

**SUPPLEMENT DATED SEPTEMBER 16, 2024  
TO OFFICIAL STATEMENT DATED AUGUST 27, 2024**

**\$12,000,000**  
**TOWNSHIP OF MONROE**  
**County of Gloucester, New Jersey**  
**GENERAL OBLIGATION BONDS, SERIES 2024**  
**(Callable)**

**\$13,863,000**  
**TOWNSHIP OF MONROE**  
**County of Gloucester, New Jersey**  
**BOND ANTICIPATION NOTES OF 2024, SERIES A**

This Supplement ("Supplement") amends certain information set forth in the Official Statement, dated August 27, 2024 ("Original Official Statement"), relating to the \$12,000,000 principal amount of General Obligations, Series 2024 ("Bonds"), and the \$13,863,000 principal amount of Bond Anticipation Notes of 2024, Series A ("Notes" and, together with the Bonds, the "Obligations"), of the Township of Monroe, County of Gloucester, New Jersey ("Township"). The Original Official Statement, as amended by this Supplement, is referred to herein as the "Official Statement". Capitalized terms not otherwise defined herein shall have the meanings set forth in the Original Official Statement.

In particular, this Supplement is being provided in order to provide certain corrected information related to the yield for the 2040 maturity of the Bonds as set forth in table on the inside front cover of the Official Statement. Specifically, the yield of the 2024 maturity of the Bonds as provided in the table on the inside front cover of the Original Official Statement is reflected as "3.30". The yield of such 2024 maturity of the Bonds should have been reflected as "3.33".

As a result, the description of the 2040 maturity of the Bonds as provided in the table on the inside front cover of the Official Statement is hereby amended to read as follows:

"2040	835,000	4.00	3.33**	611309HK4"
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Except as heretofore amended by this Supplement, the Official Statement shall remain in full force and effect as to the matters set forth therein. The information in this Supplement is subject in all respects to more complete information in the Official Statement, to the extent that such information is not otherwise amended hereby.

This Supplement is submitted in connection with the issuance of the Obligations and may not be reproduced or used, as a whole or in part, for any other purposes. Any statement made or incorporated in this Supplement involving matters of opinion or estimates, whether or not expressly so stated are set forth as such and not as representations of fact. This Supplement is not to be construed as a contract or agreement between the Township and the purchasers or owners of any of the Obligations. The delivery of this Supplement has been duly authorized by the Township.

**TOWNSHIP OF MONROE,  
COUNTY OF GLOUCESTER, NEW  
JERSEY**

## OFFICIAL STATEMENT DATED AUGUST 27, 2024

*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 and the Notes (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (“Code”), and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations. In addition, interest on the Bonds and the Notes may be subject to the branch profits tax imposed on certain foreign corporations and to the tax on “excess net passive income” imposed on S corporations. Interest on the Bonds and the Notes and any gain from the sale thereof are not included in the gross income of owners thereof under the New Jersey Gross Income Tax Act, as presently executed and construed. See “TAX MATTERS” herein.*

**\$12,000,000**  
**TOWNSHIP OF MONROE**  
**County of Gloucester, New Jersey**  
**GENERAL OBLIGATION BONDS, SERIES 2024**  
**(Callable)**

**\$13,863,000**  
**TOWNSHIP OF MONROE**  
**County of Gloucester, New Jersey**  
**BOND ANTICIPATION NOTES OF 2024, SERIES A**

**Date: Date of Delivery**

**Bonds Due: September 1, as shown on the inside front cover**  
**Notes Due: September 9, 2025**

The Township of Monroe, County of Gloucester, New Jersey (“Township”), is issuing: (i) \$12,000,000 aggregate principal amount of its General Obligation Bonds, Series 2024 (“Bonds”); and (ii) \$13,863,000 principal amount of its Bond Anticipation Notes of 2024, Series A (“Notes”).

The principal of the Bonds shall be paid on the respective maturity dates thereof upon presentation and surrender of the Bonds at the offices of the Township or its hereafter designated paying agent, if any. Interest on the Bonds is payable semi-annually on March 1 and September 1 (“Interest Payment Dates”), commencing March 1, 2025, in each year until maturity or earlier redemption. The Bonds are subject to redemption prior to their stated maturity dates on the terms and conditions contained herein.

The Notes shall be dated and bear interest from September 10, 2024 at the rate set forth herein. The Notes shall mature on September 9, 2025 upon presentation and surrender of the Notes at the offices of the Township. Interest on the Notes is payable at maturity. The Notes are not subject to redemption prior to maturity.

Upon initial issuance, the Bonds and the Notes will each be registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York (“DTC”), which will act as securities depository for the Bonds and Notes. So long as Cede & Co. is the registered owner of the Bonds and the Notes, payments of principal and interest on the Bonds and the Notes 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 and the Notes. Purchasers will not receive certificates representing their ownership interest in the Bonds and the Notes purchased. For so long as any purchaser is a Beneficial Owner of a Bond and the Notes, 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 and Note.

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 43-2019 and 25-2020, each duly and finally adopted by the Township Council and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township of Council on July 24, 2024; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on August 27, 2024.

The Bonds are being issued, together with other available funds of the Township, to provide funds which will be used to: (i) permanently finance a portion of the costs of various capital improvements by the repayment, at maturity, of a portion of the principal of certain outstanding bond anticipation notes; and (ii) pay certain costs and expenses incidental to the issuance and delivery of such bonds.

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law; (ii) bond ordinances 32-2015, 12-2016, 15-2021, as amended by Ordinance 21-2023, 15-2022 and 33-2023, each duly and finally adopted by the Township Council and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on August 27, 2024.

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

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

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

*The Bonds and the Notes are offered when, as and if issued, subject to prior 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 Attorney, Louis Cappelli, Esquire, of the law firm Florio, Perrucci, Steinhardt, Cappelli, Tipton & Taylor, LLC, Cherry Hill, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey, has acted as Municipal Advisor to the Township in connection with the issuance of the Bonds and the Notes. It is anticipated that the Bonds and the Notes in definitive form will be available for delivery, in immediately available funds, through DTC in Brooklyn, New York on or about September 10, 2024.*

**TOWNSHIP OF MONROE**  
**County of Gloucester, New Jersey**

**\$12,000,000 GENERAL OBLIGATION BONDS, SERIES 2024**

**MATURITY, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP\***

<u>Maturity Date (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2025	\$420,000	4.00%	2.62%	611309GU3
2026	450,000	4.00	2.36	611309GV1
2027	470,000	4.00	2.35	611309GW9
2028	685,000	4.00	2.35	611309GX7
2029	830,000	4.00	2.34	611309GY5
2030	830,000	4.00	2.39	611309GZ2
2031	830,000	4.00	2.47	611309HA6
2032	830,000	4.00	2.57**	611309HB4
2033	830,000	4.00	2.60**	611309HC2
2034	830,000	4.00	2.70**	611309HD0
2035	830,000	4.00	2.80**	611309HE8
2036	830,000	2.00	3.65	611309HF5
2037	830,000	4.00	3.00**	611309HG3
2038	835,000	4.00	3.07**	611309HH1
2039	835,000	4.00	3.20**	611309HJ7
2040	835,000	4.00	3.30**	611309HK4

**\$13,863,000 BOND ANTICIPATION NOTES OF 2024, SERIES A**

**MATURITY, PRINCIPAL AMOUNT, INTEREST RATE, YIELD AND CUSIP\***

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
September 9, 2025	\$13,863,000	4.00%	3.00%	611309HL2

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\* A registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of holders of the Bonds and the Notes only at the time of issuance of the Bonds and the Notes. 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 the specified maturities of the Bonds and the Notes are subject to being changed after the issuance of the Bonds and Notes as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and the Notes.

\*\* Priced at the stated yield to the first redemption date of September 1, 2031 at a redemption price of 100%.

**TOWNSHIP OF MONROE  
COUNTY OF GLOUCESTER, NEW JERSEY**

**MAYOR**

Gregory A. Wolfe

**TOWNSHIP COUNCIL**

Chelsea Valcourt, Council President  
Ronald T. Garbowski, Council Member  
Steven J. McKinney, Council Member  
Donald Heverly, Council Member  
Patrick O'Reilly, Council Member  
Carolann Fox, Council Member  
Denise Adams, Council Member

**TOWNSHIP ADMINISTRATOR**

James V. DeHart, III

**CHIEF FINANCIAL OFFICER**

Lorraine Boyer

**TAX COLLECTOR**

Joanne Potopchuk

**TOWNSHIP CLERK**

Aileen Chiselko

**TOWNSHIP ATTORNEY**

Louis Cappelli, Esq.  
Florio, Perrucci, Steinhardt, Cappelli, Tipton & Taylor, LLC  
Cherry Hill, New Jersey

**AUDITOR**

Bowman & Company, LLP  
Voorhees, New Jersey

**BOND COUNSEL**

Parker McCay P.A.  
Mount Laurel, New Jersey

**MUNICIPAL ADVISOR**

Phoenix Advisors, LLC  
Bordentown, New Jersey

The information which is set forth herein has been provided by the Township of Monroe, County of Gloucester, New Jersey (“Township”), The Depository Trust Company (“DTC”) 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 and the Notes other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Township. The information contained herein has been provided by the Township and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation or warranty by any underwriter or, as to information from sources other than itself, by the Township. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor there be any sale of the Bonds and the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

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

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

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

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APPENDIX D: FORM OF CONTINUING DISCLOSURE AGREEMENT AND FORM OF INFORMATION REPORTING UNDERTAKING AGREEMENT

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**OFFICIAL STATEMENT**

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**\$12,000,000**  
**TOWNSHIP OF MONROE**  
**County of Gloucester, New Jersey**  
**GENERAL OBLIGATION BONDS, SERIES 2024**

and

**\$13,863,000**  
**TOWNSHIP OF MONROE**  
**County of Gloucester, New Jersey**  
**BOND ANTICIPATION NOTES OF 2024, SERIES A**

**INTRODUCTION**

The purpose of this Official Statement, including the cover page and Appendices attached hereto, is to provide certain information relating to the issuance by the Township of Monroe, County of Gloucester, New Jersey (“Township”), of: (i) \$12,000,000 aggregate principal amount of its General Obligation Bonds, Series 2024 (“Bonds”); and (ii) \$13,863,000 principal amount of its Bond Anticipation Notes of 2024, Series A (“Notes”).

**AUTHORIZATION FOR THE BONDS AND THE NOTES**

**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 43-2019 and 25-2020, each duly and finally adopted by the Township Council and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township Council on July 24, 2024; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on August 27, 2024.

**Notes**

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law; (ii) bond ordinances 32-2015, 12-2016, 15-2021, as amended by Ordinance 21-2023, 15-2022 and 33-2023 (“Note Ordinances”), each duly and finally adopted by the Township Council and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on August 27, 2024.

**PURPOSE OF THE ISSUE**

**Bonds**

The Bonds are being issued, together with other available funds of the Township, to provide funds which will be used to: (i) permanently finance a portion of the costs of various capital improvements by the repayment, at maturity, of a portion of the principal of certain outstanding bond anticipation notes; and (ii) pay certain costs and expenses incidental to the issuance and delivery of such bonds.



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

**General Obligation Bonds**

<b><u>Ordinance Number</u></b>	<b><u>Description</u></b>	<b><u>Amount Authorized</u></b>	<b><u>Amount of Outstanding Notes</u></b>	<b><u>Available Funds</u></b>	<b><u>Amounts Funded with Bond Proceeds</u></b>
43-2019	Various Capital Improvements	\$3,406,700	\$3,406,700	\$450	\$3,406,250
25-2020	Various Capital Improvements	8,858,750	8,858,750	0	8,858,750
<b>Total:</b>		<b>\$12,265,450</b>	<b>\$12,265,450</b>	<b>\$450</b>	<b>\$12,265,000*</b>

**Notes**

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

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

**Bond Anticipation Notes**

<b><u>Ordinance Number</u></b>	<b><u>Description</u></b>	<b><u>Amount Authorized</u></b>	<b><u>Amount of Outstanding Notes</u></b>	<b><u>Notes to be Issued</u></b>
32-2015	Various Capital Improvements at Owens Park	\$70,000	\$70,000	\$70,000
12-2016	Expansion Project at Owens Memorial Park	390,000	390,000	390,000
15-2021, as amended by ordinance 21-2023	Acquisition of Various Pieces of Equipment	4,774,225	4,773,550	4,773,550
15-2022	Acquisition of Various Pieces of Equipment and Various Capital Improvements	4,582,800	0	4,582,450
33-2023	Acquisition of Various Capital Equipment and Various Capital Improvements	4,047,000	0	4,047,000
<b>Total:</b>		<b>\$13,864,025</b>	<b>\$5,233,550</b>	<b>\$13,863,000</b>

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\* Represents \$12,000,000 in principal amount of the Bonds plus a portion of the original issue premium in the amount of \$265,000.

## DESCRIPTION OF THE BONDS AND THE NOTES

### General

#### Bonds

The Bonds will be issued in the aggregate principal amount of \$12,000,000. The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds is payable March 1 and September 1 (each an “Interest Payment Date” and collectively, “Interest Payment Dates”), commencing March 1, 2025, in each year until maturity or earlier redemption.

Individual purchases of the Bonds may be made in the principal amount of \$5,000, or any integral multiple of \$5,000, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds, through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See “DESCRIPTION OF THE BONDS – Book-Entry-Only System” below. The Bonds will mature on September 1 in the years and in the principal amounts, all as shown on the inside front cover page of this Official Statement.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the offices of the Township, or its hereafter designated paying agent, if any. 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 Township, or its hereafter designated paying agent, if any, as of the close of business on the fifteenth (15<sup>th</sup>) day of the calendar month next preceding an Interest Payment Date (each a “Record Date”).

So long as The Depository Trust Company, Brooklyn, 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 or any hereinafter designated paying agent.

#### Notes

The Notes will be issued in the principal amount of \$13,863,000, will be dated their date of delivery and bear interest from that date at the interest rate set forth on the front cover hereof. Interest on the Notes shall be calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year. The Notes are not subject to redemption prior to maturity.

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

The Note certificates will be on deposit with DTC, if applicable. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests

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

So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made directly to Cede & Co., as nominee of DTC. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners of the Notes is the responsibility of the DTC Participants and not the Township or any hereinafter designated paying agent.

## **Redemption Provisions**

### Bonds

The Bonds maturing on and after September 1, 2032, are subject to redemption prior to their stated maturity dates at the option of the Township, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the Township or its hereinafter designated paying agent, if any) shall determine and within any such maturity by lot) on any date on or after September 1, 2031, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

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

### Notes

The Notes are not subject to redemption prior to their stated maturity date.

## **Book-Entry-Only System\***

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

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\* Source: The Depository Trust Company

confirmation and transfer of beneficial ownership interests in the Bonds and the Notes and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township, or its hereinafter designated Paying Agent, if any. 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 and the Notes. The Bonds and the Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds and the Notes, each in the aggregate principal amount of such issue, and will be deposited with DTC.

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

Purchases of the Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes 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 and the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

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

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

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

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

Redemption proceeds and distributions on the Bonds and the Notes, if any, will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the hereafter designated Paying Agent, if any, 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 the hereafter designated Paying Agent, if any, 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 the hereafter designated Paying Agent, if any, 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 and the Notes at any time by giving reasonable notice to the Township or its hereinafter designated Paying Agent, if any. 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 and Note certificates will be printed and delivered to DTC.

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

**NEITHER THE TOWNSHIP NOR ITS HEREAFTER DESIGNATED PAYING AGENT, IF ANY, 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 AND THE NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS/NOTEHOLDER OR REGISTERED OWNERS OF THE BONDS AND THE NOTES (OTHER THAN UNDER THE HEADING “TAX MATTERS”) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS AND THE NOTES.**

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

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

### **SECURITY FOR THE BONDS AND THE NOTES**

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

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

### **MARKET PROTECTION**

The Township does not anticipate issuing any additional bonds within the next ninety (90) days. The Township may issue additional bond anticipation notes, as necessary, during the remainder of calendar year 2024.

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

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

#### **Local Bond Law**

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

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

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

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

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

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

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

**Refunding Bonds** – Refunding Bonds may be issued pursuant to the Local Bond Law for the purpose of paying, funding 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 New Jersey State Statutes, as amended and supplemented (“Local Fiscal Affairs Law”), governs audits, auditors, public moneys and financial statements of local governmental units, including the Township.

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

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

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

### **Local Budget Law**

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

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

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

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



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

Additionally, legislation constituting P.L. 2010, c. 44, was adopted on July 13, 2010 (S-29R1), which, among other things, imposes a two percent (2.00%) 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 (2.00%) 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 2.00%; (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 2.00% 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 (2.00%) 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 (2.00%) 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 and the Notes.

## **Miscellaneous Revenues**

*N.J.S.A. 40A:4-26* provides that: “No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit.”

Such determination may be made by the governing body and the chief financial officer in any year during which the local unit is subject to local examination.

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

### **Real Estate Taxes**

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

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

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

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

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

### **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 (3.00%) of the adopted operating budget, consent of the Director of Local Government Services must be obtained.

The exceptions are certain enumerated projects to cover the cost of the extraordinary expense for the repair, or reconstruction of streets, roads or bridges, or other public property damaged by snow, ice, frost or flood, where such expense was not foreseen at the time of the adoption of the budget, which may be amortized over three years; and tax map preparations, revision of ordinances, revaluations, master plan

preparation, studies and planning necessary for the installation and construction of a sanitary sewer system, and payments of accumulated sick and vacation time which may be amortized over five years.

### **Budget Transfers**

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

### **Capital Budget**

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

### **Related Constitutional and Statutory Provisions**

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

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

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

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

### **The Municipal Finance Commission**

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

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

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

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

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

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

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

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

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

## TAXATION

### Procedure for Assessment and Collection of Taxes

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

Upon the filing of certified adopted budgets by the Township, the school district within the Township 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 18.00% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under New Jersey Statutes. Additionally, a 6.00% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. Tax liens retained by the Township are periodically assigned to the Township Attorney for “in rem foreclosures” in order to acquire title to these properties.

### Tax Appeals

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

## 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 has received \$3,858,606.26 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 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 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 of financial reserves.

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

### **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 cyber-attacks, the Township has invested in multiple forms of cybersecurity and operational safeguards.

### **Climate Change**

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the Township as well as resulting in economic impacts such as loss of ad valorem tax revenue, interruption of

municipal services, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the Township.

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

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

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

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

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

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

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

## **New Jersey**

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

## **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals in the United States Congress and in New Jersey that, if enacted, could alter or amend the Federal and New Jersey tax matters referred to above or adversely affect the market value of the Bonds and the Notes. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to bonds 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 and the Notes.

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

## **LITIGATION**

To the knowledge of the Township Attorney, Louis Cappelli, Esquire, of the firm Florio, Perrucci, Steinhardt, Cappelli, Tipton & Taylor, LLC, Cherry Hill, New Jersey (“Township Attorney”), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds and the Notes, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds and the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Bonds and the Notes or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Township Attorney, no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided.



## **RATINGS**

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

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

## **PREPARATION OF OFFICIAL STATEMENT**

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.

The Township 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.

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

Bowman & Company, LLP, Voorhees, New Jersey, only takes responsibility for the financial statements, appearing in Appendix "B" hereto.

## **UNDERWRITING**

### **Bonds**

The Bonds have been purchased from the Township at a public sale by Robert W. Baird & Co., Inc. as underwriter ("Bond Underwriter") at a price of \$12,565,812.09, pursuant to a Certificate of Determination and Award, dated August 27, 2024. The Bond 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 Bond Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

The Bond 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 Bond 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 Bond Underwriter without prior notice.

## **Notes**

The Notes have been purchased from the Township at a public sale by Jefferies LLC, as underwriter (“Note Underwriter”) at a price of \$13,993,728.09 (“Note Purchase Price”). The Note Purchase Price reflects the principal amount of the Notes, plus a bid premium in the amount of \$130,728.09. The Note Underwriter is obligated to purchase all of the Notes if any of the Notes are purchased.

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

### **LEGALITY FOR INVESTMENT**

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

### **MUNICIPAL ADVISOR**

Phoenix Advisors, LLC, Bordentown, New Jersey, has served as municipal advisor to the Township with respect to the issuance of the Bonds and the Notes (“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.

### **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.

### **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 will, prior to the issuance of the Bonds and Notes, enter into separate agreements substantially in the forms set forth in Appendix “D” hereto, as required by the Rule.

Within the five (5) years immediately preceding the date of this Official Statement, the Township previously failed to file, in accordance with the Rule, in a timely manner, under previous filing requirements: certain required operating data items for the fiscal years ended December 31, 2018, 2019 and 2020 on its own obligations and undertakings for which it is an obligated party. Additionally, the Township

previously failed to file late filing notices in connection with the untimely filing of its operating data, as described above. Such notices of late filings have since been filed with the MSRB's Electronic Municipal Market Access Dataport. The Township appointed Phoenix Advisors, LLC in October of 2014 to serve as continuing disclosure agent.

## LEGAL MATTERS

The legality of the Bonds and the Notes will be subject to the approving legal opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township ("Bond Counsel"). Such opinion will be printed on or accompany the Bonds and the Notes and provide, *inter alia*, that the Bonds and the Notes are valid and binding obligations of the Township, and the Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Township without limitation as to rate or amount for the payment of the Bonds and the Notes and interest thereon. The enforceability of rights or remedies with respect to the Bonds and the Notes may be limited by bankruptcy, insolvency, or other law affecting creditors' rights or remedies heretofore or hereinafter enacted. Certain legal matters will be passed upon for the Township by the Township Attorney.

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

The legal opinions to be delivered concurrently with the delivery of the Bonds and the Notes express the professional judgment of the attorneys rendering the opinion 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.

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## ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Lorraine Boyer, the Township Chief Financial Officer, Township of Monroe, at (856) 728-9800, or to the Township's Municipal Advisor, Phoenix Advisors, LLC, at (609) 291-0130.

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

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

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

**TOWNSHIP OF MONROE,  
COUNTY OF GLOUCESTER, NEW JERSEY**

**By: /s/ Lorraine Boyer  
LORRAINE BOYER, Chief Financial Officer**

Dated: August 27, 2024

**APPENDIX A**

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

## **INFORMATION REGARDING THE TOWNSHIP<sup>1</sup>**

The following material presents certain economic and demographic information of the Township of Monroe (“Township”), in the County of Gloucester (“County”), State of New Jersey (“State”).

The Township is the gateway to the County, Atlantic City, Philadelphia and Southern New Jersey. The Township has a population of over 38,000 people and a land area of 48 square miles. The Township is coupled with extensive regional highway transportation facilities, convenient transit facilities, and a vastly growing housing development market. The Township is situated near five (5) major highways – Atlantic City Expressway, Garden State Parkway, New Jersey Turnpike and Routes 295 & 42. It is also located within thirty (30) minutes of the Philadelphia International Airport and within forty (40) minutes of the Atlantic City Casinos, Atlantic City and the Atlantic City Airport.

### **Form of Government**

The Township operates under the Mayor-Council Plan form of government under the provisions of the Faulkner Act form of government, the Mayor-Council Plan (N.J.S.A.40A:69A-31 to 40A:69A-67.2). This form of government consists of a Mayor who serves for a four (4) year term, and seven (7) Council members consisting of four (4) Ward Council seats, and three (3) Council-at-Large seats, who serve for four (4) year staggered terms. An administrator appointed by the Mayor, with the advice and consent of Council, supervises all paid personnel and directs the business activities of the Township.

### **Public Safety**

The Department of Public Safety is responsible for Police, Fire, Emergency Medical Services, and Disaster management coordination services for the Township. Full time Police protection is provided by the Monroe Township Police Department under the direction of the Chief of Police. The Township is serviced by two (2) volunteer fire companies, Williamstown Fire Company and Cecil Fire Company. The paid Monroe Township Ambulance (EMS) crew serves the Township Monday through Friday 6 am to 6 pm. The Office of Emergency Management ("OEM") is staffed full-time and coordinates disaster emergency responses for the Township together with all public safety agencies and other Township departments. OEM also interacts frequently with county, state, and federal agencies involved in disaster planning, response, mitigation and recovery. OEM received an annual performance grant to assist with staffing the office on a fulltime basis. An emergency operations plan is currently in place and is tested annually.

### **Recreation**

The Department of Community Affairs has its office in the Pfeiffer Community Center, located at Main and Blue Bell Roads. Many of the Township’s residents belong to a variety of civic, social, and community groups. This building, along with the "Senior Building", serves as

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<sup>1</sup> Source: The Township, unless otherwise indicated.

the primary meeting space for these groups. The Pfeiffer Community Center, built in 1971, hosts everything from Boy & Girl Scouts to church groups to alcoholics and overeaters anonymous. It serves as a County Nutrition Site that feeds lunch to the senior residents every day. The Department of Community Affairs is currently vacant and those duties, because of budget cost savings, have been combined with the Duties of the Director of Administration by action of the Mayor.

### **Public Works**

The Township Public Works is located at 1040 Glassboro Road in Williamstown. Public Works consists of various departments which include the following:

The Vehicle Maintenance Department is staffed by qualified mechanics who maintain all Township owned vehicles.

The Road Department maintains, repairs and repaves the streets and roads governed by the Township, removes snow and ice from all municipal streets and roads, maintains culverts and drainage of the municipality and constructs and reconstructs such steeps and drainage as may be authorized or needed. The Department maintains a curbside leaf collection program, maintains municipal retention basins and trims all bushes and trees as necessary along municipal roadways.

The Sanitation Department maintains and operates all sanitation equipment and provides for the collection and disposal of municipal and household waste and other debris as required by ordinance.

### **Monroe Municipal Utilities Authority**

The Authority was created by virtue of an ordinance of the Township, adopted September 26, 1957 pursuant to Chapter 138 of the Laws of New Jersey of 1946 and was reorganized as a municipal utilities authority, pursuant to the provisions of Chapter 183 of the Laws of New Jersey of 1957, on May 8, 1959, by Ordinance of the Township.

The Authority maintains the public sewer and water service in the Township. Currently, the Authority provides residential, commercial, industrial, municipal and fire protection needs for more than 9,000 customers. Presently, the Authority operates seven (7) wells, two (2) ASR wells and twenty-five (25) lift stations throughout the Township. There are no tax monies supporting the Authority. Its debt service and operational expenses must be paid by the revenue from customer service fees.

### **Library**

The Township's library collection consists of more than 80,000 items, including: books, magazines, newspapers, DVDs, videos, music on compact disk and cassette, and books on both audio cassette and CD. The library consists of more than two dozen computers for public use.

## **Pension and Retirement Systems**

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

The Public Employees' Retirement System ("PERS") is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other State pension fund or local jurisdiction's pension fund.

The Police and Firemen's Retirement System ("PFRS") is a cost-sharing multiple employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time county and municipal police and firemen or officer employees with police powers appointed after June 30, 1944.

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



## **Employment and Unemployment Comparisons**

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>Township</u></b>				
2023	20,221	19,269	952	4.7%
2022	19,762	18,931	831	4.2%
2021	19,348	18,040	1,308	6.8%
2020	19,450	17,440	2,010	10.3%
2019	19,229	18,457	772	4.0%
<b><u>County</u></b>				
2023	164,258	157,191	7,067	4.3%
2022	160,615	154,432	6,183	3.8%
2021	157,201	147,161	10,040	6.4%
2020	156,240	142,271	13,969	8.9%
2019	156,044	150,439	5,605	3.6%
<b><u>State</u></b>				
2023	4,829,671	4,615,722	213,949	4.4%
2022	4,736,213	4,552,563	183,650	3.9%
2021	4,648,814	4,337,793	311,021	6.7%
2020	4,638,386	4,200,980	437,406	9.4%
2019	4,687,390	4,525,044	162,346	3.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

## **Income (as of 2022)**

	<b><u>Township</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Median Household Income	\$98,945	\$99,668	\$97,126
Median Family Income	123,699	121,675	119,240
Per Capita Income	45,532	45,933	50,995

Source: US Bureau of the Census, 2022 American Community Survey 5-Year Estimates

## Population

The following tables summarize population increases and the decreases for the Township, the County, and the State.

<u>Year</u>	<u>Township</u>		<u>County</u>		<u>State</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2023 est.	37,752	1.71%	308,423	2.03%	9,290,841	0.02%
2020	37,117	2.73	302,294	4.86	9,288,994	5.65
2010	36,129	24.72	288,288	13.20	8,791,894	4.49
2000	28,967	8.48	254,673	10.69	8,414,350	8.85
1990	26,703	23.40	230,082	15.09	7,730,188	4.96

Source: United States Department of Commerce, Bureau of the Census

## Largest Taxpayers

The ten largest taxpayers in the Township and their assessed valuations are listed below:

<u>Taxpayers</u>	<u>2023 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Barclay Glenn at Cross Keys LLC	\$21,550,000	0.77%
Wal-Mart Real Estate Business Trust	18,500,000	0.66%
Nationwide MHC LLC / Continental.Com	16,330,000	0.58%
Williamstown Inc Suisse / Walmart	13,905,000	0.49%
Jefferson Village	12,630,000	0.45%
Friendly Village	12,350,000	0.44%
Gordon Partnership LLP	8,979,600	0.32%
Laurelton Village Reality	8,970,000	0.32%
Barclay Glenn North LLC	7,940,000	0.28%
Streamwood Association	<u>7,650,000</u>	<u>0.27%</u>
<b>Total</b>	<b><u>\$128,804,600</u></b>	<b><u>4.58%</u></b>

Source: Comprehensive Annual Financial Report of the School District & Municipal Tax Assessor

### **Comparison of Tax Levies and Collections**

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Current Year Collection</u></b>	<b><u>Current Year % of Collection</u></b>
2023	\$103,421,310	\$101,646,184	98.28%
2022	101,362,563	99,371,747	98.04%
2021	100,931,253	99,193,255	98.28%
2020	99,792,157	97,418,438	97.62%
2019	98,218,471	96,038,559	97.78%

Source: Annual Audit Reports of the Township

### **Delinquent Taxes and Tax Title Liens**

<b><u>Year</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Tax</u></b>	<b><u>Total Delinquent</u></b>	<b><u>% of Tax Levy</u></b>
2023	\$23,585	\$1,705,545	\$1,729,130	1.67%
2022	117,035	1,811,106	1,928,141	1.90%
2021	148,680	1,704,297	1,852,977	1.84%
2020	1,252,858	1,971,824	3,224,682	3.23%
2019	1,430,749	1,932,337	3,363,085	3.42%

Source: Annual Audit Reports of the Township

### **Property Acquired by Tax Lien Liquidation**

<b><u>Year</u></b>	<b><u>Amount</u></b>
2023	\$2,751,508
2022	2,654,900
2021	7,130,800
2020	4,119,000
2019	2,294,600

Source: Annual Audit Reports of the Township

## **Tax Rates per \$100 of Net Valuations Taxable and Allocations**

The table below lists the tax rates for Township residents for the past five (5) years.

<u>Year</u>	<u>Municipal</u>	<u>Local School</u>	<u>County</u>	<u>Total</u>
2023	\$0.938	\$1.978	\$0.719	\$3.635
2022	0.899	2.008	0.711	3.618
2021	0.899	2.037	0.705	3.641
2020	0.900	2.040	0.697	3.637
2019	0.901	2.026	0.688	3.615

Source: Abstract of Ratables and State of New Jersey – Property Taxes

## **Valuation of Property**

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>	<u>Assessed Value of Personal Property</u>	<u>Equalized Valuation</u>
2023	\$2,814,545,900	\$3,919,980,362	71.80%	\$0	\$3,919,980,362
2022	2,777,194,100	3,538,277,615	78.49	0	3,538,277,615
2021	2,753,359,000	3,063,713,141	89.87	0	2,794,349,040
2020	2,721,975,400	2,794,349,040	97.41	0	2,700,142,986
2019	2,704,193,200	2,700,142,986	100.15	0	2,716,780,713

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

## **Classification of Ratables**

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2023	\$63,945,500	\$2,332,127,000	\$27,944,900	\$309,503,900	\$12,733,100	\$68,291,500	\$2,814,545,900
2022	53,488,500	2,306,653,100	28,148,200	307,905,500	12,733,100	68,265,700	2,777,194,100
2021	54,825,400	2,283,698,900	27,571,900	306,264,000	12,733,100	68,265,700	2,753,359,000
2020	56,442,200	2,253,341,900	26,959,100	304,210,900	12,755,600	68,265,700	2,721,975,400
2019	54,606,700	2,239,400,000	26,664,900	302,500,300	12,755,600	68,265,700	2,704,193,200

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

**Financial Operations**

The following table summarizes the Township’s Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

**Summary of Current Fund Budget**

<b><u>Anticipated Revenues</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
Fund Balance Utilized	\$3,325,148	\$3,104,516	\$4,220,000	\$4,000,000	\$4,100,000
Miscellaneous Revenues	7,945,099	8,148,337	9,460,050	9,116,896	8,965,493
Receipts from Delinquent Taxes	1,800,000	2,025,000	1,600,000	1,700,000	1,650,000
Amount to be Raised by Taxation	<u>24,422,146</u>	<u>24,672,892</u>	<u>24,901,792</u>	<u>26,330,416</u>	<u>27,511,926</u>
Total Revenue:	<u>\$37,492,393</u>	<u>\$37,950,745</u>	<u>\$40,181,842</u>	<u>\$41,147,311</u>	<u>\$42,227,418</u>
<b><u>Appropriations</u></b>					
General Appropriations	\$31,372,157	\$31,634,482	\$33,965,744	\$34,211,160	\$35,777,132
Operations (Excluded from CAPS)	1,143,414	1,236,606	1,454,701	2,167,180	1,558,946
Deferred Charges	0	0	0	0	0
Capital Improvement Fund	697,561	596,441	945,655	455,823	623,389
Municipal Debt Service	2,057,523	2,063,934	2,055,670	2,276,871	2,469,043
Reserve for Uncollected Taxes	<u>2,221,738</u>	<u>2,419,282</u>	<u>1,760,072</u>	<u>2,036,277</u>	<u>1,798,908</u>
Total Appropriations:	<u>\$37,492,393</u>	<u>\$37,950,745</u>	<u>\$40,181,842</u>	<u>\$41,147,311</u>	<u>\$42,227,418</u>

Source: Annual Adopted Budgets of the Township

**Fund Balance**

**Current Fund**

The following table lists the Township’s fund balance and the amount utilized in the succeeding year’s budget for the Current Fund for the past five (5) fiscal years ending December 31.

<b><u>Year</u></b>	<b><u>Fund Balance - Current Fund</u></b>	
	<b><u>Balance 12/31</u></b>	<b><u>Utilized in Budget of Succeeding Year</u></b>
2023	\$5,771,639	\$4,100,000
2022	5,802,615	4,000,000
2021	6,350,009	4,220,000
2020	4,963,316	3,104,516
2019	5,067,648	3,325,148

Source: Annual Audit Reports of the Township

**Township Indebtedness as of December 31, 2023**

**General Purpose Debt**

Serial Bonds	\$12,360,000
Bond Anticipation Notes	17,499,000
Bonds and Notes Authorized but Not Issued	8,630,475
Other Bonds, Notes and Loans	11,371
Total:	<u>\$38,500,846</u>

**Local School District Debt**

Serial Bonds	\$31,245,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$31,245,000</u>

**Self-Liquidating Debt**

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	<u>\$0</u>

**TOTAL GROSS DEBT**

**\$69,745,846**

Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	31,245,000
Self-Liquidating Debt	0
Total:	<u>\$31,245,000</u>

**TOTAL NET DEBT**

**\$38,500,846**

Source: Annual Debt Statement of the Township

*[Remainder of Page Intentionally Left Blank]*

**Overlapping Debt (as of December 31, 2023)<sup>2</sup>**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Township Percentage</u></b>	<b><u>Township Share</u></b>
Local School District	\$31,245,000	100.00%	\$31,245,000
Monroe Municipal Utilities Authority	\$5,025,869	100.00%	5,025,869
County	334,838,418	10.28%	<u>34,434,816</u>
Net Indirect Debt			\$70,705,685
Net Direct Debt			<u>38,500,846</u>
Total Net Direct and Indirect Debt			<b><u>\$109,206,530</u></b>

**Debt Limit**

Average Equalized Valuation Basis (2021, 2022, 2023)	\$3,507,323,706
Permitted Debt Limitation (3 1/2%)	122,756,330
Less: Net Debt	<u>38,500,846</u>
Remaining Borrowing Power	<u>\$84,255,484</u>
Percentage of Net Debt to Average Equalized Valuation	1.098%
Gross Debt Per Capita based on 2020 population of 37,117	\$1,879
Net Debt Per Capita based on 2020 population of 37,117	\$1,037

Source: Annual Debt Statement of the Township

**Litigation**

The status of pending litigation is included in the Notes to Financial Statements of the Township's annual audit report.

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<sup>2</sup> Township percentage of County and Authority debt is based on the Township's share of total equalized valuation in the County and the usage of the Authority.

**APPENDIX B**

**FINANCIAL STATEMENTS OF THE TOWNSHIP OF MONROE**



## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Council  
Township of Monroe  
Williamstown, New Jersey 08094

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

#### ***Opinions***

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Monroe, in the County of Gloucester, State of New Jersey, as of December 31, 2023, 2022, 2021, 2020 and 2019, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

#### ***Unmodified Opinion 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 Monroe, in the County of Gloucester, State of New Jersey, as of December 31, 2023, 2022, 2021, 2020 and 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

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

#### ***Basis for Opinion 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,

Handwritten signature of Bowman & Company LLP in black ink.

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Handwritten signature of Michael D. Cesaro in black ink.

Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 28, 2024

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

	As of December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>					
<b>Regular Fund:</b>					
Cash and Investments	\$ 10,438,286.26	\$ 12,008,907.48	\$ 12,209,982.78	\$ 10,124,407.53	\$ 9,116,027.19
<b>Receivables and Other Assets with Full Reserves:</b>					
Delinquent Property Taxes Receivable	1,705,545.14	1,811,105.61	1,704,296.87	1,971,823.61	1,932,336.91
Tax Title Liens Receivable	23,584.82	117,035.17	148,679.65	1,252,858.02	1,430,748.51
Property Acquired for Taxes--Assessed Valuation	2,751,508.40	2,654,900.00	7,130,800.00	4,119,000.00	2,294,600.00
Local Grant Receivable			1,197.22	5,697.22	11,339.96
Other Liens Receivable	7,284.14	7,284.14	28,794.33	28,794.33	23,116.67
Other Receivables			72,640.60	5,884.42	12,600.60
Revenue Accounts Receivable	9,294.90	8,890.70	6,077.43	72,640.60	206,861.32
Due from Monroe MUA	10,696.54	10,696.54	10,696.54		
Interfunds Receivable	16,585.80	10,139.20	13,972.08		350.00
	<u>4,524,499.74</u>	<u>4,620,051.36</u>	<u>9,117,154.72</u>	<u>7,456,698.20</u>	<u>5,911,953.97</u>
<b>Deferred Charges:</b>					
Local Grant Without Expenditure				3,038.34	
Overexpenditure of Appropriations					45,227.34
Overexpenditures of Appropriation Reserves					71.31
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,038.34</u>	<u>45,298.65</u>
<b>Total Current Fund</b>	<u>14,962,786.00</u>	<u>16,628,958.84</u>	<u>21,327,137.50</u>	<u>17,584,144.07</u>	<u>15,073,279.81</u>
<b>Federal and State Grant Fund:</b>					
Federal and State Grants Receivable	1,312,501.01	1,401,619.45	680,178.04	575,230.76	724,012.01
Interfunds Receivable	748,005.19	1,357,170.27	2,353,504.36	445,885.37	65,993.87
Grant Expenditures Without Appropriation				14,442.67	
<b>Total Federal and State Grant Fund</b>	<u>2,060,506.20</u>	<u>2,758,789.72</u>	<u>3,033,682.40</u>	<u>1,035,558.80</u>	<u>790,005.88</u>
	<u>\$ 17,023,292.20</u>	<u>\$ 19,387,748.56</u>	<u>\$ 24,360,819.90</u>	<u>\$ 18,619,702.87</u>	<u>\$ 15,863,285.69</u>

(Continued)

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

	As of December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>					
Regular Fund:					
Liabilities and Reserves:					
Appropriation Reserves	\$ 1,310,900.67	\$ 2,133,350.36	\$ 1,480,420.38	\$ 2,467,233.48	\$ 1,797,589.01
Reserve for Encumbrances	549,511.08	1,118,377.13	581,150.84	566,046.08	878,615.57
Accounts Payable	710.96	40,830.00	28,347.00	150.00	3,506.18
Due to State of New Jersey - Veterans and Senior Citizens Deductions	44,979.84	39,076.60	44,607.13	49,357.91	55,385.19
Prepaid Taxes	954,478.89	869,772.57	1,005,403.72	1,067,241.38	859,071.86
Tax Overpayments	10,670.74	20,532.81	13,693.61	203,744.19	62,107.35
School Taxes Payable	1.00	1.00	2.00	2.00	
Due County for Added and Omitted Taxes	217,988.93	173,527.93	131,875.99	165,361.33	100,611.81
Due to State of New Jersey	16,085.00	16,231.00	12,518.00	18,404.00	25,074.00
Payroll Taxes Payable	135,772.09	136,941.57	125,186.87	150,786.35	137,377.51
Local Grants Unappropriated	11,052.78	6,552.78	10,750.00	7,750.00	6,000.00
Reserve for Local Grants - Appropriated	65,683.32	18,296.91	54,120.00	4,756.58	3,662.46
Other Liabilities and Reserves	497,902.04	257,756.38	800.00	700.09	700.00
Interfunds Payable	850,910.36	1,375,045.81	2,371,098.74	462,596.93	163,976.43
	4,666,647.70	6,206,292.85	5,859,974.28	5,164,130.32	4,093,677.37
Reserves for Receivables and Other Assets	4,524,499.74	4,620,051.36	9,117,154.72	7,456,698.20	5,911,953.97
Fund Balance	5,771,638.56	5,802,614.63	6,350,008.50	4,963,315.55	5,067,648.47
Total Current Fund	14,962,786.00	16,628,958.84	21,327,137.50	17,584,144.07	15,073,279.81
Federal and State Grant Fund:					
Reserve for Encumbrances	832,055.77	1,276,214.63	885,498.01	96,141.19	12,252.65
Appropriated Reserves	1,202,927.02	1,465,675.09	2,131,284.39	939,417.61	724,047.32
Unappropriated Reserves	25,523.41	16,900.00	16,900.00		53,705.91
Total Federal and State Grant Fund	2,060,506.20	2,758,789.72	3,033,682.40	1,035,558.80	790,005.88
	<u>\$ 17,023,292.20</u>	<u>\$ 19,387,748.56</u>	<u>\$ 24,360,819.90</u>	<u>\$ 18,619,702.87</u>	<u>\$ 15,863,285.69</u>

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

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

	For the Years Ended December 31,				
	2023	2022	2021	2020	2019
<b>REVENUES AND OTHER INCOME REALIZED:</b>					
Fund Balance Utilized	\$ 4,000,000.00	\$ 4,220,000.00	\$ 3,104,515.82	\$ 3,325,147.67	\$ 3,857,600.00
Miscellaneous Revenue Anticipated	9,398,673.67	11,111,797.26	10,704,393.26	8,487,389.13	8,566,982.87
Receipts from Delinquent Taxes	1,757,625.00	1,679,922.98	2,073,406.17	2,041,937.66	2,016,483.17
Receipts from Current Taxes	101,646,184.41	99,371,747.27	99,193,254.91	97,418,438.32	96,038,559.22
Non-Budget Revenues	778,692.18	1,592,369.15	894,971.66	621,707.23	911,153.44
Other Credits to Income	1,725,599.94	968,140.27	1,886,112.67	1,423,099.32	1,186,379.43
Reserves Returned	2,017.96	97,983.67		65,550.25	
<b>Total Revenues</b>	<b>119,308,793.16</b>	<b>119,041,960.60</b>	<b>117,856,654.49</b>	<b>113,383,269.58</b>	<b>112,577,158.13</b>
<b>EXPENDITURES:</b>					
Budget Appropriations:					
Operations Within "CAPS":					
Salaries and Wages	16,053,705.00	15,885,820.00	14,899,920.00	14,921,320.00	14,539,186.57
Other Expenses	14,272,895.00	14,298,431.00	13,169,600.00	13,098,850.00	13,370,052.33
Deferred Charges and Statutory Expenditures Within "CAPS"	3,884,560.00	3,781,493.19	3,563,462.01	3,349,986.65	3,378,458.18
Operations Excluded From "CAPS":					
Salaries and Wages	32,400.00	32,400.00	32,400.00	105,000.00	
Other Expenses	2,167,030.33	3,150,740.02	3,312,520.48	1,183,331.04	1,436,922.21
Capital Improvements Excluded From "CAPS"	455,823.00	558,727.00	596,441.00	697,561.00	578,084.00
Debt Service	2,276,562.79	1,923,825.51	2,063,923.68	2,056,769.25	2,467,826.84
County Taxes and County Share of Added and Omitted Taxes	20,427,210.09	19,903,760.51	19,528,876.10	19,123,139.41	18,688,293.77
Municipal Open Space Tax	84,933.94	84,384.55	83,349.39	81,762.00	81,301.00
Local School District Tax	55,669,147.00	55,742,741.00	56,079,620.00	55,528,988.00	54,785,520.00
Interfund Loan Advanced					42.48
Prior Year Deductions Disallowed	7,037.52	7,031.69	10,664.44	12,375.06	11,891.04
Refund of Prior Year Revenue				3,372.42	4,259.53
Local Grant Without Expenditure				3,038.34	
Creation of Reserve for Interfunds and Other Receivables	8,464.56		24,668.62		
<b>Total Expenditures</b>	<b>115,339,769.23</b>	<b>115,369,354.47</b>	<b>113,365,445.72</b>	<b>110,165,493.17</b>	<b>109,341,837.95</b>
Excess in Revenue	3,969,023.93	3,672,606.13	4,491,208.77	3,217,776.41	3,235,320.18
Adjustments to Income Before Fund Balance:					
Expenditures Included above which are by Statute					
Deferred Charges to Budget of Succeeding Year				3,038.34	45,227.34
Statutory Excess to Fund Balance	3,969,023.93	3,672,606.13	4,491,208.77	3,220,814.75	3,280,547.52
<b>FUND BALANCE:</b>					
January 1	5,802,614.63	6,350,008.50	4,963,315.55	5,067,648.47	5,644,700.95
Decreased by:	9,771,638.56	10,022,614.63	9,454,524.32	8,288,463.22	8,925,248.47
Utilized in Budget	4,000,000.00	4,220,000.00	3,104,515.82	3,325,147.67	3,857,600.00
December 31	<u>\$ 5,771,638.56</u>	<u>\$ 5,802,614.63</u>	<u>\$ 6,350,008.50</u>	<u>\$ 4,963,315.55</u>	<u>\$ 5,067,648.47</u>

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

**TOWNSHIP OF MONROE**  
**TRUST FUNDS**  
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis

	As of December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>					
Animal Control Fund:					
Cash	\$ 30,116.54	\$ 33,484.20	\$ 39,109.01	\$ 30,677.20	\$ -
Other Funds:					
Cash	6,147,354.59	5,941,722.20	5,804,911.79	4,770,284.03	5,775,169.74
Off-Duty Police Receivables	18,091.72		15,262.22	19,266.47	83,591.47
Interfunds Receivable					81,301.00
	<u>6,165,446.31</u>	<u>5,941,722.20</u>	<u>5,820,174.01</u>	<u>4,789,550.50</u>	<u>5,940,062.21</u>
Municipal Open Space Trust Fund:					
Cash	1,911,995.19	1,894,079.62	1,805,932.52	1,713,980.17	
Due from Current Fund	85,910.49	976.55	739.39		
	<u>1,997,905.68</u>	<u>1,895,056.17</u>	<u>1,806,671.91</u>	<u>1,713,980.17</u>	-
Length of Service Awards Program:					
Investments - Length of Service Awards Program	2,505,022.87	2,267,186.79	2,593,694.60	2,179,627.13	1,939,197.15
	<u>2,505,022.87</u>	<u>2,267,186.79</u>	<u>2,593,694.60</u>	<u>2,179,627.13</u>	<u>1,939,197.15</u>
	<u>\$ 10,698,491.40</u>	<u>\$ 10,137,449.36</u>	<u>\$ 10,259,649.53</u>	<u>\$ 8,713,835.00</u>	<u>\$ 7,879,259.36</u>

(Continued)

**TOWNSHIP OF MONROE**  
**TRUST FUNDS**  
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis

	As of December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>LIABILITIES AND RESERVES</b>					
<b>Animal Control Fund:</b>					
Reserve for Animal Control Fund Expenditures	\$ 21,965.30	\$ 23,329.40	\$ 26,057.40	\$ 30,668.20	
Interfund Payable	8,121.24	10,139.20	13,051.61		
Due to State of New Jersey - Department of Health	30.00	15.60		9.00	
	<u>30,116.54</u>	<u>33,484.20</u>	<u>39,109.01</u>	<u>30,677.20</u>	\$ -
<b>Other Funds:</b>					
Reserve for Encumbrances - Trust Other	49,199.19	48,511.56	62,574.35	132,363.68	97,602.54
Interfund Payables	8,464.56		920.47		350.00
Due to State of New Jersey					22.80
Reserve for Dog Fund Expenditures					39,571.50
Reserve for Encumbrances - Escrow Trust					32,327.80
Reserve for Developer's Escrow	1,856,344.45	1,672,101.09	1,241,411.54	1,143,209.80	1,015,143.67
Reserve for Forfeited Funds	85,175.55	94,838.17	83,474.93	78,664.37	113,515.35
Reserve for Outside Employment of Off-Duty Municipal Police Officers		76,145.78	160,966.75	56,652.25	42,362.25
Reserve for Deposits for Redemption of Tax Sale Certificates	208.91			1,007.94	553.28
Reserve for Premiums on Tax Sale	982,000.00	1,474,900.00	1,949,500.00	1,288,800.00	1,109,100.00
Reserve for Parks and Recreation Trust Fund	487,817.49	324,412.47	507,438.51	390,041.37	398,057.72
Reserve for Public Defender Fees	28,637.97	27,362.97	25,197.97	22,969.47	21,297.97
Reserve for Parking Offenses Adjudication Act	1,321.67	1,319.67	1,307.67	1,299.67	1,269.67
Reserve for Recycling Fees	252,102.27	255,655.68	188,762.48	118,466.85	177,510.16
Reserve for Sidewalk Trust Fund	77,517.07	136,817.07	132,917.07	119,617.07	116,367.07
Reserve for Storm Recovery Trust Fund	220,907.14	202,963.88	190,607.12	198,416.64	158,416.64
Reserve for Accumulated Absences Liability	203,670.96	184,007.53	159,346.76	165,038.95	166,266.95
Reserve for Basin Maintenance Trust Fund	78,134.79	77,534.79	86,534.79	95,534.79	104,534.79
Reserve for Municipal Open Space					1,637,650.80
Reserve for Affordable Housing Trust Fund	1,729,303.10	1,296,635.30	983,517.28	916,457.81	622,350.13
Reserve for New Jersey Unemployment Compensation Insurance	80,540.98	44,932.17	21,956.58	35,066.43	60,224.70
Reserve for Police Donations	10,186.36	10,186.36	10,186.36	10,354.36	10,116.36
Reserve for Historical Society Donations	8,660.55	8,660.55	8,660.55	8,660.55	8,660.55
Reserve for Community Activities and Events	3,397.30	2,881.16	3,036.83	5,072.50	4,933.51
Reserve for Main Street Committee Donations	1,356.00	1,356.00	1,356.00	1,356.00	1,356.00
Reserve for Environmental Commission Donations	500.00	500.00	500.00	500.00	500.00
	<u>6,165,446.31</u>	<u>5,941,722.20</u>	<u>5,820,174.01</u>	<u>4,789,550.50</u>	<u>5,940,062.21</u>
<b>Municipal Open Space Trust Fund</b>					
Reserve for Encumbrances		4,250.00			
Reserve for Municipal Open Space	1,997,905.68	1,890,806.17	1,806,671.91	1,713,980.17	
	<u>1,997,905.68</u>	<u>1,895,056.17</u>	<u>1,806,671.91</u>	<u>1,713,980.17</u>	-
<b>Length of Service Awards Program:</b>					
Reserve for Length of Service Awards Program	2,505,022.87	2,267,186.79	2,593,694.60	2,179,627.13	1,939,197.15
	<u>\$ 10,698,491.40</u>	<u>\$ 10,137,449.36</u>	<u>\$ 10,259,649.53</u>	<u>\$ 8,713,835.00</u>	<u>\$ 7,879,259.36</u>

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



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

	As of December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>					
Cash	\$ 4,706,194.94	\$ 3,514,368.54	\$ 8,833,048.69	\$ 2,334,618.33	\$ 6,056,535.74
Grants Receivable					460,000.00
Deferred Charges to Future Taxation:					
Funded	12,371,370.84	13,805,699.69	15,189,985.25	16,579,176.05	17,940,999.75
Unfunded	26,129,475.00	22,082,475.00	17,499,675.00	12,725,450.00	3,866,700.00
Amounts to be Provided by Lease Payments	30,000.00	60,000.00	90,000.00	345,000.00	590,000.00
Due from State of New Jersey	460,000.00	460,000.00	460,000.00	460,000.00	
	<u>\$ 43,697,040.78</u>	<u>\$ 39,922,543.23</u>	<u>\$ 42,072,708.94</u>	<u>\$ 32,444,244.38</u>	<u>\$ 28,914,235.49</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>					
General Serial Bonds	\$ 12,360,000.00	\$ 13,790,000.00	\$ 15,170,000.00	\$ 16,555,000.00	\$ 17,907,000.00
Bond Anticipation Notes	17,499,000.00	12,265,450.00	12,265,450.00		
Green Trust Program Loan Payable	11,370.84	15,699.69	19,985.25	24,176.05	33,999.75
Capital Improvement Fund	20,800.00	8,800.00		715.63	116,965.63
Obligations Under Capital Lease	30,000.00	60,000.00	90,000.00	345,000.00	590,000.00
Reserve for Encumbrances	2,655,583.53	2,320,996.97	4,374,850.67	1,270,674.08	1,859,956.92
Improvement Authorizations:					
Funded	1,791,972.66	2,120,822.93	2,508,000.83	3,169,851.38	5,138,683.49
Unfunded	9,219,056.89	9,174,938.62	7,520,780.31	11,044,080.72	3,232,883.18
Fund Balance	109,256.86	165,835.02	123,641.88	34,746.52	34,746.52
	<u>\$ 43,697,040.78</u>	<u>\$ 39,922,543.23</u>	<u>\$ 42,072,708.94</u>	<u>\$ 32,444,244.38</u>	<u>\$ 28,914,235.49</u>

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

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

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

**Description of Financial Reporting Entity** - The Township of Monroe (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on March 3, 1859 from portions of Washington Township. The Township, located in Gloucester County, New Jersey, has a total area of approximately forty-seven square miles, and is located approximately twenty miles from the City of Philadelphia. The Township borders Clayton, Franklin Township, Glassboro, and Washington Township. According to the 2020 census, the population is 37,117.

The Township has a Mayor-Council form of government under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the Business Administrator. Department Heads are appointed by the Mayor, with the consent of the Council. The seven (7) member Township Council exercises legislative responsibilities.

**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:

Monroe Township Municipal Utility Authority  
372 S. Main Street  
Williamstown, NJ 08094

Free Public Library of Monroe Township  
713 Marsha Avenue  
Williamstown, NJ 08094

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 225), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

**General Fixed Assets (Cont'd)** - 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.

**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 and the Monroe Township Public School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

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

**School Taxes** - The Township is responsible for levying, collecting, and remitting school taxes for the Monroe Township Public School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31. For the school district, operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30.

**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.

**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; interest on general capital indebtedness is on the cash basis.

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

**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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles****Recently Issued Accounting Pronouncements**

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

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

As of December 31, 2023, the Township’s bank balances of \$23,660,501.29 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 21,839,084.31
Uninsured and Uncollateralized	1,821,416.98
Total	\$ 23,660,501.29

**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:

	Year Ended				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	\$ 3.635	\$ 3.618	\$ 3.641	\$ 3.637	\$ 3.615
Apportionment of Tax Rate:					
Municipal	\$ .893	\$ .859	\$ .862	\$ .864	\$ .865
Municipal Library	.042	.036	.033	.033	.033
Municipal Open Space	.003	.004	.002	.003	.003
County	.719	.671	.707	.697	.688
Local School	1.978	2.048	2.037	2.040	2.026



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

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

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2023	\$ 2,814,545,900.00
2022	2,777,194,100.00
2021	2,753,359,000.00
2020	2,721,975,400.00
2019	2,719,893,037.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2023	\$ 103,421,310.07	\$ 101,646,184.41	98.28%
2022	101,362,562.68	99,371,747.27	98.04%
2021	100,931,253.16	99,193,254.91	98.28%
2020	99,792,157.17	97,418,438.32	97.62%
2019	98,218,470.63	96,038,559.22	97.78%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2023	\$ 23,584.82	\$ 1,705,545.14	\$ 1,729,129.96	1.67%
2022	117,035.17	1,811,105.61	1,928,140.78	1.90%
2021	148,679.65	1,704,296.87	1,852,976.52	1.84%
2020	1,252,858.02	1,971,823.61	3,224,681.63	3.19%
2019	1,430,748.51	1,932,336.91	3,363,085.42	3.37%

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

<u>Year</u>	<u>Number</u>
2023	10
2022	10
2021	28
2020	145
2019	170

**Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 2,751,508.40
2022	2,654,900.00
2021	7,130,800.00
2020	4,119,000.00
2019	2,294,600.00

**Note 5: FUND BALANCES APPROPRIATED**

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

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2023	\$ 5,771,638.56	\$ 4,100,000.00	71.04%
2022	5,802,614.63	4,000,000.00	68.93%
2021	6,350,008.50	4,220,000.00	66.46%
2020	4,963,315.55	3,104,515.82	62.55%
2019	5,067,648.47	3,325,147.67	65.62%

**Note 6: INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 16,585.80	\$ 833,915.68
Federal and State Grant	748,005.19	
Trust - Animal Control		8,121.24
Trust - Open Space	85,910.49	
Trust - Other		8,464.56
Totals	<u>\$ 850,501.48</u>	<u>\$ 850,501.48</u>

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

**Note 7: PENSION PLANS**

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

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

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

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

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

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

**Police and Firemen's Retirement System** - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, 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

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

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

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

The following represents the membership tiers for PFRS:

**Tier Definition**

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

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

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

**Contributions**

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

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

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)****Public Employees' Retirement System (Cont'd) - *Special Funding Situation Component (Cont'd)* -**

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

The Township's contractually required contribution rate for the year ended December 31, 2022 was 16.81% 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 \$1,042,406.00, 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 \$912,612.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$471,489.94.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, under Chapter 133, P.L. 2001, for the year ended December 31, 2022 was 0.42% 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 \$26,248.00, and is payable by April 1, 2023.

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

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

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

The Township's contractually required contribution rate for the year ended December 31, 2022 was 35.38% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, 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 \$2,219,023.00, 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 \$2,082,179.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$630,171.20.

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 6.90% 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 \$432,715.00, 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 \$319,040.00, which was paid on April 1, 2022.

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

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

For the year ended December 31, 2022, employee contributions totaled \$14,835.07, and the Township's contributions were \$7,988.11. There were no forfeitures during the year.

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

**Pension Liability** - As of December 31, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Township's proportionate share of the PERS net pension liability was \$12,474,816.00. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the Township's proportion was 0.0826618798%, which was an increase of 0.0047351992% from its proportion measured as of June 30, 2021.



**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)**

**Public Employees' Retirement System (Cont'd)**

**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 (\$795,485.00). 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 \$912,612.00, 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 \$26,248.00. 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	\$ 19,529,939.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>3,475,757.00</u>
	<u>\$ 23,005,696.00</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 0.1706214500%, which was a decrease of 0.0080351571% 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 0.1706215400%, which was a decrease of 0.0080352859% 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 (\$522,573.00). 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 \$2,082,179.00, 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 \$401,010.00. 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	\$ 90,037.00	\$ 883,977.00	\$ 974,014.00	\$ 79,400.00	\$ 1,196,474.00	\$ 1,275,874.00
Changes of Assumptions	38,651.00	53,524.00	92,175.00	1,867,974.00	2,458,434.00	4,326,408.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	516,321.00	1,788,369.00	2,304,690.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	870,610.00	276,557.00	1,147,167.00	311,892.00	1,966,075.00	2,277,967.00
Contributions Subsequent to the Measurement Date	521,203.00	1,109,512.00	1,630,715.00	-	-	-
	<u>\$ 2,036,822.00</u>	<u>\$ 4,111,939.00</u>	<u>\$ 6,148,761.00</u>	<u>\$ 2,259,266.00</u>	<u>\$ 5,620,983.00</u>	<u>\$ 7,880,249.00</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 \$521,203.00 and \$1,109,512.00 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	\$ (1,040,668.00)	\$ (1,558,486.00)	\$ (2,599,154.00)
2024	(412,748.00)	(1,141,882.00)	(1,554,630.00)
2025	(59,345.00)	(879,090.00)	(938,435.00)
2026	763,239.00	1,135,786.00	1,899,025.00
2027	5,875.00	(149,441.00)	(143,566.00)
Thereafter	-	(25,443.00)	(25,443.00)
	<u>\$ (743,647.00)</u>	<u>\$ (2,618,556.00)</u>	<u>\$ (3,362,203.00)</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 (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Proportionate Share of the Net Pension Liability	<u>\$ 16,026,484.00</u>	<u>\$ 12,474,816.00</u>	<u>\$ 9,452,203.00</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	\$ 26,797,185.00	\$ 19,529,939.00	\$ 13,479,921.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>4,769,113.00</u>	<u>3,475,757.00</u>	<u>2,399,031.00</u>
	<u>\$ 31,566,298.00</u>	<u>\$ 23,005,696.00</u>	<u>\$ 15,878,952.00</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	0.0826618798%	0.0779266806%	0.0771106849%	0.0780949681%	0.0822603787%
Proportionate Share of the Net Pension Liability	\$ 12,474,816.00	\$ 9,231,584.00	\$ 12,574,736.00	\$ 14,071,529.00	\$ 16,196,659.00
Covered Payroll (Plan Measurement Period)	\$ 6,037,784.00	\$ 5,695,532.00	\$ 5,528,488.00	\$ 5,423,656.00	\$ 5,720,548.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	206.61%	162.08%	227.45%	259.45%	283.13%
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	0.0806733036%	0.0777923358%	0.0793098495%	0.0796835872%	0.0767854922%
Proportionate Share of the Net Pension Liability	\$ 18,779,456.00	\$ 23,039,859.00	\$ 17,803,472.00	\$ 14,918,947.00	\$ 14,675,233.00
Covered Payroll (Plan Measurement Period)	\$ 5,589,024.00	\$ 5,291,868.00	\$ 5,439,724.00	\$ 5,373,784.00	\$ 5,296,824.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	336.01%	435.38%	327.29%	277.62%	277.06%
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)***

	<u>Year Ended December 31,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 1,042,406.00	\$ 912,612.00	\$ 843,552.00	\$ 759,634.00	\$ 818,225.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,042,406.00)</u>	<u>(912,612.00)</u>	<u>(843,552.00)</u>	<u>(759,634.00)</u>	<u>(818,225.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 6,199,933.00	\$ 5,986,217.00	\$ 5,763,910.00	\$ 5,645,699.00	\$ 5,500,787.00
Contributions as a Percentage of Covered Payroll	16.81%	15.25%	14.64%	13.46%	14.87%
	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 747,352.00	\$ 691,096.00	\$ 681,852.00	\$ 656,900.00	\$ 578,563.00
Contribution in Relation to the Contractually Required Contribution	<u>(747,352.00)</u>	<u>(691,096.00)</u>	<u>(681,852.00)</u>	<u>(656,900.00)</u>	<u>(578,563.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 5,629,637.00	\$ 5,465,757.00	\$ 5,296,693.00	\$ 5,360,008.00	\$ 5,344,812.00
Contributions as a Percentage of Covered Payroll	13.28%	12.64%	12.87%	12.26%	10.82%

**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	0.1706214500%	0.1786566071%	0.1760185555%	0.1833538830%	0.1920293685%
Proportionate Share of the Net Pension Liability	\$ 19,529,939.00	\$ 13,058,283.00	\$ 22,743,919.00	\$ 22,438,516.00	\$ 25,984,739.00
State's Proportionate Share of the Net Pension Liability	3,475,757.00	3,672,639.00	3,529,753.00	3,543,084.00	3,529,597.00
Total	<u>\$ 23,005,696.00</u>	<u>\$ 16,730,922.00</u>	<u>\$ 26,273,672.00</u>	<u>\$ 25,981,600.00</u>	<u>\$ 29,514,336.00</u>
Covered Payroll (Plan Measurement Period)	\$ 6,109,128.00	\$ 6,219,264.00	\$ 6,205,340.00	\$ 6,105,736.00	\$ 6,370,668.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	319.68%	209.97%	366.52%	367.50%	407.88%
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	0.1942943666%	0.1815907380%	0.1721111579%	0.1644184168%	0.1707293029%
Proportionate Share of the Net Pension Liability	\$ 29,995,294.00	\$ 34,688,476.00	\$ 28,667,719.00	\$ 20,682,312.00	\$ 22,696,920.00
State's Proportionate Share of the Net Pension Liability	3,359,726.00	2,912,972.00	2,514,063.00	2,227,137.00	2,115,629.00
Total	<u>\$ 33,355,020.00</u>	<u>\$ 37,601,448.00</u>	<u>\$ 31,181,782.00</u>	<u>\$ 22,909,449.00</u>	<u>\$ 24,812,549.00</u>
Covered Payroll (Plan Measurement Period)	\$ 6,289,256.00	\$ 5,778,088.00	\$ 5,450,440.00	\$ 5,274,692.00	\$ 5,358,056.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	476.93%	600.35%	525.97%	392.10%	423.60%
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)***

	<u>Year Ended December 31,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 2,219,023.00	\$ 2,082,179.00	\$ 1,966,428.00	\$ 1,852,077.00	\$ 1,877,370.00
Contribution in Relation to the Contractually Required Contribution	<u>(2,219,023.00)</u>	<u>(2,082,179.00)</u>	<u>(1,966,428.00)</u>	<u>(1,852,077.00)</u>	<u>(1,877,370.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 6,271,732.00	\$ 6,120,755.00	\$ 6,142,416.00	\$ 6,047,783.00	\$ 6,158,005.00
Contributions as a Percentage of Covered Payroll	35.38%	34.02%	32.01%	30.62%	30.49%
	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 1,719,541.00	\$ 1,480,583.00	\$ 1,399,007.00	\$ 1,262,847.00	\$ 1,245,603.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,719,541.00)</u>	<u>(1,480,583.00)</u>	<u>(1,399,007.00)</u>	<u>(1,262,847.00)</u>	<u>(1,245,603.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 6,338,404.00	\$ 6,289,111.00	\$ 5,814,285.00	\$ 5,558,328.00	\$ 5,352,338.00
Contributions as a Percentage of Covered Payroll	27.13%	23.54%	24.06%	22.72%	23.27%

**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:

<b><u>Discount Rate</u></b>				<b><u>Long-term Expected Rate of Return</u></b>			
<b><u>Year</u></b>	<b><u>Rate</u></b>	<b><u>Year</u></b>	<b><u>Rate</u></b>	<b><u>Year</u></b>	<b><u>Rate</u></b>	<b><u>Year</u></b>	<b><u>Rate</u></b>
2022	7.00%	2017	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:

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

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

**Note 8: LENGTH OF SERVICE AWARDS PROGRAM**

**Plan Description** - The Township's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Resolution adopted on January 22, 2002 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the Township approved the adoption of the Plan at the general election held on November 7, 2000, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2002. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by 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 Williamstown Fire Company, Cecil Fire Company, and Monroe Township Ambulance Association come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

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

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

The Township elected to contribute \$1,955.00 for the year ended December 31, 2023 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2023, the Township's total expenditure to the Plan was \$93,840.00.

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

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

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

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

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

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

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

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

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

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

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

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

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

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

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

The Township was billed monthly by the Plan and paid \$1,670,675.88, for the year ended December 31, 2022, representing 1.36% of the Township's covered payroll. During the year ended December 31, 2022, retirees were required to contribute \$22,983.72 to the Plan.

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

**OPEB Liability** - At December 31, 2022, the Township's proportionate share of the net OPEB liability was \$43,621,026.00.

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

The Township's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the Township's proportion was 0.270106%, which was an increase of 0.008115% from its proportion measured as of the June 30, 2021 measurement date, as adjusted.

**OPEB (Benefit) Expense** - At December 31, 2022, the Township's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date, is \$1,960,176.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the Township made contributions to the Plan totaling \$1,670,675.88.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 2,252,636.00	\$ 8,085,484.00
Changes of Assumptions	5,821,407.00	14,887,015.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	11,484.00	-
Changes in Proportion	12,945,051.00	2,081,375.00
Contributions Subsequent to the Measurement Date	835,337.94	-
	<u>\$ 21,865,915.94</u>	<u>\$ 25,053,874.00</u>



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

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

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Deferred outflows of resources in the amount of \$835,337.94 will be included as a reduction of the Township's net OPEB liability during the year ending December 31, 2023. The Township will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

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

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

<b>Year Ending Dec. 31,</b>	
2023	\$ (2,430,721.00)
2024	(2,434,210.00)
2025	(1,094,386.00)
2026	501,609.00
2027	1,875,617.00
Thereafter	<u>(441,205.00)</u>
	<u>\$ (4,023,296.00)</u>

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

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

## Salary Increases \*

PERS - Rates for all future years	2.75% to 6.55% based on years of service
PFRS - Rates for all future years	3.25% to 16.25% based on years of service

## Mortality:

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

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Proportionate Share of the Net OPEB Liability	\$ 50,565,550.00	\$ 43,621,026.00	\$ 38,033,506.00

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Proportionate Share of the Net OPEB Liability	\$ 37,005,030.00	\$ 43,621,026.00	\$ 52,094,254.00

**OPEB Plan Fiduciary Net Position**

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

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

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	0.270106%	0.261991%	0.207294%
Proportionate Share of the Net OPEB Liability	\$ 43,621,026.00	\$ 47,157,807.00	\$ 37,202,252.00
Covered Payroll (Plan Measurement Period)	\$ 12,197,337.00	\$ 12,005,567.00	\$ 11,738,159.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	357.63%	392.80%	316.93%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	-0.36%	0.28%	0.91%
	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the Net OPEB Liability	0.194042%	0.202775%	0.196346%
Proportionate Share of the Net OPEB Liability	\$ 26,285,067.00	\$ 31,767,985.00	\$ 40,085,585.00
Covered Payroll (Plan Measurement Period)	\$ 11,748,770.00	\$ 11,725,337.00	\$ 11,979,853.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	223.73%	270.93%	334.61%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

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

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

	<u>Year Ended December 31,</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Required Contributions	\$ 1,670,675.88	\$ 1,386,415.08	\$ 1,271,177.35
Actual Contributions in Relation to the Required Contribution	<u>(1,670,675.88)</u>	<u>(1,386,415.08)</u>	<u>(1,271,177.35)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 12,471,665.00	\$ 12,106,972.00	\$ 11,906,326.00
Contributions as a Percentage of Covered Payroll	13.40%	11.45%	10.68%

  

	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Required Contributions	\$ 1,266,354.60	\$ 2,083,919.52	\$ 1,896,366.76
Actual Contributions in Relation to the Required Contribution	<u>(1,266,354.60)</u>	<u>(2,083,919.52)</u>	<u>(1,896,366.76)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 11,693,482.00	\$ 11,658,792.00	\$ 11,968,041.00
Contributions as a Percentage of Covered Payroll	10.83%	17.87%	15.85%

**Other Notes to Supplementary OPEB Information**

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

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

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

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

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

There were no changes to mortality projections.

**Note 10: COMPENSATED ABSENCES**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. The liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Township and its employees is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Township and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Employees of the Township are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. Employees are represented by a number of labor unions and each contract contains different provisions for employee-compensated absences.

The Township has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2023, the balance of the fund was \$203,670.96. It is estimated that, at December 31, 2023, accrued benefits for compensated absences are valued at \$2,149,303.73.

**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: FINANCED PURCHASE OBLIGATIONS**

**Gloucester County Improvement Authority Agreement**

As of December 31, the Township is financing equipment and municipal building improvements with a total cost of \$2,468,000.00. The agreement is for a term of twenty (20) years with an interest rate of ranging from 3%-4.5% through the Gloucester County Improvement Authority. The final maturity of the financed purchase is December 6, 2024.

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

**Description**

GCIA Capital Improvements	<u>\$ 30,000.00</u>
---------------------------	---------------------

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 30,000.00</u>	<u>\$ 1,350.00</u>	<u>\$ 31,350.00</u>

Under the provisions of GASB 87, for the year ended December 31, the Township would have reported assets in the amount of \$2,468,000.00 and a financed purchase obligation in the amount of \$30,000.00. In addition, for the year ended December 31, the Township would have recognized a reduction of the financed purchase obligation of \$30,000.00 and interest expense of \$3,182.17.

As a result of the regulatory basis of accounting previously described in note 1, the above noted cost of the assets, along with the financed purchase obligation liability, have not been recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund, instead, the annual payment of the financed purchase obligations of \$33,182.17 were budgeted and paid from the current fund. In addition, the assets have been recorded in the general fixed asset group of accounts at historical cost at the inception of each finance purchase agreement.

**Note 13: CAPITAL DEBT****General Improvement Bonds**

General Improvement Bonds, Series 2012 - On August 1, 2012, the Township issued \$3,800,000.00 of general improvement bonds, with interest rates ranging from 1.5% to 2.0%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds was March 1, 2023.

General Improvement Refunding Bonds, Series 2015 - On May 5, 2015, the Township issued \$4,300,000.00 in general improvement refunding bonds, with interest rates ranging from 2.0% to 4.0%, to advance refund outstanding 2008 general improvement bonds with interest rates ranging from 4.75% to 5.00%. The final maturity of the bonds is November 1, 2028.

General Improvement Bonds, Series 2019 - On May 2, 2019, the Township issued \$12,527,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 3.0%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is May 1, 2034.

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>
2024	\$ 1,370,000.00	\$ 319,587.50	\$ 1,689,587.50
2025	1,360,000.00	290,087.50	1,650,087.50
2026	1,405,000.00	259,287.50	1,664,287.50
2027	1,400,000.00	224,875.00	1,624,875.00
2028	1,425,000.00	189,375.00	1,614,375.00
2028-2033	4,500,000.00	472,500.00	4,972,500.00
2034	900,000.00	13,500.00	913,500.00
	<hr/>	<hr/>	<hr/>
Totals	<u>\$ 12,360,000.00</u>	<u>\$ 1,769,212.50</u>	<u>\$ 14,129,212.50</u>



**Note 13: CAPITAL DEBT (CONT'D)**

**General Debt - New Jersey Garden State Preservation Trust Loan**

During September 2006, the Township entered into a loan agreement with the New Jersey Garden State Preservation Trust to provide \$75,000.00, at an interest rate of 2.0%. The proceeds were used to fund park improvements in the Township. The final payment of the loans is May 1, 2026.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Garden State Preservation Trust loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,459.57	\$ 204.17	\$ 4,663.74
2025	4,549.21	114.53	4,663.74
2026	2,362.06	23.11	2,385.17
Totals	<u>\$ 11,370.84</u>	<u>\$ 341.81</u>	<u>\$ 11,712.65</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 29,870,370.84	\$ 26,071,149.69	\$ 27,455,435.25
Total Issued	<u>29,870,370.84</u>	<u>26,071,149.69</u>	<u>27,455,435.25</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	8,630,475.00	9,817,025.00	5,234,225.00
Total Authorized but not Issued	<u>8,630,475.00</u>	<u>9,817,025.00</u>	<u>5,234,225.00</u>
Total Issued and Authorized but not Issued	<u>38,500,845.84</u>	<u>35,888,174.69</u>	<u>32,689,660.25</u>
<b>Net Debt</b>	<u>\$ 38,500,845.84</u>	<u>\$ 35,888,174.69</u>	<u>\$ 32,689,660.25</u>

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.098%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 31,245,000.00	\$ 31,245,000.00	
General	38,500,845.84		\$ 38,500,845.84
	<u>\$ 69,745,845.84</u>	<u>\$ 31,245,000.00</u>	<u>\$ 38,500,845.84</u>

Net debt \$38,500,845.84 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$3,507,323,706.00, equals 1.098%.

**Note 13: CAPITAL DEBT (CONT'D)**

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

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 122,756,329.71
Less: Net Debt	<u>38,500,845.84</u>
Remaining Borrowing Power	<u>\$ 84,255,483.87</u>

**Note 14: RISK MANAGEMENT**

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

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 10,000.00	\$ 25,629.69	\$ 462.12	\$ 483.00	\$ 80,540.98
2022	10,000.00	24,483.05	264.54	11,772.00	44,932.17
2021	20,000.00	21,809.73	125.00	55,044.58	21,956.58

**Joint Insurance Pool** - The Township of Monroe is a member of the Gloucester, Salem, and Cumberland Counties Municipal Insurance Joint Insurance Fund (TRICO JIF). 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
- 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
- Excess Property including Boiler and Machinery
- Crime including Excess Public Employee and Public Official Coverage

**Note 14: RISK MANAGEMENT (CONT'D)****Joint Insurance Pool (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 488  
Marlton, New Jersey 08053

**Note 15: SERVICE AGREEMENT**

On June 10, 1960, the Township of Monroe entered into a Service Agreement with the Monroe Municipal Utilities Authority. This agreement was amended June 10, 1986, and again on July 16, 1987. This agreement was for the conveyance of Township property to the Authority to operate the water system. In consideration of the conveyance of the water system, the Authority shall make an annual payment to the Township of 25% of moneys remaining at the end of each Authority fiscal year after payment or provisions for payment in each fiscal year of operating expenses, operating reserves, debt service on all obligations, reserves required by any security agreement, and anticipated improvements, except to the extent that any such payment is waived by the Township. The Township agrees to pay any deficit the Authority may have in making payments for operating expenses and/or debt service.

**Note 16: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST**

On November 4, 2003 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Monroe Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2004, 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 two 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 Monroe Open Space, Recreation and Farmland Preservation Trust Funds.

**Note 17: 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 18: 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 19: TAX ABATEMENTS**

The Township enters into property tax abatement agreements with local businesses under the state Long Term Tax Exemption Law. Under the Law, municipalities may grant property tax abatements to Urban Renewal Entities to undertake commercial and residential redevelopment projects, relocation projects for residents displaced by the redevelopment area, and low and moderate income housing projects.

For the year ended December 31, the Township abated property taxes totaling \$557,174.92 under this program, including the following tax abatement agreements that each exceeded ten percent (10%) of the total amount abated:

- An eighty-three percent (83%) property tax abatement to a developer for the construction and operation of a 174-unit apartment building affordable housing project. The abatement amounted to \$279,346.00.
- An ninety-three percent (93%) property tax abatement for the purchase and maintenance of 177 dwelling units to ensure they remain affordable to low and moderate income eligible households. The abatement amounted to \$266,568.60.

**Note 20: SUBSEQUENT EVENTS**

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

<u>Purpose</u>	<u>Date</u>	<u>Authorization</u>
<b>General Improvements</b>		
Acquisition of Various Capital Equipment and Various Capital Improvements	04/10/24	\$ 5,014,575.00

**APPENDIX C**

**FORM OF BOND COUNSEL OPINIONS**



September 10, 2024

Mayor and Township Council  
of the Township of Monroe  
125 Virginia Avenue  
Williamstown, New Jersey

**RE: \$12,000,000 TOWNSHIP OF MONROE, COUNTY OF GLOUCESTER,  
NEW JERSEY, GENERAL OBLIGATION BONDS, SERIES 2024**

Mayor and Council Members:

We have served as Bond Counsel to the Township of Monroe, 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 Council and published in accordance with applicable law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Township Council on July 24, 2024 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on August 27, 2024 ("Award Certificate").

The Bonds are dated their date of delivery, mature on September 1 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 March 1 and September 1, commencing March 1, 2025, in each year until maturity or earlier redemption.

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>
2025	\$420,000	4.00%	2033	\$830,000	4.00%
2026	450,000	4.00	2034	830,000	4.00
2027	470,000	4.00	2035	830,000	4.00
2028	685,000	4.00	2036	830,000	2.00
2029	830,000	4.00	2037	830,000	4.00
2030	830,000	4.00	2038	835,000	4.00
2031	830,000	4.00	2039	835,000	4.00
2032	830,000	4.00	2040	835,000	4.00

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



The Bonds are issued in fully registered book-entry-only form without coupons, and are subject to redemption prior to their stated maturity dates as set forth therein.

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 *not* designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.





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,



September 10, 2024

Mayor and Township Council  
of the Township of Monroe  
125 Virginia Avenue  
Williamstown, New Jersey

**RE: \$13,863,000 TOWNSHIP OF MONROE, COUNTY OF GLOUCESTER,  
NEW JERSEY, BOND ANTICIPATION NOTES OF 2024, SERIES A**

Mayor and Council Members:

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

The Notes 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) bond ordinances 32-2015; 12-2016; 15-2021, as amended by Ordinance 21-2023; 15-2022; and 33-2023, each duly and finally adopted by the Township Council (collectively, the "Bond Ordinances"), and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on August 27, 2024 ("Award Certificate").

The Notes are issued to temporarily finance the costs of certain improvements described in the Bond Ordinances. The Notes are dated September 10, 2024 and mature on September 9, 2025. The Notes are issued in registered book-entry only form without coupons and are not subject to redemption prior to maturity.

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

Very truly yours,

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE AGREEMENT AND FORM OF  
INFORMATION REPORTING UNDERTAKING AGREEMENT**

## CONTINUING DISCLOSURE AGREEMENT

**THIS CONTINUING DISCLOSURE AGREEMENT** ("Disclosure Agreement") is made on this 10th day of September, 2024, between the Township of Monroe, 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 \$12,000,000 ("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 Phoenix Advisors, LLC, Bordentown, 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 August 27, 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) certain financial information and operating data of the Township consisting of Township indebtedness, property valuation information, and tax rate, levy and collection data. 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 seven (7) 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), (10), (13) or (14) of subsection (a) of this Section 5, the Township may, but shall not be required to, rely conclusively on an Opinion of Counsel.

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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.



(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 three (3) 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 Township:

125 Virginia Avenue  
Williamstown, New Jersey 08094  
Attention: Chief Financial Officer

(ii) If to the Dissemination Agent:

Phoenix Advisors LLC  
625 Farnsworth Avenue  
Bordentown, New Jersey 08505

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 11 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

**TOWNSHIP OF MONROE, NEW JERSEY**

By: \_\_\_\_\_  
**LORRAINE BOYER, Chief Financial Officer**

**PHOENIX ADVISORS LLC,  
as Dissemination Agent**

By: \_\_\_\_\_  
**BRYAN MORRIS, Managing Director**

**EXHIBIT A**

**NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT**

Name of Issuer: Township of Monroe, County of Gloucester, New Jersey

Name of Bond Issues Affected: General Obligation Bonds, Series 2024

Date of Issuance of the Affected  
Bond Issue: September 10, 2024

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated September 10, 2024, between the Township and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

PHOENIX ADVISORS LLC,  
as Dissemination Agent

cc: Township of Monroe, New Jersey

## INFORMATION REPORTING UNDERTAKING AGREEMENT

ISSUER: Township of Monroe, County of Gloucester, New Jersey ("Issuer")

ISSUE: \$13,863,000 Bond Anticipation Notes of 2024, Series A  
(Non-Callable) ("Notes")

DATED: September 10, 2024

CUSIP: 611309HL2

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

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

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

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

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

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

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

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

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

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

**IN WITNESS WHEREOF**, the Issuer has executed and delivered this Agreement as of this 10th day of September, 2024.

ISSUER:

**TOWNSHIP OF MONROE, COUNTY OF  
GLOUCESTER, NEW JERSEY**

By: \_\_\_\_\_

**LORRAINE BOYER**  
**Chief Financial Officer/Treasurer**