

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 9, 2025

NEW ISSUE – BOOK-ENTRY-ONLY

**Rating: S&P Global: “SP-1+”
(see “RATING” herein)**

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the Township (as defined herein) with certain tax covenants described herein, under existing law, interest on the Note (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and interest on the Note is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Note is included in the “adjusted financial statement income” of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. Based upon existing law, interest on the Note and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See “TAX MATTERS” herein.

**TOWNSHIP OF MAPLEWOOD,
IN THE COUNTY OF ESSEX, NEW JERSEY**

**\$20,426,000 BOND ANTICIPATION NOTE
(Non-Callable)**

Interest Rate: ___% Yield: ___% CUSIP*: _____

Dated: Date of Delivery

Due: October 1, 2026

The \$20,426,000 Bond Anticipation Note (the “Note”) will be issued in the form of one certificate for the aggregate principal amount of the Note and when issued will 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. Interest on the Note will be credited to the participants of DTC as listed on the records of DTC as of one business day prior to the maturity date set forth above. The principal of and interest on the Note will be paid on the maturity date to DTC by the Township or its designated paying agent. Interest on the Note shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months. The Note is not subject to redemption prior to its stated maturity.

The Note is a valid and legally binding obligation of the Township, payable in the first instance from the proceeds of the sale of bonds in anticipation of which the Note is issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Township without limitation as to rate or amount.

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

The Note will be offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by the Township Attorney, Jennifer L. Credidio, Esq., McManimon, Scotland & Baumann, LLC, Roseland, New Jersey. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Note. It is expected that the Note will be available for delivery through DTC in Brooklyn, New York, on or about October 2, 2025.

**BIDS FOR THE NOTE WILL BE RECEIVED IN ACCORDANCE WITH THE NOTICE OF SALE
UNTIL 11:00 A.M. ON TUESDAY, SEPTEMBER 16, 2025. FOR MORE DETAILS ON HOW TO BID,
VIEW THE NOTICE OF SALE POSTED AT WWW.MUNIHUB.COM.**

* 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 number listed above is being provided solely for the convenience of Note holders only at the time of issuance of the Note, and the Township does not make any representation with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Note as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to the Note.

**TOWNSHIP OF MAPLEWOOD,
IN THE COUNTY OF ESSEX, NEW JERSEY**

TOWNSHIP COMMITTEE

Nancy Adams, Mayor
Malia Herman, Deputy Mayor
Dean Dafis
Deborah Engel
Victor De Luca

TOWNSHIP BUSINESS ADMINISTRATOR

Patrick Wherry

ASSISTANT CHIEF FINANCIAL OFFICER

April Miller

TOWNSHIP CLERK

Elizabeth J. Fritzen

TOWNSHIP ATTORNEY

Jennifer L. Credidio, Esq.
McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

TOWNSHIP AUDITOR

Samuel Klein and Company, LLP
Certified Public Accountants
Newark, New Jersey

BOND COUNSEL

McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

MUNICIPAL ADVISOR

Phoenix Advisors,
a division of First Security Municipal Advisors, Inc.
Hamilton, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Note other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing.

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

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

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Township from time to time (collectively, the "Official Statement"), may be treated as a "Final Official Statement" with respect to the Note described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Township.

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

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE NOTE IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

McManimon, Scotland & Baumann, LLC has not participated in the preparation of the financial or statistical information contained in this Official Statement nor has it verified the accuracy or completeness thereof and, accordingly, expresses no opinion with respect thereto.

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OFFICIAL STATEMENT
Relating to the
TOWNSHIP OF MAPLEWOOD,
IN THE COUNTY OF ESSEX, NEW JERSEY
\$20,426,000 BOND ANTICIPATION NOTE

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Maplewood (the “Township”), in the County of Essex (the “County”), State of New Jersey (the “State”), in connection with the sale and issuance of the \$20,426,000 Bond Anticipation Note (the “Note”). This Official Statement has been executed by and on behalf of the Township by its Business Administrator and may be distributed in connection with the sale of the Note described herein.

This Official Statement contains specific information relating to the Note including its general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety. All financial and other information presented herein has been provided by the Township from its records, except for information expressly attributed to other sources. This Official Statement is “deemed final,” as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

THE NOTE

General Description

The Note is dated, will mature on the date and in the amount and will bear interest payable at the interest rate as set forth on the cover page hereof. Interest shall be computed on the basis of a 30-day month/360-day year. The Note will be issued in the form of one certificate for the aggregate principal amount of the Note and when issued may 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. The Note may be purchased in book-entry-only form in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof through book-entries made on the books and records of DTC and its participants. The Note is issuable as a fully registered book-entry obligation. Interest on the Note will be credited to the participants of DTC as listed on the records of DTC as of one business day prior to maturity.

Redemption

The Note is not subject to redemption prior to its stated maturity.

BOOK-ENTRY-ONLY SYSTEM*

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Note, payment of principal and interest and other payments on the Note to Direct and Indirect Participants (each as defined below) or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Note and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. DTC will act as securities depository for the Note. The Note will be issued as a fully registered security registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Note certificate will be issued for the Note in the aggregate principal amount of the Note 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 an S&P Global 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 and www.dtc.org.

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

To facilitate subsequent transfers, any Note deposited by Direct Participants with DTC is 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 a Note with DTC and its 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 Note; DTC's records reflect only the identity of the Direct

* Source: The Depository Trust Company.

Participants to whose accounts such Note is 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Note unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts a Note is credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, if any, and principal and interest payments on the Note 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 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 shall be the responsibility of such Participant and not of DTC or its nominee, the paying agent, if any, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, if any, and principal and interest 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 paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.

THE INFORMATION CONTAINED IN THIS SUBSECTION "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN PROVIDED BY DTC. THE TOWNSHIP MAKES NO REPRESENTATIONS AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

THE TOWNSHIP WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (II) ANY NOTICE THAT IS

PERMITTED OR REQUIRED TO BE GIVEN TO NOTE HOLDERS; (III) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST DUE ON THE NOTE; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO., AS NOMINEE FOR DTC AND THE REGISTERED OWNER OF THE NOTE. THE RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTE, AS NOMINEE FOR DTC, REFERENCES HEREIN TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE NOTE (OTHER THAN UNDER THE CAPTIONS “TAX MATTERS” AND “SECONDARY MARKET DISCLOSURE”) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTE.

Discontinuation of Book-Entry-Only System

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

AUTHORIZATION AND PURPOSE

The Note has been authorized by and is being issued pursuant to the laws of the State, including the Local Bond Law (constituting Chapter 2 of Title 40A of the State statutes, as amended) (the “Local Bond Law”) and the bond ordinances adopted by the Township Committee of the Township referred to in the chart below. The bond ordinances authorizing the Note were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinance could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides that, after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Township. Such estoppel periods for the bond ordinances have concluded as of the date of this Official Statement.

Proceeds from the sale and issuance of the Note will be used to: (i) temporarily finance various capital improvements in and by the Township; (ii) currently refund the Township’s Bond Anticipation Note, Series 2024, dated October 8, 2024 and maturing October 7, 2025; and (iii) provide funds for the costs incurred in connection with the authorization, sale and issuance of the Note.

Bond Ordinance Number	Description of Improvement and Date of Adoption of Bond Ordinance	Amount to be Issued
#3017-21, as supplemented by #3133-24	Constructing, equipping and furnishing of a new library, finally adopted February 16, 2021, as supplemented November 18, 2024.	5,000,00
#3024-21	Various capital improvements, finally adopted April 22, 2021.	\$150,000
#3046-21	Various capital improvements, finally adopted December 7, 2021.	425,000
#3118-24	Various capital improvements, finally adopted May 7, 2024.	\$7,400,000
#3156-25	Various capital improvements, finally adopted May 20, 2025.	6,000,000
#3157-25	Various capital improvements for the stormwater utility, finally adopted May 20, 2025.	300,000
#3158-25	Various capital improvements for the South Essex Fire Department, finally adopted May 20, 2025.	1,151,000
	Total:	\$20,426,000

SECURITY AND SOURCE OF PAYMENT

The Note is a valid and legally binding obligation of the Township, payable in the first instance from the proceeds of the sale of bonds in anticipation of which the Note is issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Township without limitation as to rate or amount.

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 newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to state and local governments, including the American Rescue Plan Act of 2021 (the "Plan"). The pandemic and certain mitigation measures, which altered the behavior of businesses and people, have had and may continue to have negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

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

The Plan, signed into law on March 12, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Township received \$2,656,487.92 from the Plan. The deadline to obligate the funds was December 31, 2024, and such funds can only be spent on certain allowable uses as set forth in the Plan.

Cybersecurity

The Township relies upon a large and complex technology environment to conduct its various operations. As a result, the Township faces certain cybersecurity threats at various times, including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyberattacks, the Township has invested in multiple forms of cybersecurity and operational safeguards. In addition, the Township maintains certain insurance coverage for cyberattacks and related events. However, there can be no assurance that any existing safety or security measures will provide adequate protection in safeguarding against cybersecurity threats and attacks. Cybersecurity breaches of the Township could cause material disruption of the Township's finances and operations.

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. The Township has an Office of Emergency Management and also engages with the County Office of Emergency Management to plan for and respond to emergencies, including weather-related emergencies. 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.

MARKET PROTECTION

The Township does not anticipate issuing any bonds within the next ninety (90) days. The Township may issue additional bond anticipation notes, as necessary, during the remainder of calendar year 2025.

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

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

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

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3.5% of its average equalized valuation basis. The Township has not exceeded its statutory debt limit.

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

The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

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

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

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

The local unit is authorized to issue Emergency Notes and Special Emergency Notes pursuant to the Local Budget Law.

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

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

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

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

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

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

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

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

Under legislation enacted to address the COVID-19 pandemic, P.L. 2020, c. 60 (A4175), a municipality may adopt an emergency appropriation to fund certain deficits resulting from COVID-19 with approval of the Director of the Division of Local Government Services and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the

year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten years. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to COVID-19. Also, local units may be able to issue refunding bonds with Local Finance Board approval to repay a Federal Emergency Management Agency Community Disaster Loan for which it executed a promissory note in 2013.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three months of the year to the previous year's budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAP" appropriations nor can transfers be made between excluded from "CAP" appropriations, except that transfers may be made between debt service principal and interest.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 *et seq.*) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the Index Rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation, and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior year's tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, approved July 13, 2010, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

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

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

adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

Upon the filing of certified adopted budgets by the Township's local school district and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, the 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 districts.

Tax bills are typically mailed annually in June or following the adoption of the State budget, at which time State aid is certified, by the Township's Tax Collector. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year are based upon one-half of the current year's total tax.

By State statute, tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. These interest rates and penalties are the highest permitted under State statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State statutes. A table detailing tax title liens is included in Appendix "A".

Tax Appeals

The State statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Township must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Board of Taxation on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

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

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

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2023 for the Township is on file with the Township Clerk and is available for review during business hours.

FINANCIAL STATEMENTS

Excerpts from the audited financial statements of the Township as of and for the years ended December 31, 2023, 2022, 2021 and 2020 together with the Notes to the Financial Statements for the years then ended, as well as unaudited financial data of the Township for the year ended December 31, 2024, are presented in Appendix "B" to this Official Statement. The audited financial statements referred to above have been audited by Samuel Klein and Company, LLP, Certified Public Accountants, Newark, New Jersey, independent auditors (the "Auditor"), as stated in their Independent Auditor's Report appearing in Appendix "B" hereto.

LITIGATION

To the knowledge of the Township Attorney, Jennifer L. Credidio, Esq., McManimon, Scotland & Baumann, LLC, Roseland, New Jersey (the "Township Attorney"), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Note, or the levy or the collection of any taxes to pay the principal of or the interest on the Note, or in any manner questioning the authority or the proceedings for the issuance of the Note 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.

The following employment related actions are currently pending against the Township, with each seeking unspecified punitive damages and lost wages (collectively, the "Employment Litigation"). The Township intends to vigorously defend these matters.

- Calvin Bell and Kyle Nelson, Docket No.: ESX-L-8545-21. This matter was dismissed on a mistrial earlier this year. Trial is scheduled to begin again in September 2025.
- Thomas DiMaggio, Docket No.: ESX-L-2507-24. Discovery is underway but trial is not scheduled.
- Gerald Giaimis, Docket No.: ESX-L-6536-22. Discovery is underway but trial is not scheduled.
- Gregg Giordano and John Kozak, Docket No.: 2:22-cv-04808. Discovery is underway but trial is not scheduled.
- Cesare Riccardi, Docket No.: PAS-L-836-25. Discovery is underway but trial is not scheduled.
- Chain Weekes-Rivera, Docket No.: ESX-L-7080-23. Discovery is underway but trial is not scheduled.

To the knowledge of the Township Attorney, other than the Employment Litigation, 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.

TAX MATTERS

Exclusion of Interest on the Note From Gross Income for Federal Tax Purposes

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

Assuming the Township observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC (“Bond Counsel”) is of the opinion that, under existing law, interest on the Note is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Note is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

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

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

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

Original Issue Premium

The Note may be sold at an initial offering price in excess of the amount payable at the maturity date. The excess, if any, of the tax basis of the Note to a purchaser (other than a purchaser who holds the Note as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable note premium, which is not deductible from gross income for federal income tax purposes. Amortizable note premium, as it amortizes, will reduce the owner's tax cost of the Note used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Note. Accordingly, an owner of the Note may have taxable gain from the disposition of the Note, even though the Note is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Note. Premium amortizes over the term of the Note under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Note should consult their own tax advisors with respect to the calculation of the amount of note premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Note.

Bank-Qualification

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

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of 100% of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues that are eligible to be designated and that are designated by the issuer as qualified under Section 265 of the Code, 80% of such interest may be deducted as a business expense by such institutions.

Additional Federal Income Tax Consequences of Holding the Note

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

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

Changes in Federal Tax Law Regarding the Note

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations, such as the Note. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Note will not have an adverse effect on

the tax status of interest on the Note or the market value or marketability of the Note. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Note from gross income for federal or state income tax purposes for all or certain taxpayers.

State Taxation

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

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

SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the “Rule”), and provided that the Note is not exempt from the Rule and provided that the Note is not exempt from the following requirements in accordance with paragraph (d) of the Rule, for so long as the Note remains outstanding (unless the Note has been wholly defeased), the Township shall provide for the benefit of the holders of the Note and the beneficial owners thereof, in a timely manner not in excess of ten business days after the occurrence of the event, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) dataport, notice of any of the following events with respect to the Note:

- (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 Note, or other material events affecting the tax status of the Note;
- (7) Modifications to the rights of holders of the Note, if material;
- (8) Note calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Note, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Township;
- (13) The consummation of a merger, consolidation or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to

- undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - (15) Incurrence of a Financial Obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Township, any of which affect holders of the Note, if material; and
 - (16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Township, if any such event reflects financial difficulties.

The term “Financial Obligation” as used in subparagraphs (15) and (16) above 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); provided, however, that 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 the Rule.

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

The Business Administrator shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of obligations of the Township prior to their offering. Such officer is authorized to enter into additional written contracts or undertakings to implement the Rule and to amend such contracts or undertakings or the undertakings set forth herein, provided such amendment is, in the opinion of Bond Counsel, in compliance with the Rule.

In the event that the Township fails to comply with the Rule requirements or the written contracts or undertakings specified in this undertaking, the Township shall not be liable for monetary damages, remedy being specifically limited to specific performance of the Rule requirements or the written contracts or undertakings therefor.

In accordance with the Rule and prior secondary market disclosure undertakings, within the five years immediately preceding the date of this Official Statement, the Township failed to timely file its disclosure event notices associated with certain financial obligations. Additionally, the Township failed to timely file the required late filing notices in connection with the items referenced above. Such information has since been filed with EMMA. The Township appointed Phoenix Advisors, Hamilton, New Jersey, to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901, et seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditor’s rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the

purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

APPROVAL OF LEGAL PROCEEDINGS

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

UNDERWRITING

The Note has been purchased from the Township at a public sale by _____ (the "Underwriter") at a price of \$ _____ (consisting of the par amount of the Note plus original issue premium in the amount of \$ _____ less Underwriter's discount in the amount of \$ _____). The Underwriter has purchased the Note in accordance with the Notice of Sale.

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

RATING

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

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

MUNICIPAL ADVISOR

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Note (the “Municipal Advisor”) and has assisted in matters related to the planning, structuring and terms of the Note. 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 the Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

PREPARATION OF OFFICIAL STATEMENT

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

The Auditor has not participated in the preparation of this Official Statement and has not verified the accuracy, completeness or fairness thereof, except for the financial statements described herein under the heading entitled “FINANCIAL STATEMENTS” and contained in Appendix “B” hereto, and, accordingly, expresses no opinion or other assurance with respect thereto.

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

Bond Counsel has neither participated in the preparation of the financial or statistical information contained in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

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

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to April Miller, Assistant Chief Financial Officer, Township of Maplewood, 574 Valley Street, Maplewood, New Jersey 07040, (973) 762-8120, or to its Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey, telephone (609) 291-0130.

MISCELLANEOUS

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

**TOWNSHIP OF MAPLEWOOD, IN THE
COUNTY ESSEX, NEW JERSEY**

By: _____
Patrick Wherry,
Business Administrator

Dated: September __, 2025

APPENDIX A

**CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE TOWNSHIP OF
MAPLEWOOD, IN THE COUNTY OF ESSEX, NEW JERSEY**

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GENERAL INFORMATION ABOUT THE TOWNSHIP OF MAPLEWOOD

The Community

Maplewood is a welcoming, diverse and inclusive community with 25,689 residents (2020 census). It has a rich mixture of racial, ethnic and economic backgrounds who actively participate as volunteers in community-wide events, neighborhood associations and civic groups.

The Township's homes are predominately owner-occupied, giving the Township a stable and involved homeowner population. Much of the housing stock was built in the 1920's and 1930's, and the homes reflect the vitality and quality of construction of that era. Sales of homes are consistently above list price, the inventory of available homes for sale is low and the days on the market are short.

In the past five years, more than 500 upscale apartments have been added to the Township's housing mix. These projects include Maplewood Crossing, The Clarus, Avalon Bay, Station House and Maplewood Lofts. The increase in population since the 2010 Census enabled Maplewood to petition the New Jersey State Alcoholic Beverage Commission for an additional consumption liquor license, its eighth. That license was auctioned in June 2022 for \$105,000 above the list price of \$420,000.

In addition to great housing, the Township's four square miles offers small town living within a sophisticated metropolitan region. In Town there are several cultural venues, a movie theater, concerts in the park and holiday parades and celebrations. Nearby there are New York City's museums and theaters, the New Jersey Performing Arts Center and the Prudential Arena in Newark, and other regional theaters, museums and galleries.

Strong neighborhood associations and many houses of worship contribute to the Township's vibrant community life. From the Maplewood Garden Club to the Durand-Hedden House to SomaAction, there is much to choose from to get involved.

Business

Along Maplewood Avenue and convenient to the Maplewood Train Station is Maplewood Village, a vital commercial area with a variety of shops and restaurants representing more than a dozen ethnic cuisines. A new mixed use building with eleven apartments and new commercial space opened in late 2022. The Village has a business improvement district management organization, the Maplewood Village Alliance.

The 1.5 mile stretch of Springfield Avenue is another of the Township's business districts. The businesses are a mix of owner operated and chain businesses. It includes a 24 hour Wawa, convenience stores, pharmacies, two diners, dance studios, several fitness options and two art galleries. The Township's Farmers' Market is located on the Avenue from June through November. Recently over 8,000 square feet of new commercial space was opened for lease in a mixed use building with 37 housing lofts. The Springfield Avenue Partnership is the business improvement district management organization for the Avenue.

A smaller commercial district is along Irvington Avenue on the east side of the Township. Recently Essex County embarked on a multi-million dollar streetscape improvement project for Irvington Avenue. Phase One has been completed and in late 2021 it will begin with Phase Two. A developer is constructing 15 new apartments and commercial space on the roadway. The Township will be creating a merchant/resident business support group for Irvington Avenue.

Smaller business districts in the Township have seen improvements. The Millburn Avenue area had an \$8 million expansion to the Township's Audi car dealership and a total renovation of a local restaurant. A 20 unit apartment building was built in the Valley Street district and there are plans to construct another apartment building just around the corner.

Education

What has long attracted newcomers to the Township is the quality of its public schools. Following a long tradition of educational excellence, Columbia High School sends ninety percent of its graduates onto colleges and other forms of higher education. Columbia High School is also a recipient of the U.S. Department of Education's prestigious Blue Ribbon Schools Award. In addition, the State of New Jersey recently recognized the school district when it honored Seth Boyden School as a Star School of Technology and selected the district as Educational Technology Training Center for the County. The school district is also in the third year of a three year \$160M capital improvement plan to upgrade and renovate public school buildings that include the expansion of classroom space and HVAC upgrades bringing the schools up to 21st century standards.

Transportation

The Township is a 40 minute direct train ride into New York City's Pennsylvania Station. There is also train service to Newark and to Hoboken for access to lower Manhattan via the PATH. The Township operates a jitney service in the morning and evening with five routes. The jitneys reduce single occupant vehicles and the necessity of creating additional parking spaces around the train station.

The Township is in the center of some of the most important transportation links in the country including Newark International Airport and Newark Penn Station. It is also near Port Newark, one of the largest import-export facilities in the world.

Maplewood is minutes from the New Jersey Turnpike, Interstates 78 and 280, NJ Route 24 and the Garden State Parkway. The Maplewood portion of Springfield Avenue is part of the NJ Route 124.

Municipal Services

The Township was incorporated in 1922 and operates under the Township Committee form of government with a five member Committee, each elected at-large to a three-year staggered term. The Mayor is selected each January from among the five members of the Township Committee.

The Police Department consists of 63 sworn officers in addition to numerous support staff, dispatchers and crossing guards. In an effort to improve efficiency and produce a cost savings without compromising firefighting services, the forty-three member Maplewood Fire Department merged with the neighboring South Orange Fire Department on July 1, 2022 to create the 75 member South Essex Fire Department to serve the communities with state-of-the-art apparatus in four firehouses. In addition to firefighting services, SEFD provides 24-hour emergency medical services.

The Public Works Department provides a full range of services to residents including a recycling center, maintenance of 61 miles of streets, 53 acres of parks and miles of sanitary and storm sewers. Public Works also takes care of the municipal buildings and services the municipality's vehicles.

The Township has an award winning community pool with three separate pools and a diving tower. There are numerous tennis courts, playgrounds, ball diamonds, two basketball courts, a paddle tennis court and a bocce court available for the community. A portion of Essex County's South Mountain Reservation is in Maplewood and provides scenic wilderness, hiking, jogging and nature trails, a dog run park, picnic groves and other activity areas.

Children and adults enjoy the Maplewood Memorial Library's two buildings. The Library is a member of a consortium of 60 libraries which has expanded the lending capacity to hundreds of thousands of materials. An annual Ideas Festival brings lecturers, writers, social scientists, artists and others to join in a thought provoking examination of the issues of the day. In 2020, the Library was awarded an \$8.4 million grant from the State of New Jersey to totally reconstruct the main library building. The \$20 million project also includes \$10 million from the Township and \$1.6 million from the Maplewood Library Foundation. Completion of the project is expected in the Spring of 2024.

Recreation and Cultural Affairs

The Township's commitment to recreation is unsurpassed. Department teams are fully subscribed. Three summer camps provide children with enrichment experiences in a safe and healthy environment, giving parents options for childcare. The Township's recreation programs are operated on a 12-month basis with indoor and outdoor activities for youth and adults.

The Township's Senior Center is very busy on a year round basis hosting various events for the Community older residents. Maplewood has joined its neighbor, South Orange, in establishing SOMA two towns for all ages, which works to make the two communities accessible and supportive environments to age in place.

The Woodland is the largest cultural venue in the Township. The historic and beautiful building was the former Maplewood Woman's Club before being acquired by the Township. It hosts a variety of events including celebrations of different cultures, a winter farmers' market, an annual film festival, and the Oyster Festival to benefit Melanoma Research.

The Burgdorff Center for the Performing Arts is home to the Strollers, New Jersey's oldest community theater group. The 1978 Arts Center is the Township's visual arts gallery, offering art exhibitions and classes.

BUILDING PERMITS

<u>Year</u>	<u>Total Number*</u>	<u>Construction Value</u>
2025 (Through July 31, 2025)	1,119	\$ 449,027
2024 (Through June 30, 2024)	1,019	19,062,111
2023	2,010	55,200,000
2022	2,115	80,380,000
2021	1,729	25,010,000

Source: The Township's Construction Code Official

*Includes new building, alterations and additions.

EMPLOYMENT AND UNEMPLOYMENT COMPARISONS

For the Years 2020 to 2024 the New Jersey Department of Labor reported the following annual average employment information for the Township of Maplewood, County of Essex and the State of New Jersey:

<u>Year</u>	<u>Township of Maplewood</u>			
	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2024	13,405	12,862	543	4.1 %
2023	13,333	12,811	522	3.9
2022	12,975	12,572	403	3.1
2021	12,674	12,001	673	5.3
2020	12,752	11,827	925	7.3

<u>Year</u>	<u>County of Essex</u>			
	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2024	425,042	401,693	23,349	5.5 %
2023	421,561	400,097	21,464	5.1
2022	411,706	393,305	18,401	4.5
2021	418,248	375,634	32,614	8.0
2020	413,130	369,222	43,908	10.6

<u>Year</u>	<u>State of New Jersey</u>			
	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2024	4,898,008	4,676,064	221,944	4.5 %
2023	4,819,800	4,604,100	215,700	4.5
2022	4,731,600	4,584,500	147,100	3.1
2021	4,632,700	4,398,600	234,100	5.1
2020	4,629,400	4,287,100	342,300	7.4

Source: New Jersey Department of Labor, Division of Planning and Research,
Office of Demographic and Economic Analysis

POPULATION

<u>Year</u>	<u>Source</u>	<u>Population</u>
2025	U.S. Census	26,127
2024	U.S. Census	25,576
2023	U.S. Census	25,373
2022	U.S. Census	26,135
2020	U.S. Census	25,689

Source: U.S. Bureau of the Census

LARGEST TAXPAYERS

The largest commercial taxpayers in the Township and their 2025 assessed valuations are listed below:

<u>Company</u>	<u>Assessed Value</u>
Marcus Ward Home Co. Springpoint	\$111,639,700
Gardens at Maplewood	22,000,000
Elite Properties at Maplewood LLC and Elite Properties on Springfield, LLC	14,910,000
Maplewood Country Club	14,622,800
AP Station House, LLC	14,500,000
JMF Maplewood LLC & Gladstone	11,478,000
1581 Springfield Development, LLC	10,600,000
V & F Properties, LLC	10,186,600
Maplewood Urban Renewal, Avalon Bay	10,123,100
Thomson Logistics Assets LLC C/OCW	9,209,000

Source: The Municipal Tax Assessor

ANALYSIS OF TAX RATES PER \$100

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Apportionment of Tax Rate:						
Municipal	\$0.654	\$0.632	\$0.961	\$0.929	\$0.882	\$0.823
Municipal Open Space	0.010	0.010	0.010	0.010	0.010	0.010
Minimum Library Tax	0.033	0.029	0.043	0.039	0.037	0.037
County Including Open Space	0.348	0.330	0.551	0.545	0.532	0.545
Joint School District*	<u>1.356</u>	<u>1.312</u>	<u>2.051</u>	<u>2.003</u>	<u>1.958</u>	<u>1.907</u>
Total Tax Rate	<u>\$2.401</u>	<u>\$2.313</u>	<u>\$3.616</u>	<u>\$3.526</u>	<u>\$3.419</u>	<u>\$3.322</u>

*The Township of Maplewood and the Township of South Orange Village maintain a joint school district.

Source: Essex County Board of Taxation

**REAL PROPERTY CLASSIFICATION
2019 - 2024 (Assessed Valuation)**

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Apartments</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total Real Property</u>	<u>Business Personal Property</u>	<u>Net Valuation Taxable</u>
2025	\$10,862,400	\$5,559,686,600	\$103,415,900	\$491,063,900	\$45,627,100	\$6,210,655,900	\$2,788,400	\$6,213,444,300
2024	10,977,300	5,544,191,000	104,415,900	495,006,800	45,627,100	6,200,218,100	2,785,800	6,203,003,900
2023	10,465,600	3,478,390,300	65,727,800	320,296,700	32,221,200	3,907,101,600	2,156,989	3,909,258,589
2022	11,800,800	3,466,728,800	66,056,500	305,655,300	32,471,200	3,882,712,600	2,315,461	3,885,028,061
2021	12,178,900	3,452,535,700	66,799,100	305,886,400	33,068,200	3,870,468,300	2,457,256	3,872,925,556
2020	12,298,200	3,447,463,700	63,498,300	308,735,100	33,439,000	3,865,434,300	2,402,526	3,867,836,826

Source: The Township

ECONOMIC INFORMATION

<u>Year</u>	<u>Per Capita Income</u>		
	<u>Township of Maplewood</u>	<u>County of Essex</u>	<u>State of New Jersey</u>
2024 *	\$82,364	\$47,661	\$54,360
2023	79,936	45,389	51,378
2022	78,177	44,684	50,570
2021	68,571	43,473	44,633
2020	62,961	42,028	43,560

*As of July 1, 2024

HOUSING CHARACTERISTICS - HOUSING UNITS - As of July 1, 2024

	Township of <u>Maplewood</u>	County of <u>Essex</u>	State of <u>New Jersey</u>
Total Number of Housing Units	<u>9,242</u>	<u>341,100</u>	<u>3,856,291</u>
Median Value Owned	<u>\$668,973</u>	<u>\$568,141</u>	<u>\$488,818</u>

Source: U.S. Census Bureau

DELINQUENT TAXES AND TAX TITLE LIENS

<u>Dec. 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2024	\$290,125.02	\$1,333,124.64	\$1,623,249.66	1.13 %
2023*	289,342.90	1,504,447.04	1,793,789.94	1.26
2022*	277,015.96	1,575,800.35	1,852,816.31	1.34
2021*	264,113.69	1,060,091.29	1,324,204.98	1.00
2020*	255,398.66	1,105,510.88	1,360,909.54	1.05

*Includes Special Improvement District Taxes.

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION AS OF DECEMBER 31

<u>Year</u>	<u>Value of Property Acquired</u>
2024	\$322,500.00
2023	322,500.00
2022	322,500.00
2021	322,500.00
2020	322,500.00

Source: Annual Audit Reports

TOWNSHIP INDEBTEDNESS

DEBT STATEMENT - DECEMBER 31, 2024 (UNAUDITED)

Gross Debt

School Indebtedness:

Bonds Outstanding		\$106,120,820.44
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Swimming Pool Utility:

Bonds Outstanding	\$ 2,430,000.00	
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Bond Anticipation Notes	44,284.00	
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Bonds and Notes Issued and Authorized and Not Issued	<u>114,300.00</u>	
--	-------------------	--

		2,588,584.00
--	--	--------------

Municipal Indebtedness:

Bonds Outstanding	50,542,000.00	
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Green Acres Trust Loan Payable	355,025.04	
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Bonds and Notes Issued and Authorized but Not Issued	<u>20,514,487.33</u>	
--	----------------------	--

		<u>71,411,512.37</u>
--	--	----------------------

Total Gross Debt

		180,120,916.81
--	--	----------------

Statutory Deductions

Local School District:

Maximum (4% of Average Equalized Valuation \$218,499,245.01)	106,120,820.44	
---	----------------	--

Utilities:

Swimming Pool	2,588,584.00	
---------------	--------------	--

Municipal:

Reserve for Grants Receivable	3,210,877.33	
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Cash on Hand	<u>573,948.79</u>	
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Total Statutory Deductions

		<u>112,494,230.56</u>
--	--	-----------------------

Total Net Debt

		<u>\$ 67,626,686.25</u>
--	--	-------------------------

DEBT LIMIT OF THE TOWNSHIP AS OF DECEMBER 31, 2024 (UNAUDITED)

Average Equalized Valuation Basis (2022, 2023, 2024)	<u>\$5,462,481,125.33</u>
Permitted Debt Limitations (3 ½%)	\$191,186,839.39
Net Debt	<u>67,626,686.25</u>
Remaining Borrowing Power	<u>\$123,560,153.14</u>
Percentage of Net Debt to Average Equalized Valuation	<u>1.238%</u>

UNDERLYING DEBT - DECEMBER 31, 2024 (UNAUDITED)

County of Essex	\$996,171,720.21
Less: Deductions	<u>376,297,166.00</u>
Debt December 31, 2024*	<u>\$619,874,554.21</u>
Apportionment to Township of Maplewood	<u>\$27,770,380.03</u>
Basis of Debt Apportionment: Ratio of Equalized Valuations: Township of Maplewood - 2024	<u>\$61,283,795.57</u>
Total Essex County - 2024	<u>\$1,368,728,275.19</u>
Ratio - Township of Maplewood	<u>4.48%</u>

*Includes both the Essex County Improvement Authority Guarantee of Bonds and Bonds Issued and Bonds Authorized but Not Issued - Capital Projects for County Colleges.

ASSESSED VALUATION AND TAX RATES

Year	Real Property	Net Taxable Value Real and *Personal Property	Tax Rate per \$100.00	Real Property Assessed Valuation Percentage of True Value
2025	\$6,210,655,900.00	\$6,213,444,300.00	\$2.401	101.60 %
2024**	6,200,218,100.00	6,203,003,900.00	2.313	116.37
2023	3,907,101,600.00	3,909,258,589.00	3.616	77.90
2022	3,882,712,600.00	3,885,028,061.00	3.526	84.70
2021	3,870,468,300.00	3,872,925,556.00	3.419	90.39
2020	3,865,434,300.00	3,867,836,826.00	3.322	89.21

*Consists of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger Systems Companies (Chapter 38, P.L. 1966).

**Revaluation Year

TAX COLLECTION EXPERIENCE

<u>Year</u>	<u>Tax Levy</u>	<u>Added Taxes</u>	<u>Collections During Year of Levy</u>		<u>Collections to Date Dec. 31,</u>		<u>*Uncollected Dec. 31,</u>
			<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>	
2024***	\$143,475,483.80	\$ -	\$142,654,099.01	99.07 %	\$ -	- %	\$1,322,968.19
2023	142,127,040.44	7,831.86	140,641,941.39**	98.95 **	142,104,896.89	99.98	10,156.45
2022	137,971,632.96	2,750.00	135,753,821.93	98.39	137,301,845.51	99.51	-
2021	132,864,311.55	-	131,778,248.08	99.18	131,778,248.08	99.18	-
2020	128,839,342.93	-	127,732,728.05	99.14	128,776,998.75	99.52	-

*Balances remaining after credits for remissions and transfers to tax title liens.

**Percentage of collection based on a reduction of the tax levy due to tax appeals in accordance with the provisions of N.J.S.A. 40A:4-41c(2).

***Unaudited

Tax Collection Procedure

Property taxes are based on the Assessor's valuation of real property and are levied for the calendar year. The taxes for the Township, Local School District and County purposes are combined into one levy, which is apportioned on the tax bill by rate and amount for taxpayer information only. Taxes levied for the purposes of the Local School District cover the current calendar. Turnovers by the Township to the Board of Education are based on school needs and are generally made on a periodic basis throughout the year. The Township remits County Taxes quarterly, on the 15th days of February, May, August and November.

Tax bills for the second half of the current year's levy and an estimate, based on 50% of the levy for the first half of the following year, are mailed annually in June and are due in quarterly installments on the first day of the months of August, November, February and May. Delinquent payments are subject to an interest penalty of 8% on the first \$1,500 of delinquency and 18% on amounts exceeding \$1,500. Unpaid taxes are subject to tax sale as of July 1 following the year of levy, in accordance with statutes of the State of New Jersey. Tax liens are subsequently subject to foreclosure proceedings in order to enforce tax collections or acquire title to the property.

APPENDIX B

**EXCERPTS FROM UNAUDITED FINANCIAL DATA AND AUDITED FINANCIAL
STATEMENTS OF THE TOWNSHIP OF MAPLEWOOD, IN THE COUNTY OF ESSEX, NEW
JERSEY**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the Township Committee
Township of Maplewood
Maplewood, New Jersey 07040

The accompanying summary financial statements - regulatory basis, and the related notes, are derived from the audited basic financial statements of the Township of Maplewood, State of New Jersey, as of and for the years ended December 31, 2023, 2022, 2021 and 2020. We expressed unmodified audit opinions on those audited financial statements - regulatory basis in our report dated November 26, 2024. The audited financial statements - regulatory basis, and the summary financial statements - regulatory basis derived therefrom, do not reflect the effects of events, if any, that occurred subsequent to the date of our report on the audited financial statements - regulatory basis.

The summary financial statements - regulatory basis do not contain all the disclosures required by Generally Accepted Accounting Principles of the Township of Maplewood, State of New Jersey. Reading the summary financial statements - regulatory basis, therefore is not a substitute for reading the audited financial statements - regulatory basis of the Township of Maplewood, State of New Jersey.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements - regulatory basis on the basis described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion about whether the summary financial statements - regulatory basis are consistent, in all material respects, with the audited financial statements - regulatory basis based on our procedures, which were conducted in accordance with auditing standards generally accepted in the United States of America. The procedures consisted principally of comparing the summary financial statements - regulatory basis with the related information in the audited financial statements - regulatory basis from which the summary financial statements - regulatory basis have been derived, and evaluating whether the summary financial statements - regulatory basis are prepared in accordance with the basis described in Note 1. We did not perform any audit procedures regarding the audited financial statements - regulatory basis after the date of our report on those financial statements.

Opinion

In our opinion, the summary financial statements - regulatory basis of the Township of Maplewood, State of New Jersey as of and for the years then ended December 31, 2023, 2022, 2021 and 2020 referred to above are consistent, in all material respects, with the audited financial statements - regulatory basis from which they have been derived, on the basis described in Note 1.

Emphasis-of-Matter

These summary financial statements - regulatory basis were prepared for the purpose of inclusion in an official statement for the issuance of a Bond Anticipation Note of the Township of Maplewood, State of New Jersey and were abstracted from audit reports issued under the periods referred to above as dated November 26, 2024, December 5, 2023, October 18, 2022 and September 24, 2021, respectively.

SAMUEL KLEIN AND COMPANY, LLP

SAMUEL KLEIN AND COMPANY LLP,
CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH J. FACCONI

JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
November 26, 2024

TOWNSHIP OF MAPLEWOOD
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE - CURRENT FUND

Sheet #1

	Unaudited	Audited		
	Balance Dec. 31, 2024	Balance Dec. 31, 2023	Balance Dec. 31, 2022	Balance Dec. 31, 2021
ASSETS AND DEFERRED CHARGES				
Regular Fund				
Cash and Cash Equivalents	\$23,844,392.14	\$17,893,325.73	\$12,557,427.03	\$10,956,851.85
Petty Cash and Change Funds	400.00	400.00	400.00	500.00
	<u>23,844,792.14</u>	<u>17,893,725.73</u>	<u>12,557,827.03</u>	<u>10,957,351.85</u>
				<u>\$ 8,231,975.37</u>
				<u>500.00</u>
				<u>8,232,475.37</u>
Receivables with Full Reserves:				
Delinquent Property Taxes	1,333,124.64	1,504,447.04	1,575,800.35	1,060,091.29
Tax Title Liens	290,125.02	289,342.90	277,015.96	264,113.69
Sewer User Liens	1,235.30	1,235.30	1,235.30	1,235.30
Other Liens			193.20	393.20
Property Acquired for Taxes -				
Assessed Valuation	322,500.00	322,500.00	322,500.00	322,500.00
Sewer User Charges Receivable	218,252.84	196,616.45	341,157.77	173,389.96
Interfunds Receivable	2,158,374.01	2,190,548.66	2,077,367.16	201,088.10
Miscellaneous Accounts Receivable	585.57	819,346.44	355,293.19	104,882.74
	<u>4,324,197.38</u>	<u>5,324,036.79</u>	<u>4,950,562.93</u>	<u>2,127,694.28</u>
				<u>2,459,071.92</u>
Deferred Charges	2,037,774.00	2,799,256.00	2,974,070.00	3,000,000.00
	<u>30,206,763.52</u>	<u>26,017,018.52</u>	<u>20,482,459.96</u>	<u>16,085,046.13</u>
				<u>12,773,747.29</u>
Federal and State Grant Fund				
Cash and Cash Equivalents	102,990.14	341,860.56	185,463.50	169,169.64
Interfunds Receivable	1,017,076.01	2,386,751.55	2,516,604.35	1,611,864.72
Grants Receivable	1,744,836.83	355,163.52	1,006,205.87	464,443.52
	<u>2,864,902.98</u>	<u>3,083,775.63</u>	<u>3,708,273.72</u>	<u>2,245,477.88</u>
				<u>929,761.75</u>
	<u>\$33,071,666.50</u>	<u>\$29,100,794.15</u>	<u>\$24,190,733.68</u>	<u>\$18,330,524.01</u>
				<u>\$13,703,509.04</u>

TOWNSHIP OF MAPLEWOOD
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE - CURRENT FUND

Sheet #2

LIABILITIES, RESERVES AND FUND BALANCE	Unaudited Balance Dec. 31, 2024	Audited		
		Balance Dec. 31, 2023	Balance Dec. 31, 2022	Balance Dec. 31, 2021
Regular Fund				
Expenditure Reserves:				
Encumbrances	\$ 339,976.22	\$ 487,115.09	\$ 1,357,352.71	\$ 1,197,919.23
Unencumbered	2,699,450.16	2,600,511.93	1,317,711.79	2,748,410.37
Interfunds Payable	10,877,342.69	6,545,124.39	5,113,051.58	2,655,973.68
Accounts Payable	48,687.53	77,391.03	86,545.36	43,969.16
Special Improvement District Taxes	8,466.32			28,137.24
Special Emergency Note	800,000.00	1,200,000.00	1,600,000.00	2,000,000.00
Due to State of New Jersey	86,817.87	80,523.87	83,165.87	101,303.87
County Taxes Payable	66,773.23	85,321.28	117,804.33	41,058.19
Tax and Sewer Overpayments	285,638.87	193,814.84	181,076.42	554,422.70
Deferred Revenue:				
Prepaid Taxes	601,495.87	590,772.69	531,345.73	740,087.57
Prepaid Revenue	275,397.26	275,397.26	107,861.73	190,191.60
Local School Taxes Payable	0.99	0.49	0.47	0.49
Reserve for Tax Appeals	200,000.00			
Reserve for Receivables	4,324,197.38	5,324,036.79	4,950,562.93	2,127,694.26
Fund Balance	9,592,519.13	8,557,008.86	5,035,981.04	3,727,984.17
	<u>30,206,763.52</u>	<u>26,017,018.52</u>	<u>20,482,459.96</u>	<u>16,085,046.13</u>
				<u>12,773,747.29</u>
Federal and State Grant Fund				
Interfunds Payable	376,590.00	152,075.80		371,657.40
Appropriated Reserves for Grants	2,451,661.14	792,260.37	1,530,714.10	839,098.96
Unappropriated Reserves	36,651.84	2,139,439.46	2,177,559.62	1,406,378.92
	<u>2,864,902.98</u>	<u>3,083,775.63</u>	<u>3,708,273.72</u>	<u>2,245,477.88</u>
				<u>929,761.75</u>
	<u>\$33,071,666.50</u>	<u>\$29,100,794.15</u>	<u>\$24,190,733.68</u>	<u>\$18,330,524.01</u>
				<u>\$13,703,509.04</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAPLEWOOD
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - CURRENT FUND

Sheet #1

	Unaudited <u>2024</u>	<u>2023</u>	<u>2022</u>	Audited <u>2021</u>	<u>2020</u>
<u>Revenues and Other Income Realized</u>					
Fund Balance Utilized	\$ 2,259,668.00	\$ 1,725,000.00	\$ 1,500,000.00	\$ 1,300,000.00	\$ 1,200,000.00
Miscellaneous Revenue Anticipated	14,425,121.32	14,252,671.80	13,426,151.58	11,852,246.74	11,558,329.12
Federal and State Grants	1,856,570.58				
Receipts from Delinquent Taxes	1,470,757.20	1,548,023.58	1,041,697.50	1,047,020.70	1,102,963.08
Receipts from Current Taxes	142,654,999.01	140,641,941.39	136,338,220.60	131,778,247.08	127,732,443.34
Nonbudget Revenue	703,680.56	890,216.93	1,820,844.46	208,549.06	111,260.05
Other Credits to Income:					
Unexpended Balance of Appropriation					
Reserves and Encumbrances	1,253,676.53	1,004,134.16	1,898,799.75	2,055,007.12	686,292.10
Prior Interfunds Returned	32,174.65				
Other Liens Receivable Realized		200.00	200.00		600.00
Reserve for Receivables	27,338.67				56,491.68
Other Accounts Receivable Realized			3,409.87		
Tax Overpayments Cancelled	29,227.15	6,290.72			
Grant Expenditures Cancelled				13,268.91	
Total Revenues	164,713,213.67	160,068,478.58	156,029,323.76	148,254,339.61	142,448,379.37
<u>Expenditures:</u>					
Budget and Emergency Appropriations	58,581,629.48	53,318,048.29	51,984,707.04	49,630,345.07	47,006,301.29
Refund of Prior Years Revenue		4,101.63	115,108.40		
Reserve for Other Accounts Receivable		2,528.59		28,805.52	
Senior Citizen Deductions Disallowed					
by Tax Collector			2,750.00		
Interfund Charges		113,181.50	1,876,279.06	47,940.74	4,812.06
Prior Year Paid Taxes Cancelled	25,461.74	58,872.91	130,157.95	87,592.36	71,173.55
County Taxes	20,532,677.39	21,646,344.94	21,274,323.57	20,643,674.46	21,118,151.77
Local School District Taxes	81,377,019.00	80,175,846.00	77,796,692.00	75,824,613.00	73,757,477.00
Special Improvement District Taxes	279,217.27	251,050.95	224,662.13	185,936.48	278,018.80
Municipal Open Space Taxes	622,030.52	392,475.95	390,716.74	388,063.41	387,656.92
Total Expenditures	161,418,035.40	155,962,450.76	153,795,396.89	146,836,971.04	142,623,591.39

TOWNSHIP OF MAPLEWOOD
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - CURRENT FUND

Sheet #2

	Unaudited <u>2024</u>	<u>2023</u>	<u>2022</u>	Audited <u>2021</u>	<u>2020</u>
Excess in Revenue	\$ 3,295,178.27	\$ 4,106,027.82	\$ 2,233,926.87	\$ 1,417,368.57	\$
Deficit in Revenue					(175,212.02)
Adjustment to Income before Fund Balance:					
Deferred Charge:					
Special Emergency COVID-19					1,800,000.00
Expenditures Included Above Which Are					
by Statute Deferred Charges to Budget					
of Succeeding Year		1,140,000.00	574,070.00	1,225,000.00	200,000.00
Statutory Excess to Surplus	3,295,178.27	5,246,027.82	2,807,996.87	2,642,368.57	1,824,787.98
Fund Balance, January 1	8,557,008.86	5,035,981.04	3,727,984.17	2,385,615.60	1,760,827.62
	<u>11,852,187.13</u>	<u>10,282,008.86</u>	<u>6,535,981.04</u>	<u>5,027,984.17</u>	<u>3,585,615.60</u>
Decreased by:					
Utilized as Anticipated Revenue	2,259,668.00	1,725,000.00	1,500,000.00	1,300,000.00	1,200,000.00
Fund Balance, December 31	<u>\$ 9,592,519.13</u>	<u>\$ 8,557,008.86</u>	<u>\$ 5,035,981.04</u>	<u>\$ 3,727,984.17</u>	<u>\$ 2,385,615.60</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAPLEWOOD
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND RESERVES - TRUST FUND

	Unaudited	Audited			
	Balance	Balance	Balance	Balance	Balance
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020
ASSETS					
<u>Animal Control Fund</u>					
Cash and Cash Equivalents	\$ 23,605.20	\$ 39,913.15	\$ 49,198.60	\$ 40,826.80	\$ 32,209.95
Interfunds	7,864.80				
Due from State of New Jersey			97.60	150.40	
	<u>31,470.00</u>	<u>39,913.15</u>	<u>49,296.20</u>	<u>40,977.20</u>	<u>32,209.95</u>
<u>General Trust Fund</u>					
Cash - Checking	5,146,848.12	6,077,497.42	6,102,021.06	5,554,265.73	4,462,414.46
Due from Municipal Court	16.00	16.00	84.00	10.00	22.00
Interfunds Receivable	48,707.03	72,159.68	583,971.20		
Other Accounts Receivable	407,429.66	405,589.78	31,673.88	276,308.47	161,533.99
	<u>5,603,000.81</u>	<u>6,555,262.88</u>	<u>6,717,750.14</u>	<u>5,830,584.20</u>	<u>4,623,970.45</u>
<u>Municipal Open Space Trust Fund</u>					
Cash - Checking	596,384.21	891,094.22	659,020.70	432,009.98	163,004.21
Interfunds Receivable	1,012,817.78	390,787.26	389,237.31	418,445.55	777,152.78
	<u>1,609,201.99</u>	<u>1,281,881.48</u>	<u>1,048,258.01</u>	<u>850,455.53</u>	<u>940,156.99</u>
	<u>\$ 7,243,672.80</u>	<u>\$ 7,877,057.51</u>	<u>\$ 7,815,304.35</u>	<u>\$ 6,722,016.93</u>	<u>\$ 5,596,337.39</u>
LIABILITIES AND RESERVES					
<u>Animal Control Fund</u>					
Due to State of New Jersey	\$	\$ 266.00	\$	\$	\$ 425.40
Prepaid Revenues:					
Local Share	225.00	3,172.80	4,233.00	2,919.60	3,401.40
Interfunds Payable		6,325.95	18,433.80	14,313.20	4,849.15
Reserve for Animal Control					
Expenditures	31,245.00	30,148.40	26,629.40	23,744.40	23,534.00
	<u>31,470.00</u>	<u>39,913.15</u>	<u>49,296.20</u>	<u>40,977.20</u>	<u>32,209.95</u>
<u>General Trust Fund</u>					
Liabilities:					
Security Deposits		3,000.00		2,250.00	250.00
Other Deposits	2,555,456.33	2,523,197.30	2,172,079.91	2,419,740.49	2,565,274.45
Payroll Deductions Payable	217,079.48	162,492.66	202,984.68	181,416.25	191,894.52
Premiums on Tax Sale	944,725.00	1,367,825.00	2,072,925.00	2,897,825.00	1,712,225.00
Interfunds Payable	1,623,776.69	2,396,255.91	2,132,745.32	193,626.51	45,330.12
Reserves:					
Other Expenditure Reserves	261,963.31	102,492.01	137,015.23	135,725.95	108,996.36
	<u>5,603,000.81</u>	<u>6,555,262.88</u>	<u>6,717,750.14</u>	<u>5,830,584.20</u>	<u>4,623,970.45</u>
<u>Municipal Open Space</u>					
Municipal Open Space Trust	1,609,201.99	1,281,881.48	1,048,258.01	850,455.53	620,156.99
Interfunds Payable					320,000.00
	<u>1,609,201.99</u>	<u>1,281,881.48</u>	<u>1,048,258.01</u>	<u>850,455.53</u>	<u>940,156.99</u>
	<u>\$ 7,243,672.80</u>	<u>\$ 7,877,057.51</u>	<u>\$ 7,815,304.35</u>	<u>\$ 6,722,016.93</u>	<u>\$ 5,596,337.39</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAPLEWOOD
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - GENERAL CAPITAL FUND

	Unaudited		Audited		
	Balance Dec. 31, 2024	Balance Dec. 31, 2023	Balance Dec. 31, 2022	Balance Dec. 31, 2021	Balance Dec. 31, 2020
ASSETS AND DEFERRED CHARGES					
Cash and Investments	\$ 6,333,267.80	\$12,484,052.14	\$ 7,802,629.72	\$ 8,421,342.80	\$ 7,262,632.45
Grants Receivable	4,907,102.50	9,194,087.50	8,061,786.27	10,813,463.11	1,576,389.39
Notes Receivable	1,084,284.00	1,560,000.00	2,080,000.00		
Interfunds Receivable	9,775,400.45	4,859,357.40	3,891,762.13	2,181,783.97	659,737.97
Deferred Charges to Future Taxation:					
Funded	50,897,025.04	55,647,825.06	29,285,702.93	34,794,676.82	26,867,764.56
Unfunded	20,514,737.33	7,725,390.00	32,157,773.00	21,989,760.06	16,752,922.39
Overexpenditure of Ordinance Appropriation			82,027.00	82,027.00	
	<u>\$93,511,817.12</u>	<u>\$91,470,712.10</u>	<u>\$83,361,681.05</u>	<u>\$78,283,053.76</u>	<u>\$53,119,446.76</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Serial Bonds	\$50,542,000.00	53,210,000.00	\$25,695,000.00	\$26,535,000.00	\$ 19,501,000.00
Refunding Bonds		2,036,000.00	3,143,000.00	7,767,000.00	6,830,000.00
N.J. Environmental Infrastructure Trust Loan Payable	355,025.04				
Green Acres Trust Loan Payable		401,825.06	447,702.93	492,676.82	536,764.56
Bond Anticipation Notes	7,400,000.00		16,474,000.00	8,900,000.00	14,368,701.00
Improvement Authorizations:					
Funded	8,119,131.49	18,449,590.67	2,064,807.51	2,524,364.63	685,142.10
Unfunded	20,052,316.39	11,434,592.00	31,803,847.96	28,514,648.81	9,237,398.68
Interfunds Payable	512,297.32	498,747.49	31,673.89	0.01	250,132.07
Capital Improvement Fund	1,396,768.57	489,516.57	189,466.57	146,671.57	51,206.57
Reserve for Grants Receivable	3,198,290.00	3,291,150.00	2,150,482.77	2,445,354.06	639,840.00
Reserve for Debt	573,948.79	363,998.79	170,998.79	9.56	9.56
Fund Balance	1,362,039.52	1,295,291.52	1,190,700.63	957,328.30	1,019,252.22
	<u>\$93,511,817.12</u>	<u>\$91,470,712.10</u>	<u>\$83,361,681.05</u>	<u>\$78,283,053.76</u>	<u>\$53,119,446.76</u>
Bonds and Notes Authorized but Not Issued	<u>\$13,114,737.33</u>	<u>\$ 7,725,390.00</u>	<u>\$15,680,340.00</u>	<u>\$13,086,327.06</u>	<u>\$ 2,315,050.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAPLEWOOD
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - SWIMMING POOL UTILITY

	Unaudited		Audited	
	Balance	Balance	Balance	Balance
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021
ASSETS AND DEFERRED CHARGES				
<u>Operating Fund</u>				
Cash	\$ 583,416.46	\$ 320,843.26	\$ 583,086.38	\$ 442,930.76
Interfunds Receivable	443,160.00	339,431.90	69,998.82	3,498.82
Other Accounts Receivable	1,650.00	1,650.00	1,650.00	11,000.00
Deferred Charges	249,076.47	373,616.47	498,156.47	622,696.47
	<u>1,277,302.93</u>	<u>1,035,541.63</u>	<u>1,152,891.67</u>	<u>1,080,126.05</u>
<u>Capital Fund</u>				
Cash	534,173.48	1,218,288.69	1,395,258.16	1,491,026.54
Interfunds Receivable	227,169.32	271,453.32	268,668.75	149,000.37
Fixed Capital	2,440,421.44	2,440,421.44	2,440,421.44	2,440,421.44
Fixed Capital Authorized and Uncompleted	4,811,772.50	4,811,772.50	3,742,872.50	3,490,872.50
Deferred Charges to Future Revenue - Funded	<u>8,013,536.74</u>	<u>8,741,935.95</u>	<u>7,847,220.85</u>	<u>4,000.00</u>
	<u>\$9,290,839.67</u>	<u>\$9,777,477.58</u>	<u>\$9,000,112.52</u>	<u>\$8,655,446.90</u>
				<u>\$8,493,723.61</u>
LIABILITIES, RESERVES AND FUND BALANCE				
<u>Operating Fund</u>				
Appropriation Reserves:				
Encumbrances	\$ 1,827.02	\$	\$ 5,431.43	\$ 7,402.56
Unencumbered	43,323.16	70,516.09	67,215.85	118,195.58
Reserve for Receivables	1,650.00	1,650.00	1,650.00	11,000.00
Accounts Payable				6,787.00
Accrued Interest on Bonds and Notes	17,212.50	10,929.19	4,294.63	3,855.65
Interfunds Payable	857,753.92	426,910.02	393,470.12	169,262.09
Special Emergency Note Payable	240,000.00	360,000.00	480,000.00	600,000.00
Fund Balance	115,536.33	165,536.33	200,829.64	170,099.54
	<u>1,277,302.93</u>	<u>1,035,541.63</u>	<u>1,152,891.67</u>	<u>1,080,126.05</u>
				<u>1,237,402.76</u>
<u>Capital Fund</u>				
Serial Bonds	2,430,000.00	2,675,000.00	1,740,000.00	1,740,000.00
Refunding Bonds				150,000.00
Bond Anticipation Notes	44,284.00	85,352.00	241,352.00	145,352.00
Improvement Authorizations:				
Funded				
Unfunded	7,717.15	7,717.15	7,717.15	64,063.73
Interfunds Payable	387,756.72	1,071,871.93	177,156.83	20,026.83
Reserve for Amortization	440,766.21	485,050.21	1,557,452.20	1,534,020.55
Reserve for Deferred Amortization	2,384,421.44	2,384,421.44	2,384,421.44	2,384,421.44
Capital Improvement Fund	2,279,188.50	1,993,120.50	1,704,120.50	1,515,520.50
Fund Balance	16,300.00	16,300.00	16,300.00	5,000.00
	<u>23,102.72</u>	<u>23,102.72</u>	<u>18,700.73</u>	<u>16,915.80</u>
	<u>8,013,536.74</u>	<u>8,741,935.95</u>	<u>7,847,220.85</u>	<u>7,575,320.85</u>
				<u>7,256,320.85</u>
				<u>\$8,493,723.61</u>
Bonds and Notes Authorized but Not Issued	<u>\$9,290,839.67</u>	<u>\$9,777,477.58</u>	<u>\$9,000,112.52</u>	<u>\$8,655,446.90</u>
	<u>\$ 114,300.00</u>	<u>\$ 114,300.00</u>	<u>\$ 113,400.00</u>	<u>\$ -</u>

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See accompanying notes to financial statements.

TOWNSHIP OF MAPLEWOOD
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - SWIMMING POOL UTILITY

	<u>Unaudited</u> <u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Audited</u> <u>Year 2021</u>	<u>Year 2020</u>
<u>Revenue and Other Income Realized</u>					
Fund Balance Utilized	\$ 50,000.00	\$ 100,000.00	\$ 103,905.00	\$ 179,800.00	\$ 286,119.00
Memberships Fees	903,759.63	843,427.75	885,015.00	660,790.63	17,609.03
Miscellaneous Revenue	197,174.44	207,424.88	137,764.60	56,894.68	
American Rescue Plan Grant	250,000.00	126,590.00	72,255.00		
Deficit General Budget	24,845.73				
Other Credits to Income:					
Other Accounts Receivable Realized			9,350.00		
Unexpended Balance of Appropriation					
Reserves	18,330.62	26,119.46	72,410.50	143,983.21	3,457.64
Total Revenues	1,444,110.42	1,303,562.09	1,280,700.10	1,041,468.52	307,185.67
<u>Expenditures</u>					
Budget Appropriations	1,444,110.42	1,238,855.40	1,146,065.00	935,395.85	929,882.14
Excess in Revenue	-	64,706.69	134,635.10	106,072.67	
Deficit in Revenue					(622,696.47)
Adjustments to Income before Fund Balance:					
Deferred Charge:					
Special Emergency COVID-19					622,696.47
Statutory Excess to Fund Balance	-	64,706.69	134,635.10	106,072.67	-
<u>Fund Balance</u>					
Balance January 1	165,536.33	200,829.64	170,099.54	243,826.87	243,826.87
	165,536.33	265,536.33	304,734.64	349,899.54	243,826.87
Decreased by:					
Utilized as Anticipated Revenue	50,000.00	100,000.00	103,905.00	179,800.00	
Balance December 31	\$ 115,536.33	\$ 165,536.33	\$ 200,829.64	\$ 170,099.54	\$ 243,826.87

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF MAPLEWOOD

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Maplewood was established by public referendum on November 7, 1922.

The Township of Maplewood is a Township Committee form of government in accordance with N.J.S.A. 40:14.6 et seq. The Township Committee consists of five members elected-at-large for three-year staggered terms. The terms of office are rotated so that no more than two Committee persons are elected each year. The members of the Township Committee run in partisan elections.

On January 1st of each year the Township Committee holds an organization meeting where it elects a chairperson who serves as Mayor for a one-year term.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

The financial statements of the Township of Maplewood include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by the provisions of N.J.S. 40A:5-5. The financial statements, however, do not include the operations of the Municipal Library, which is a separate entity and is subject to a separate examination.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

Description of Funds

The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. The GASB establishes three fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The accounting policies of the Township of Maplewood conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. These principles are on the "Modified Accrual Basis of Accounting" which differs from accounting principles generally accepted in the United States of America (GAAP) for governmental entities. Such principles and practices 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. Under this method of accounting, the Township of Maplewood accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP:

Current Fund – Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Funds – The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Animal Control Fund, General Trust Fund and Municipal Open Space Trust Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Description of Funds (Continued)

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as, related long-term debt accounts.

Swimming Pool Utility Fund - The Swimming Pool Utility maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

Public Assistance Trust Fund - Receipts and disbursements of funds that provide assistance to certain residents of the Township of Maplewood pursuant to the provisions of Title 44 of the New Jersey statutes are maintained in the Public Assistance Trust Fund.

Capital Fixed Assets - These accounts reflect estimated valuations of land, buildings and certain movable fixed assets of the Township as discussed under the caption of "Basis of Accounting".

Free Public Library - The Municipal Library Levy through budget appropriations and State Aid are transferred to the Free Public Library bank account and are expended with the approval of the Library for its purpose. Interest on investments, Library fines and other revenue are retained by the Library and expended therefrom. The Library is the subject of a separate report.

Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from accounting principles generally accepted in the United States of America. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

Property Taxes and Other Revenue

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenue

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

Expenditures

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts that may have been cancelled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create separate spending reserves.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Basis of Accounting (Continued)

Expenditures (Continued)

Budget transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Long-Term Debt are raised on the cash basis and are not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances

As of January 1, 1986, all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31st are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences

Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes

Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the general fixed assets account group at market value on the date of acquisition.

Self-Insurance Contributions

Contributions to self-insurance funds are charged to budget appropriations. GAAP requires that payments be accounted for as an operating transfer and not as an expenditure.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Basis of Accounting (Continued)

Interfunds Receivable

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves that are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies

Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Swimming Pool Utility is required, by regulation, to be prepared by Township personnel for inclusion on the Swimming Pool Utility Operating Fund balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Capital Fixed Assets

General:

In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Township of Maplewood has developed a fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

Fixed assets used in governmental operations (capital fixed assets) are accounted for in the Capital Fixed Assets Account. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Township.

Utility:

Capital acquisitions, including utility infrastructure costs of the Swimming Pool Utility, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include movable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Basis of Accounting (Continued)

Capital Fixed Assets (Continued)

Utility: (Continued)

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are as recorded in the records of the municipality and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only. Detailed records are not maintained.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township of Maplewood presents the financial statements listed in the table of contents which are required by the Division of Local Government Services and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

D. Recent Accounting Pronouncements Not Yet Effective

In April 2022, the Governmental Accounting Standards Board issued GASB Statement No. 99, "Summaries/Status". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement that are effective are as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging government assets, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The Township does not expect this Statement to impact its financial statements.

In June 2022, the Governmental Accounting Standards Board issued GASB 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. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Recent Accounting Pronouncements Not Yet Effective (Continued)

In December 2023, the Governmental Accounting Standards Board issued GASB Statement No. 102, "Certain Risk Disclosures". The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In April 2024, the Governmental Accounting Standards Board issued GASB Statement No. 103, "Financial Reporting Model Improvements". The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities that mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities that mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, ("GUDPA"), public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Township considers petty cash, change funds and cash in banks as cash and cash equivalents.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Cash and Cash Equivalents (Continued)

The Township of Maplewood has the following cash and cash equivalents at December 31, 2023:

	<u>2023</u>
Valley National Bank - Checking Accounts	\$39,231,578.96
BCB Community Bank - Checking Account	47,459.06
Change Funds	<u>500.00</u>
Total Cash and Cash Equivalents	<u>\$39,279,538.02</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute, which requires cash be deposited only in New Jersey based bank institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. As of December 31, 2023, of the cash balance in the bank, \$297,459.06 was covered by Federal Depository Insurance and \$39,640,475.94 was covered under the provisions of NJGUDPA.

Interest Rate Risk - This is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The Township's investment policy does not include limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of December 31, 2023, the Township had funds on deposit in checking accounts. The amount on deposit of the Township's Cash and Cash Equivalents as of December 31, 2023 was \$39,937,935.00. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40. There were no securities categorized as investments as defined by GASB Statement No. 40.

B. Investments

New Jersey P.L. 2017, c. 310 permits the Township to purchase various investments in accordance with the Township's Cash Management Plan.

3. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Township, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency as billed prior to the end of the fiscal year. The penalty so fixed shall not exceed 6% of the amount of the delinquency with respect to each most recent fiscal year only. The resolution also sets a grace period of ten days before interest is calculated.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes became in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

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 years.

Comparative Schedule of Tax Rates

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>\$3.616</u>	<u>\$3.526</u>	<u>\$3.419</u>	<u>\$3.322</u>	<u>\$3.226</u>
Apportionment of Tax Rate:					
Municipal	\$0.961	\$0.929	\$0.882	\$0.823	\$0.798
Municipal Open Space	0.010	0.010	0.010	0.010	0.010
County	0.532	0.527	0.515	0.528	0.512
County Open Space	0.019	0.018	0.017	0.017	0.017
School District	2.051	2.003	1.958	1.907	1.853
Library	0.043	0.039	0.037	0.037	0.036

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2023	\$3,909,258,589.00
2022	3,885,028,061.00
2021	3,872,925,556.00
2020	3,867,836,826.00
2019	3,867,886,657.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percentage of Collections</u>
2023*	\$ 142,169,197.02	\$ 140,641,941.39	98.93%
2022*	137,971,632.95	136,338,220.60	98.82
2021*	132,864,311.55	131,778,247.08	99.18
2020*	129,052,162.76	127,732,443.34	98.98
2019*	125,088,521.50	123,699,435.54	98.89

*Includes Special Improvement District Taxes.

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

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*	\$ 289,342.90	\$ 1,504,447.04	\$ 1,793,789.94	1.26%
2022*	277,015.96	1,575,800.35	1,852,816.31	1.34
2021*	264,113.69	1,060,091.29	1,324,204.98	1.00
2020*	255,398.66	1,105,510.88	1,360,909.54	1.05
2019*	246,930.88	1,110,042.15	1,356,973.03	1.08

*Includes Special District Taxes.

4. SPECIAL IMPROVEMENT DISTRICT ASSESSMENTS

Two Special Improvement Districts were established by ordinance of the Township of Maplewood in accordance with the provisions of N.J.S.A. 40:56-65 et seq. for the purposes of promoting the economic and general welfare of the district and the Township of Maplewood. The ordinance establishing the Special Improvement District for Maplewood Village was adopted on November 6, 1996 and Springfield Avenue was adopted on December 19, 2000.

Any property within the Special Improvement District is subject to the assessment. Any property which is incorporated, if it is exclusively used for residential purposes, and tax exempt properties are not subject to the special assessment.

Tax rates for the year 2023 are as follows:

Maplewood Village	\$0.151
Springfield Avenue	\$0.142

Total assessments for the year ending December 31, 2023 was the sum of \$251,050.95.

5. 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, was as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 322,500.00
2022	322,500.00
2021	322,500.00
2020	322,500.00
2019	322,500.00

6. SWIMMING POOL UTILITY

Swimming Pool Utility membership fee collections for the past five (5) years are as follows:

<u>Year</u>	<u>Collections</u>
2023	\$843,427.75
2022	885,015.00
2021	660,790.63
2020	286,119.00
2019	804,450.54

7. FUND BALANCES APPROPRIATED

<u>Year</u>	<u>Current Fund</u>		<u>Swimming Pool Utility</u>	
	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2023	\$8,557,008.86	\$2,259,668.00	\$165,536.33	\$ 50,000.00
2022	5,035,981.04	1,725,000.00	200,829.64	100,000.00
2021	3,727,984.70	1,500,000.00	170,099.54	103,905.00
2020	2,385,615.60	1,300,000.00	243,826.87	179,800.00
2019	1,760,827.62	1,200,000.00	243,826.87	-

8. PENSION PLANS

Description of Systems

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System are considered a cost-sharing multiple-employer plan.

The amount of the Township's contribution is certified each year by PERS and PFRS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest. In accordance with State statute, the long-term expected rate of return on plan investments 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. Specific information on actuarial assumptions and rates of return can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

8. PENSION PLANS (Continued)

Description of Systems (Continued)

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS the employer contribution includes funding for post-retirement medical premiums.

	PERS		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Covered Employee Payroll	\$ 7,380,084	\$ 7,100,874	\$ 6,661,218
Total Payroll	24,059,936	25,855,234	24,603,160
Actuarial Contribution			
Requirements	1,245,036	1,192,047	1,065,180
Total Contributions	1,823,716	1,746,105	1,580,899
Employer Share	1,245,036	1,192,047	1,065,180
% of Covered Payroll	16.87%	16.79%	15.99%
Employee's Share	578,680	554,058	515,719
% of Covered Payroll	7.84%	7.80%	7.74%
	PFRS		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Covered Employee Payroll	\$10,019,958	\$12,072,868	\$11,727,268
Total Payroll	24,059,936	25,855,234	24,603,160
Actuarial Contribution			
Requirements	4,386,772	4,324,872	3,653,363
Total Contributions	5,389,654	5,534,235	4,831,488
Employer Share	4,386,772	4,324,872	3,653,363
% of Covered Payroll	43.78%	35.82%	31.15%
Employee's Share	1,002,882	1,209,363	1,178,125
% of Covered Payroll	10.01%	10.02%	10.05%

Assumptions

The collective total PERS pension liability for June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 using an actuarial experience study for the period July 1, 2018 to June 30, 2021 for PERS. The pension liability was rolled forward to June 30, 2023. The actuarial valuation used an inflation rate of 2.75% for price and 3.25% for wage, projected salary increases of 2.75% to 6.55% for PERS based on years of service and an investment rate of return of 7.00%.

The collective total PFRS pension liability for June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 using an actuarial experience study for the period July 1, 2018 to June 30, 2021 for PFRS. The pension liability was rolled forward to June 30, 2023. The actuarial valuation used an inflation rate of 2.75% for price and 3.25% for wage, projected salary increases through all future years 3.25% to 16.25% for PFRS based on years of service and an investment rate of return of 7.00%.

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

8. PENSION PLANS (Continued)

Assumptions (Continued)

For PFRS, employee 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.

The discount rate used to measure the total pension liability was 7.00% for PERS and 7.00% for PFRS as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity 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. More information on mortality rates and other assumptions, and investment policies, can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Public Employees' Retirement System:

The Public Employees' Retirement System (PERS) 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. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey 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 of local jurisdiction.

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PERS operates and to the benefit provisions of that system. Provisions impacting employee pension and health benefits include:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2013, the member contribution rates increased in July 2013. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

8. PENSION PLANS (Continued)

Public Employees' Retirement System: (Continued)

Significant Legislation (Continued)

In addition, the method for amortizing the pension systems' unfunded accrued liability changed (from a level percent of pay method to a level dollar of pay).

The following presents the Township's proportionate share of the Collective PERS net pension liability calculated using the discount rate of 7.00% and 7.00% as of June 30, 2023 and 2022, respectively, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

Sensitivity of the Township's Proportionate Share of the Collective PERS Net Pension Liability to Changes in the Discount Rate

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2023	<u>\$17,712,911</u>	<u>\$13,606,610</u>	<u>\$10,111,605</u>
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2022	<u>\$18,482,353</u>	<u>\$14,386,434</u>	<u>\$10,900,641</u>

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, 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 report in the financial statements of the local participating employers related to this legislation. Below is the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employers:

	<u>2023</u>	<u>2022</u>
Employer Net Pension Liability	\$13,492,854.00	\$14,265,619.00
Nonemployer Proportional Share of the Net Pension Liability	<u>113,756.00</u>	<u>120,815.00</u>
	<u>\$13,606,610.00</u>	<u>\$14,386,434.00</u>

8. PENSION PLANS (Continued)

Police and Firemen's Retirement System:

The Police and Firemen's Retirement System (PFRS) was established in July, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police and firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

Chapter 428, Public Law of 1999, effective January 18, 2000, allows a member, age 55 and older with 20 or more years of service, to retire with a benefit equaling 50% of final compensation, in lieu of the regular retirement allowance available to the member. Final compensation means the compensation received by the member in the last twelve months of creditable service preceding retirement.

In addition, a member of the system as of the effective date of this law may retire with 20 or more years of service with a retirement allowance of 50% of final compensation, regardless of age, and if required to retire because of attaining the mandatory retirement age of 65, an additional 3% of final compensation for every additional year of creditable service up to 25 years.

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PFRS operates and to the benefit provisions of that system.

This new legislation's provisions impacting employee pension and health benefits include:

- The annual benefit under special retirement for new PFRS members enrolled after June 28th, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.

The following presents the Township's proportionate share of the Collective PFRS net pension liability calculated using the discount rate of 7.00% and 7.00% as of June 30, 2023 and 2022, respectively, as well as what the PFRS net pension liability would be if it were calculated using a discount rate of one percentage point lower or one percentage point higher than the assumed rate.

Sensitivity of the Township's Proportionate Share of the Collective PFRS Net Pension Liability to Changes in the Discount Rate

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2023	<u>\$60,078,059</u>	<u>\$43,118,485</u>	<u>\$28,995,212</u>
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2022	<u>\$61,522,663</u>	<u>\$44,838,062</u>	<u>\$30,948,050</u>

8. PENSION PLANS (Continued)

Special Funding Situation

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 that 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 non-employer 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 report in the financial statements of the local participating employers related to this legislation. Below is the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employers:

	<u>2023</u>	<u>2022</u>
Employer Net Pension Liability	\$36,409,594.00	\$38,063,818.00
Nonemployer Proportional Share of the Net Pension Liability	<u>6,708,891.00</u>	<u>6,774,244.00</u>
	<u><u>\$43,118,485.00</u></u>	<u><u>\$44,838,062.00</u></u>

Consolidated Police and Firemen's Pension Fund:

The Consolidated Police and Firemen's Retirement System (CPFPR) is a closed system with no active members and was established in January 1952 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amount by employer. The allocation percentages for each group as of June 30, 2023 and 2022 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2023 and 2022, respectively.

Following is the total of the Township's portion of the PERS and PFRS net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and the pension expense and expenditures for the fiscal year ended June 30, 2023:

	<u>PERS</u>	<u>PFRS</u>
Net Pension Liabilities	\$13,492,854	\$36,409,594
Deferred Outflow of Resources	798,923	5,347,888
Deferred Inflow of Resources	1,147,318	4,635,713
Pension Expense	(1,315,131)	(1,976,884)
Contributions Made After Measurement Date	1,245,036	4,386,772

8. PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the PERS schedule of employer allocations and applied to amounts presented in the PERS schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the years ended June 30, 2023 and 2022. The Township's proportionate share of the collective net pension liability as of June 30, 2023 and 2022 was .0932% and .0945% for PERS and .3295% and .3325% for PFRS, respectively.

It is important to note that New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements.

At June 30, 2023, the amount determined as the Township's proportionate share of the PERS net pension liability was \$13,492,854. For the year ended June 30, 2023, the Township would have recognized PERS pension expense of \$(1,315,131). At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follows:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference Between Expected and Actual Experience	\$ 129,009	\$ 55,154
Change of Assumptions	29,641	817,725
Net Difference Between Projected and Actual Investment Earnings	62,136	
Net Change in Proportions	578,137	274,439
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>1,245,036</u>	
	<u><u>\$2,043,959</u></u>	<u><u>\$1,147,318</u></u>

At June 30, 2023, the amount determined as the Township's proportionate share of the PFRS net pension liability was \$36,409,594. For the year ended June 30, 2023, the Township would have recognized PFRS pension expense of \$(1,976,884). At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to the PFRS pension are as follows:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference Between Expected and Actual Experience	\$1,558,986	\$1,736,415
Change of Assumptions	78,585	2,458,520
Net Difference Between Projected and Actual Investment Earnings	1,854,272	
Net Change in Proportions	1,856,045	440,778
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>4,386,772</u>	
	<u><u>\$9,734,660</u></u>	<u><u>\$4,635,713</u></u>

8. PENSION PLANS (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

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

Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 7.50% and 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the past three (3) years are as follows:

<u>Year</u>	<u>PERS</u>		<u>PFRS</u>		<u>CPFPP</u>
	<u>Township</u>	<u>Employee</u>	<u>Township</u>	<u>Employee</u>	<u>Township</u>
2023	\$1,229,987.00	\$578,680.13	\$4,479,150.00	\$1,002,881.90	\$ -
2022	1,104,614.00	554,057.62	3,813,697.00	1,209,362.70	30,111.21
2021	1,039,066.00	515,719.45	3,643,609.00	1,178,125.00	68,688.79

The Township of Maplewood, in accordance with the provisions of Public Law 2009, c. 19 (S21), elected by resolution of the governing body to defer the 50% of their 2009 normal and accrued pension liability for the PERS and PFRS pension retirement system obligation in the amount of \$1,256,243.50. This deferred pension liability will be repaid over a 15 year period and started in April, 2012.

9. **DEFINED CONTRIBUTION RETIREMENT PROGRAM**

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the minimum base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PFRS after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. The employer contribution is 4.05% which includes a member contribution match of 3.0%, Group Life Insurance is .74% of gross wages and Long-Term Disability is .31% of gross wages. Contributions to the plan for the past three (3) years are as follows:

<u>Year</u>	<u>Township</u>	<u>Employees</u>
2023	\$14,847.54	\$27,215.92
2022	12,601.55	22,907.66
2021	10,428.28	16,654.80

10. POST-RETIREMENT BENEFITS OTHER THAN PENSION

Plan Description

As of December 20, 1994, the Township of Maplewood no longer offers their employees post-retirement benefits. However, under an early retirement incentive program during 1993, the Township offered certain employees post-employment health benefits. Under this program, the Township will reimburse the retiree the premium paid for health insurance. As of December 31, 2023, there were no retirees in this program.

Funding Policy

The Township of Maplewood made no payments to retirees in the early retirement incentive program for the year ended December 31, 2023.

Special Funding Situation

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement 75 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The Township as of June 30, 2023 had 172 members under the Special Funding Situation. The State proportionate share of the net OPEB liability attributed to the Township is \$30,481,765.00.

11. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Pursuant to N.J.S.A. 40A:2-8.1, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legal requirement is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

11. MUNICIPAL DEBT (Continued)

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 55,246,000.00	\$ 45,312,000.00	\$ 43,202,000.00
Loans Payable	401,825.06	447,702.93	492,676.82
Swimming Pool Utility Fund:			
Bonds and Notes	<u>2,760,352.00</u>	<u>1,981,352.00</u>	<u>2,035,352.00</u>
	<u>58,408,177.06</u>	<u>47,741,054.93</u>	<u>45,730,028.82</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	7,725,390.00	15,680,340.00	13,086,327.06
Swimming Pool Utility Fund:			
Bonds and Notes	<u>114,300.00</u>	<u>113,400.00</u>	
	<u>7,839,690.00</u>	<u>15,793,740.00</u>	<u>13,086,327.06</u>
Total Debt	<u>66,247,867.06</u>	<u>63,534,794.93</u>	<u>58,816,355.88</u>
Less: Reserve for Debt Service:			
General Capital Fund	363,998.79	170,998.79	9.56
Reserve for Grants Receivable:			
General Capital Fund	<u>3,291,150.00</u>	<u>2,150,482.77</u>	<u>2,445,354.06</u>
	<u>3,655,148.79</u>	<u>2,321,481.56</u>	<u>2,445,363.62</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 62,592,718.27</u>	<u>\$ 61,213,313.37</u>	<u>\$ 56,370,992.26</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition that follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.206%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 96,092,499.40	\$ 96,092,499.40	\$
Swimming Pool Utility	2,874,652.00	2,874,652.00	
General Debt	<u>63,373,215.06</u>	<u>3,655,148.79</u>	<u>59,718,066.27</u>
	<u>\$162,340,366.46</u>	<u>\$102,622,300.19</u>	<u>\$59,718,066.27</u>

Net Debt, \$59,718,066.27 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$4,951,495.565.00 equals 1.206%.

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

3 1/2% of Equalized Valuation Basis	\$ 173,302,344.77
Net Debt	<u>59,718,066.27</u>
Remaining Borrowing Power	<u>\$ 113,584,278.50</u>

11. MUNICIPAL DEBT (Continued)

School Debt Deductions

School debt is deductible up to the extent of 4.0% of the Average Equalized Assessed Valuations of real property for the Local School District.

Calculation of "Self-Liquidating Purposes" Swimming Pool Utility per N.J.S. 40A:2-45

Fund Balance, Cash Receipts from Fees, Rents or Other Charges for Year		\$1,277,442.63
Deductions:		
Operating and Maintenance Costs	\$842,800.00	
Debt Service per Swimming Pool Utility Operating Fund	<u>271,515.40</u>	
		<u>1,114,315.40</u>
Excess in Revenue		<u>\$ 163,127.23</u>

There being an excess in revenue, all Swimming Pool Utility Debt is deductible for debt statement purposes.

The foregoing debt information is in agreement with the Revised Annual Debt Statement filed by the Chief Financial Officer.

As of December 31, 2023, the Township's long-term debt is as follows:

General Obligation Bonds

\$16,245,000, 2018 Bonds due in annual installments of \$1,585,000 to \$1,630,000 through February 2030, interest at 3.00% to 5.00%.	\$11,345,000.00
\$4,005,000, 2021 Refunding Bonds due in annual installments of \$887,000 to \$1,009,000 through October 2025, interest at 0.696%.	1,896,000.00
\$280,000, 2021 Refunding Bonds due in annual installments of \$70,000 through April 2025, interest at 2.00% to 3.00%.	140,000.00
\$12,765,000, 2021 Bonds due in annual installments of \$960,000 to \$1,180,000 through April 2034, interest at 2.00% to 4.00%.	11,830,000.00
\$30,035,000, 2023 Bonds due in annual installments of \$1,080,000 to \$2,160,000 through May 2038, interest at 4.00% to 5.00%.	<u>30,035,000.00</u>
	<u>\$55,246,000.00</u>

11. MUNICIPAL DEBT (Continued)

\$1,740,000, 2021 Bonds due in annual installments of \$180,000 to \$210,000 through April 2031, interest at 2.00% to 4.00%.

\$1,560,000.00

\$1,115,000, 2023 Bonds due in annual installments of \$65,000 to \$125,000 through May 2033, interest at 4.00% to 5.00%.

1,115,000.00

\$2,675,000.00

A Schedule of Annual Debt Service for principal and interest for bonded debt is as follows:

Calendar Year	Total	General		Swimming Pool Utility	
		Principal	Interest	Principal	Interest
2024	\$ 7,301,610.05	\$ 4,704,000.00	\$ 2,253,457.27	\$ 245,000.00	\$ 99,152.78
2025	6,759,698.52	4,647,000.00	1,768,423.52	265,000.00	79,275.00
2026	6,630,775.00	4,655,000.00	1,596,125.00	310,000.00	69,650.00
2027	6,541,050.00	4,755,000.00	1,412,950.00	315,000.00	58,100.00
2028	6,424,775.00	4,830,000.00	1,229,375.00	320,000.00	45,400.00
2029	6,270,700.00	4,865,000.00	1,051,700.00	320,000.00	34,000.00
2030	6,107,050.00	4,890,000.00	873,050.00	320,000.00	24,000.00
2031	4,358,650.00	3,285,000.00	729,150.00	330,000.00	14,500.00
2032	4,057,550.00	3,305,000.00	620,050.00	125,000.00	7,500.00
2033	3,968,000.00	3,330,000.00	510,500.00	125,000.00	2,500.00
2034	3,740,600.00	3,340,000.00	400,600.00		
2035	2,462,400.00	2,160,000.00	302,400.00		
2036	2,376,000.00	2,160,000.00	216,000.00		
2037	2,289,600.00	2,160,000.00	129,600.00		
2038	2,203,200.00	2,160,000.00	43,200.00		
	<u>\$71,491,658.57</u>	<u>\$55,246,000.00</u>	<u>\$13,136,580.79</u>	<u>\$2,675,000.00</u>	<u>\$434,077.78</u>

The interest reflected above is on the cash basis for all funds.

Green Acres Trust Loans Payable

During 2010, the Township of Maplewood entered into a loan agreement with the State of New Jersey Department of Environmental Protection under the Green Acres Trust Program to finance part of the improvements to Dehart Park in the sum of \$956,250.00 at an interest rate of 2.0%.

The following is a Schedule of Annual Principal and Interest Payments for the Green Acres Trust Loan Payable as of December 31, 2023:

11. MUNICIPAL DEBT (Continued)

Green Acres Trust Loans Payable (Continued)

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 54,603.68	\$ 46,800.02	\$ 7,803.66
2025	54,603.68	47,740.70	6,862.98
2026	54,603.68	48,700.29	5,903.39
2027	54,603.68	49,679.16	4,924.52
2028	54,603.68	50,677.71	3,925.97
2029	54,603.68	51,696.33	2,907.35
2030	54,603.68	52,735.43	1,868.25
2031	54,603.69	53,795.42	808.27
	<u>\$436,829.45</u>	<u>\$401,825.06</u>	<u>\$35,004.39</u>

Special Emergency Notes

The outstanding Special Emergency Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Amount</u>
Current Fund	0.00%	<u>\$1,200,000.00</u>
Swimming Pool Operating Fund	0.00%	<u>\$ 360,000.00</u>

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Amount</u>
Swimming Pool Capital Fund	5.35%	<u>\$85,352.00</u>

Statutory requirements for providing sums equivalent to legally payable installments for the redemption of notes (Budget Appropriations) and permanent funding (Bond Issues) are summarized as follows:

<u>Original Notes Issued</u>	<u>Legal Installments Due</u>	<u>Permanent Funding Required as of May 1</u>
2016	2019 - 2026	2027

Bonds and Notes Authorized but Not Issued

	<u>Balance Dec. 31, 2023</u>
General Capital Fund:	
General Improvements	\$7,725,390.00
Swimming Pool Capital Fund:	
General Improvements	114,300.00

12. SCHOOL DEBT

The School District of South Orange and Maplewood is unique in that it is a combination of Type I and Type II school districts. It has an elected school board, but the electorate does not vote on the school budget. Instead, the Board of School Estimate approves the amount of local property taxes to be allocated in support of the schools. The Board of School Estimate is comprised of eight members, two from the Board of Education and three from each governing body. Approval of the amount to be raised by local school taxes requires five assenting votes, four of which must come from the representatives of the Townships' governing bodies.

The Board of School Estimate may only approve or reject the total amount of money to be raised by local taxes for current expenses and capital outlay for the fiscal year in question. Once the total amounts are approved, they have no authority or control over how the funds are actually allocated within those categories by the Board of Education.

If the Board of School Estimate will not approve a budget amount that is acceptable to the Board of Education, the Board of Education may appeal to the State Commissioner of Education for relief. In all cases, the taxes to be appropriated by each township are determined in proportion to the equalized ratable base of each community.

An additional function of the Board of School Estimate is to approve any assumption of long-term debt by the Board of Education. Since action by the Board of Education to incur long-term debt carries an obligation to pay over several years, the Board of School Estimate must approve that action. By their approval, the Board of School Estimate agrees to provide the necessary tax revenues to service the debt over the life of the obligation. Thus, funds obligated to debt services are not subject to the annual budget approval process as they have been previously approved by the Board of School Estimate.

13. LEASES

In June 2017, the Governmental Accounting Standards Board issued GASB No. 87, Leases.

The Township is the lessor to several lease agreements involving cell towers and space. The Township also has interlocal agreements for electrical services, plumbing services, health department services and shared court services under operating leases. Future minimum lease receivables are as follows:

<u>Year</u>	<u>Operating Leases</u>
2024	\$ 685,999.16
2025	681,454.39
2026	677,039.34
2027	498,653.57
2028	494,238.91
Later	<u>4,414,141.39</u>
Total Future Minimum Lease Receivables	<u><u>\$7,451,526.76</u></u>

The leases for one of the cell towers and the shared court services had no termination date. We only calculated ten years of future lease receivables.

14. SUBSCRIPTION LEASES

In June 2022, Statement No. 96, Subscription-Based Information Technology Arrangements was implemented providing municipalities guidance on the accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) for government end users. Under this new guidance, the Township must disclose and report any SBITAs in excess of one year with the following information. A general description of its SBITAs, including the basis, terms, and conditions on which variable payments not included in the measurement of the subscription liability are determined; the total amount of subscription assets, and the related accumulated amortization, disclosed separately from other capital assets; the amount of outflows of resources recognized in the reporting period for variable payments not previously included in the measurement of the subscription liability; the amount of outflows of resources recognized in the reporting period for other payments, such as termination penalties, not previously included in the measurement of the subscription liability; principal and interest requirements to maturity, presented separately, for the subscription liability for each of the five subsequent fiscal years and in five-year increments thereafter and commitments under SBITAs before the commencement of the subscription term; the components of any loss associated with an impairment. The Township of Maplewood has reviewed all their SBITAs and determined that they are all considered short-term and require no disclosure under GASB Statement No. 96.

15. CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2023 and 2022 was as follows:

<u>Governmental Activities</u>	<u>Balance Dec. 31, 2022</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance Dec. 31, 2023</u>
Land	\$ 68,749,000.00	\$	\$	\$ 68,749,000.00
Buildings and Improvements	28,924,600.00			28,924,600.00
Vehicles and Equipment	<u>21,433,287.00</u>	<u>716,790.00</u>		<u>22,150,077.00</u>
	<u>\$119,106,887.00</u>	<u>\$ 716,790.00</u>	<u>\$ -</u>	<u>\$119,823,677.00</u>
<u>Governmental Activities</u>	<u>Balance Dec. 31, 2021</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance Dec. 31, 2022</u>
Land	\$ 67,157,600.00	\$1,591,400.00	\$	\$ 68,749,000.00
Buildings and Improvements	28,008,900.00	915,700.00		28,924,600.00
Vehicles and Equipment	<u>16,540,879.00</u>	<u>5,434,211.00</u>	<u>541,803.00</u>	<u>21,433,287.00</u>
	<u>\$111,707,379.00</u>	<u>\$7,941,311.00</u>	<u>\$541,803.00</u>	<u>\$119,106,887.00</u>

16. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2023, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 2,190,548.66	\$ 6,545,124.39
Federal and State Grant Fund	2,386,751.55	152,075.80
Animal Control Trust Fund		6,325.95
General Trust Fund	72,159.68	2,396,255.91
Municipal Open Space Trust Fund	390,787.26	
General Capital Fund	4,859,357.40	498,747.49
Swimming Pool Operating Fund	339,431.90	426,910.02
Swimming Pool Capital Fund	<u>271,453.32</u>	<u>485,050.21</u>
	<u>\$10,510,489.77</u>	<u>\$10,510,489.77</u>

17. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS' BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, the following deferred charges are shown on the balance sheet of the Current Fund and Swimming Pool Operating Fund:

	<u>Balance Dec. 31, 2023</u>	<u>2024 Budget Appropriation</u>	<u>To Be Raised in Subsequent Budget</u>
Current Fund:			
Special Emergency Appropriation: (N.J.S. 40A:4-53)	\$2,659,256.00	\$714,814.00	\$1,944,442.00
Special Emergency Appropriation: (N.J.S. 40A:4-55.3)	140,000.00	46,668.00	93,332.00
Swimming Pool Operating Fund:			
Special Emergency Appropriation	373,616.47	124,540.00	249,076.47

18. DEFERRED COMPENSATION PLAN

The Township of Maplewood offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

18. DEFERRED COMPENSATION PLAN (Continued)

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The Township of Maplewood authorized such modifications to their plan by resolution of the Township Committee adopted June 16, 1998.

The Administrator for the Township of Maplewood's Deferred Compensation Plan is Metlife Securities, Inc. and I.C.M.A.

The Plan was subject to a review only as defined by the New Jersey Division of Local Government Services and the American Institute of Certified Public Accountants. A review consists principally of inquiries of Township officials and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards. The audit of the program lies within the scope of the audit of the independent accountants of the Metlife Securities, Inc. and I.C.M.A.

19. RISK MANAGEMENT

The Township of Maplewood is a member of the New Jersey Intergovernmental Insurance Fund with respect to General Liability, Property, Workers' Compensation and Employer Liability.

20. CONTINGENT LIABILITIES

A. Compensated Absences

The Township of Maplewood has an Accrued Sick Policy Plan whereby certain eligible employees, upon retirement, will receive compensation for accumulated sick time.

As of January 1, 1978 employees in the United Construction Trades and Industrial Employees' International Union can accumulate unused sick time. Upon retirement, eligible employees will receive one-half of the accumulated sick time, but such payment shall not exceed \$12,000.00.

Any employee in the Communication Workers' of America, Local 1031 Union can accumulate unused sick time. Upon retirement, eligible employees, hired prior to January 1, 2002, will be paid for up to 90 sick days at full pay and up to an additional 90 days at half pay.

As of January 1, 2020, Police Officers can accumulate unused sick time to a maximum of 60 days, payable upon retirement.

It is estimated that the sum of \$1,464,643.14 computed internally at the 2023 salary rates, would be payable to various officials and employees of the Township of Maplewood as of December 31, 2023 for accumulated sick and vacation days and unused holidays. These figures have been calculated by management and are unaudited. Provision for the above are not reflected on the Financial Statements of the Township.

B. Tax Appeals

As of October 4, 2024, there were sixty-eight (68) appeals pending before the New Jersey Tax Court with an assessed valuation of \$178,989,800.00. Potential liability was undeterminable.

Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the Township to a liability for statutory interest based upon the amount of taxes refunded from the date of payment to the date of refund (R.S. 54:3-27.2).

20. CONTINGENT LIABILITIES (Continued)

C. Federal and State Awards

The Township participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2023 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

D. Arbitrage Rebate Calculation

In 1985, under the Tax Reform Act, the Arbitrage Rebate Law went into effect requiring issuers of tax exempt debt obligations to rebate to the Federal Government all of the earnings in excess of the yield on investments of proceeds of such debt issuances (the "rebate arbitrage"). The Rebate Regulations apply to obligations issued after August 31, 1986. The arbitrage rebate liability must be calculated every installment computation date (last day of the fifth bond year) or earlier if the bonds are retired, defeased or refunded and pay at least 90% of the rebatable arbitrage (plus any earnings thereon) within 60 days after such date.

E. Payments in Lieu of Taxes (PILOT)

Under N.J.S.A. 40A:20-12, each municipality is required to annually remit to the County five percent (5%) of the annual service charge for each long-term PILOT financial agreement entered into by the municipality.

F. Litigation

There is no significant litigation or any contingent liabilities, unasserted claims or assessments or statutory violations which would materially affect the financial position or results of operations of the Township other than what is listed below:

General liability claims pending against the Township are handled by insurance carriers.

21. SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

22. SUBSEQUENT EVENTS

The Township of Maplewood has evaluated subsequent events that occurred after the balance sheet date, but before November 26, 2024. No items were determined to require disclosure.

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APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

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_____, 2025

Township Committee of the
Township of Maplewood, in the
County of Essex, New Jersey

Dear Committee Members:

We have acted as bond counsel to the Township of Maplewood, in the County of Essex, New Jersey (the "*Township*"), in connection with the issuance by the Township of its \$20,426,000 Bond Anticipation Note (the "*Note*"), dated the date hereof. In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to our satisfaction and have undertaken such research and analyses as we have deemed necessary.

The Note is issued pursuant to the Local Bond Law of the State of New Jersey and the bond ordinances of the Township listed in the Certificate of Determination and Award prepared in connection with this issue, each in all respects duly approved and published as required by law. The Note is a temporary obligation issued in anticipation of the issuance of bonds.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Note is a valid and legally binding obligation of the Township, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Note is issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Township without limitation as to rate or amount.

On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "*Certificate*") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Note in order to preserve the tax-exempt status of the Note pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "*Code*"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Note to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Note. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, under existing law, interest on the Note is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Note is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Note is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Note. Further, in our opinion, based upon existing law, interest on the Note and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

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

Very truly yours,

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