_, 2024, relating to the Bonds.

**"Opinion of Counsel"** shall mean a written opinion of counsel expert in federal securities law acceptable to the Township.

**"Rule"** shall have the meaning set forth in Section 1 of this Disclosure Agreement.

### **SECTION 3. Provision of Annual Report.**

(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, 2024). 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 National 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 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 National 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 National Repository and stating the date it was provided to the National 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 a copy of said notice to the Township) to the National Repository in substantially the form attached as EXHIBIT "A" hereto.

**SECTION 4. Contents of Annual Report.** Annual Report shall mean: (i) the Township's annual financial statements, substantially in the form set forth in Appendix B to the Official Statement, audited by an independent certified public accountant, provided that the annual audited financial statements of the Township may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the Township are included in the Annual Report; and (ii) the general financial information and operating data of the Township consistent with the information set forth in Appendix A to the Official Statement. Each annual audited financial statements will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the Division of Local Government Services in the New Jersey Department of

Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements.

**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 Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) 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 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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<sup>1</sup> of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The Township shall within ten (10) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8),

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<sup>1</sup> The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

(10), (13), (14) or (15) of subsection (a) of this Section 5, the Township may, but shall not be required to, rely conclusively on an Opinion of Counsel.

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

**SECTION 6. Termination of Reporting Obligations.** The reporting obligations of the Township under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Township is no longer an Obligated Person (as defined in the Rule) with respect to the Bonds.

**SECTION 7. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Township may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an Opinion of Counsel to the effect that such amendment or waiver will not, in and of itself, cause the undertakings herein to violate the Rule. No amendment to this Disclosure Agreement shall change or modify the rights or obligations of the Dissemination Agent without its written assent thereto. The Township shall give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent and the Dissemination Agent shall file such notice with the National Repository.

**SECTION 8. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Township from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement 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 Agreement. If the Township 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 Agreement, it shall not have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**SECTION 9. Default and Remedies.** In the event of a failure of the Township to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Bondholders of at least twenty-five percent (25%) in aggregate principal amount of the outstanding Bonds and provision of indemnity and security for expenses satisfactory to it, shall), or any beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Township to comply with its obligations under this Disclosure Agreement. A failure of the Township to comply with any provision of this Disclosure Agreement shall not be deemed to be a default under the Bonds. The sole remedy under this Disclosure Agreement in the event of any failure of the Township to comply with this Disclosure Agreement shall be an action to compel performance.

**SECTION 10. Notices.** All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United

States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

- (i) If to the Mantua:

Township of Mantua  
401 Main Street  
Mantua, New Jersey 08051  
Attention: Chief Financial Officer

- (ii) If to the Dissemination Agent:

Acacia Financial Group, Inc.  
6000 Midlantic Drive, Suite 410 North  
Mount Laurel, New Jersey 08054  
Attention: Joe Calogero, Vice President

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 10 for the giving of notice.

**SECTION 11. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Township, the Dissemination Agent and the Bondholders and nothing herein contained shall confer any right upon any other person.

**SECTION 12. 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 13. Compensation.** The Township shall pay the Dissemination Agent from time to time reasonable compensation for all services rendered under this Disclosure Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Disclosure Agreement.

**SECTION 14. 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 15. 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 16. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 17. 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 18. Governing Law.** This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

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**IN WITNESS WHEREOF**, the parties hereto have executed this Disclosure Agreement as of the date first above written.

**TOWNSHIP OF MANTUA, NEW JERSEY**

**By:** \_\_\_\_\_  
**KARYN PACCIONE, Chief Financial Officer**

**ACACIA FINANCIAL GROUP, INC.,**  
**as Municipal Advisor and Dissemination Agent**

**By:** \_\_\_\_\_  
**JENNIFER G. EDWARDS, Managing Director**

