

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 2, 2025

NEW ISSUE

NOT RATED

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

**\$4,313,000**  
**TOWNSHIP OF MOUNT HOLLY**  
**County of Burlington, New Jersey**  
**BOND ANTICIPATION NOTES OF 2025, SERIES A**  
**(BOOK-ENTRY ONLY) (NON-CALLABLE) (BANK-QUALIFIED)**

**COUPON: \_\_\_\_%      YIELD: \_\_\_\_%      CUSIP\*: \_\_\_\_\_**

**Dated: Date of Delivery**

**Due: September 22, 2026**

The \$4,313,000 Bond Anticipation Notes of 2025, Series A ("Notes"), are general obligations of the Township of Mount Holly, County of Burlington, New Jersey ("Township"), payable ultimately from *ad valorem* taxes to be levied upon all the taxable property within the Township without limitation as to rate or amount, as more fully described herein.

The Notes will be issued as fully registered notes in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), which will maintain a book-entry system for recording ownership interests of DTC Participants. Individual purchases of beneficial ownership interests in the Notes may be made in book-entry form only on the records of DTC and its Participants and only in the principal amount of \$5,000, or any integral multiple of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Notes. Beneficial Owners of the Notes will not receive certificates representing their interests in the Notes. As long as Cede & Co. is the registered owner, as nominee of DTC, references in this Official Statement to the registered owners shall mean Cede & Co., and not the Beneficial Owners of the Notes.

Principal of and interest on the Notes will be payable by the Township or a duly designated paying agent on the date of maturity. The Notes will bear interest at the rate per annum indicated above, commencing from their date of delivery. While DTC is acting as securities depository for the Notes, the principal of and interest on the Notes will be payable by wire transfer to DTC or its nominee, which is obligated to remit such principal and interest payments to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such principal and interest payments to the Beneficial Owners of the Notes. The Notes are not subject to redemption prior to their stated maturity date.

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2009-11, 2016-14, 2016-15, 2017-15, 2021-16, 2022-9 and 2022-11, each duly and finally adopted by the Township Council and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on September \_\_, 2025.

The Notes are being issued by the Township to provide funds which, together with other available funds, will be used to: (i) temporarily finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Township; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Notes.

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

*The Notes are offered when, as and if issued and subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Solicitor, Thomas J. Coleman III, Esquire, of Raymond Coleman Heinold LLP, Moorestown, 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 Notes. The Notes are expected to be available for delivery in definitive form through DTC in Brooklyn, New York on or about September 23, 2025.*

**BID PROPOSALS FOR THE NOTES WILL BE RECEIVED BY THE TOWNSHIP ON TUESDAY, SEPTEMBER 9, 2025  
UNTIL 11:30 AM BY EMAIL: [BMORRIS@MUNIADVISORS.COM](mailto:BMORRIS@MUNIADVISORS.COM) OR ELECTRONICALLY VIA THE PARITY  
ELECTRONIC BID SUBMISSION SYSTEM. FOR MORE DETAILS ON HOW TO BID PLEASE VIEW  
THE NOTICE OF SALE POSTED AT [WWW.MUNIHUB.COM](http://WWW.MUNIHUB.COM).**

\* Registered trademark of the American Bankers Association. CUSIP data herein are 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 noteholders only at the time of issuance of the Notes and the Township does not make any representation with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Notes as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Notes.

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, NEW JERSEY**

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<b><u>Name</u></b>	<b><u>Title</u></b>
Christopher Banks	Mayor
Richard DiFolco	Deputy Mayor
Tara Astor	Councilperson
Lewis Brown	Councilperson
Kimberly Burkus	Councilperson

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**Township Manager**

Joshua Brown

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**Township Clerk**

Sherry Marnell

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**Chief Financial Officer**

Denise Muchowski

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**Solicitor**

Thomas J. Coleman III, Esquire  
Raymond Coleman Heinold LLP  
Moorestown, New Jersey

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**Auditor**

Mercadien, P.C.  
Hamilton, New Jersey

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**Bond Counsel**

Parker McCay P.A.  
Mount Laurel, New Jersey

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**Municipal Advisor**

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

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

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

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

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

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

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

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

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**OFFICIAL STATEMENT**  
**Relating to**  
**\$4,313,000**  
**TOWNSHIP OF MOUNT HOLLY**  
**County of Burlington, New Jersey**  
**BOND ANTICIPATION NOTES OF 2025, SERIES A**  
**(BOOK-ENTRY ONLY) (NON-CALLABLE) (BANK-QUALIFIED)**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Mount Holly in the County of Burlington, New Jersey (“Township”), in connection with the sale and the issuance of its \$4,313,000 Bond Anticipation Notes of 2025, Series A (“Notes”). This Official Statement has been executed by and on behalf of the Township by the Chief Financial Officer and may be distributed in connection with the sale of the Notes.

**DESCRIPTION OF THE NOTES**

The Notes shall be dated and shall bear interest from their date of delivery and shall mature on the date and in the amount shown on the front cover page hereof. The Notes shall bear interest, payable at maturity, at the rate shown on the front cover page hereof. Interest on the Notes shall be calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year. The Notes are not subject to redemption prior to maturity.

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

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

## AUTHORIZATION AND PURPOSE OF THE NOTES

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented (“Local Bond Law”); (ii) bond ordinances 2009-11, 2016-14, 2016-15, 2017-15, 2021-16, 2022-9 and 2022-11 (collectively, the “Bond Ordinances”), each duly and finally adopted by the Township Council and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on September \_\_, 2025.

The Notes are being issued by the Township to provide funds which, together with other available funds, will be used to: (i) temporarily finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Township; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Notes.

The following table sets forth certain information with respect to the Bond Ordinances authorizing the Notes.

<b><u>Ordinance Number</u></b>	<b><u>Description</u></b>	<b><u>Amount Authorized</u></b>	<b><u>Amount of Outstanding Notes</u></b>	<b><u>Amount of Available Funds</u></b>	<b><u>Amount of Notes to be Issued</u></b>
2009-11	Restoration of Upper, Buttonwood, and Wolman Lakes	\$177,000	\$177,000	\$6,100	\$170,900
2016-14	Renovation and Rehabilitation of Mill Dam Park	2,200,000	2,200,000	27,800	2,172,200
2016-15	Replacement of Buttonwood Lake Dam	760,000	721,300	12,900	708,400
2017-15	Various Capital Improvements	522,500	407,000	23,100	383,900
2021-16	Construction and Improvements at Real Property Located at 10, 21, 23 Rancocas Road	570,000	570,000	19,700	550,300
2022-9	Construction and Improvements at Buttonwood Lake	142,500	142,500	7,500	135,000
2022-11	Repair and Reconstruction of Union Mill Dam	199,500	199,200	6,900	192,300
	<b>Total:</b>	<b>\$4,571,500</b>	<b>\$4,417,000</b>	<b>\$104,000</b>	<b>\$4,313,000</b>

## BOOK-ENTRY ONLY SYSTEM

### General

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Notes, payment of principal and interest and other payments on the Notes to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, DTC

Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations concerning these matters.

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial

Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. Beneficial Owners of the Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, agent, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of 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 agent, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Township or the agent. Under such circumstances, in the event that a successor 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 transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered.

**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.**

#### 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 Notes at any time, the Township will attempt to locate another qualified Securities Depository. If the Township fails to find such Securities Depository, or if the Township determines, in 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.



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

## **SECURITY AND SOURCE OF PAYMENT**

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

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

## **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 balance of calendar year 2025.

## **GENERAL INFORMATION REGARDING THE TOWNSHIP**

### General

The Township is located in the County of Burlington, New Jersey ("County"). General information concerning the Township, including economic, financial, demographic and other relevant data, is set forth in Appendix "A" to this Official Statement.

### Financial

Appendix "B" to this Official Statement contains audited financial statements of the Township for the years ended December 31, 2024 and 2023. The audited financial statements were provided by Mercadien, P.C., Hamilton, New Jersey ("Auditor"), and are included herein in reliance upon the authority of such firm. The Auditor has consented to the inclusion of its report in this Official Statement. Copies of the complete reports of audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

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

### Local Bond Law

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

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

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

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

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

**Short-Term Financing** – When approved by bond ordinance, the Township may issue bond anticipation notes to temporarily finance capital improvements. Such notes may not be issued in an aggregate amount exceeding that specified by the ordinance. The notes may not be issued for periods of more than one year, renewable with the final maturity occurring no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original note. After the third year, the amount of the notes that may be renewed annually must be decreased by the minimum amount required for the first year’s principal payment for the bond issue in anticipation of which the notes are issued.

**Refunding Bonds** – Refunding bonds may be issued pursuant to the Local Bond Law for the purpose of paying, funding or refunding outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-state administered public employee pension system and amounts owing to

others for taxes levied in the local unit, or any renewals or extensions thereof, and for paying the cost of issuance of refunding bonds.

### Local Fiscal Affairs Law

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

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

An independent examination of the Township’s books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division’s “Requirements of Audit”, includes recommendations for improvement of the municipality’s financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2024 is on file with the Chief Financial Officer and is available for review during business hours.

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

### The Local Budget Law

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

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

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

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

A statute passed in 1976, as amended (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the “Cap Law”, imposed limitations on increases in municipal appropriations subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c. 89, which revised and made permanent the “Cap Law”. Since its inception, the “Cap Law” has been amended and modified several times, most recently on July 13, 2010. While the revised “Cap Law” is more restrictive on the ability of a municipality to increase its overall appropriations, it does not limit the obligation of the Township to levy *ad valorem*

taxes upon all taxable real property within the Township to pay debt service on the Notes. The Cap Law provides that a municipality shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year's final appropriations subject to certain exceptions. The "index rate" is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

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

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

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

#### Miscellaneous Revenues

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

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

#### Real Estate Taxes

**Receipts from Delinquent Taxes** – Revenues are permitted by N.J.S.A. 40A:4-29 to be anticipated in the annual budget for collection of delinquent taxes of prior years. The maximum amount permitted to

be anticipated is determined by applying the collection rate of the prior year's delinquent taxes to the total amount of delinquent taxes outstanding at the beginning of the current year.

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

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

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

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

#### Deferral of Current Expenses

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

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

#### Budget Transfers

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

## Operations of Utilities

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be funded from utility surplus, if any, are required to be raised in the "Current" or operating budget. The Township does not operate an internal utility.

## Capital Budget

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

## Related Constitutional and Statutory Provisions

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

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

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

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

## Rights and Remedies of Owners of Bonds

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

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

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

Under Article 6 of the Act, while the Commission functions in the municipality, no judgment, levy, or execution against the municipality or its property for the recovery of the amount due on any bonds, notes or other obligations of the municipality in the payment of which it has defaulted, shall be enforced unless otherwise directed by Court Order. However, Article 6 of the Act also provides that upon application of any creditor made upon notice to the municipality and the Commission, a court may vacate, modify or restrict any such statutory stay contained therein.

#### Limitation of Remedies Under Federal Bankruptcy Code

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

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

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

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

## **TAXATION**

### Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties resulting in a decrease of the assessment ratio to its present level of 65.13%. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could not keep pace with rising values. The last complete revaluation of property within the Township was effective for the year 2011.

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

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

### Tax Appeals

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

## **LITIGATION**

To the knowledge of the Township's Solicitor, Thomas J. Coleman III, Esquire, of Raymond Coleman Heinold LLP, Moorestown, New Jersey ("Solicitor"), there is no litigation of any nature now pending, restraining or enjoining the issuance or the delivery of the Notes, or the levy or the collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Solicitor, no litigation is presently pending that, in the opinion of the Solicitor, would have a material adverse impact on the financial condition of the Township if adversely decided.



## **NO RATING**

The Township will not obtain a credit rating related to the issuance of the Notes.

## **TAX MATTERS**

### Federal

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, assuming continuing compliance by the Township with the tax covenants described below, under existing law, interest on the Notes is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (“Code”), and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

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

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

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

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

increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Notes.

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

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

#### New Jersey

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

#### Changes in Federal and State Tax Law

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

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

#### **CONTINUING DISCLOSURE**

In accordance with the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule"), the Township has undertaken to file notice of certain enumerated events, pursuant to an Information Reporting Undertaking Agreement for the Notes, substantially in the form set forth in Appendix "D" hereto.

The Township has previously entered into secondary market disclosure undertakings in accordance with the Rule with respect to its own obligations and obligations of the Mount Holly Municipal Utilities

Authority for which the Township is an obligated person. The Township appointed Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, to serve as continuing disclosure agent to assist in the timely filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

## **NO DEFAULT**

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

## **CERTAIN RISK FACTORS**

### Recent Healthcare Developments

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. 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.

In an effort to provide relief to entities impacted by the COVID-19 pandemic, the American Rescue Plan Act of 2021, H.R. 1319 ("Plan") was signed into law on March 12, 2021 and provided \$1.9 trillion in financial assistance to businesses, individuals and governmental entities. The Plan provided funding for state and local governments to recoup and offset costs related to COVID-19 and to encourage and re-establish economic development and certain infrastructure improvements.

Pursuant to the funding methodology under the Plan, the Township received \$999,270.69 in funding ("Plan Funds"). The deadline to obligate the Plan Funds was December 31, 2024 and to spend Plan Funds is December 31, 2026. Such Plan Funds were received in two (2) equal payments; one (1) received within 60 days of enactment of the Plan, and the balance was received no earlier than 12 months from the initial payment.

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

### Cyber Security

The Township relies 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. 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, including the Township. 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.

## **UNDERWRITING**

The Notes have been purchased from the Township at a public sale by \_\_\_\_\_, \_\_\_\_\_ ("Underwriter") at a price of \$ \_\_\_\_\_ ("Purchase Price"). The Purchase Price reflects the principal amount of the Notes plus a bid premium of \$ \_\_\_\_\_.

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

## **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 Notes ("Municipal Advisor") and has assisted in matters related to the planning, structuring and terms of the Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in 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.

## **APPROVAL OF LEGAL PROCEEDINGS**

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

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

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

## **LEGALITY FOR INVESTMENT**

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

## **PREPARATION OF OFFICIAL STATEMENT**

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

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

The Township compiled Appendix “A” from information obtained from various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto.

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

The Auditor only takes responsibility for the audited financial statements, appearing in Appendix “B” hereto and has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto.

### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Denise Muchowski, Chief Financial Officer, Township of Mount Holly, at 609-845-1149, 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.

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

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

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

**TOWNSHIP OF MOUNT HOLLY,  
COUNTY OF BURLINGTON, NEW JERSEY**

**By: \_\_\_\_\_  
DENISE MUCHOWSKI, Chief Financial Officer**

Dated: September \_\_, 2025

## **APPENDIX A**

### **CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING THE TOWNSHIP OF MOUNT HOLLY**

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## **INFORMATION REGARDING THE TOWNSHIP**

The following material presents certain economic, financial and demographic information of the Township of Mount Holly (“Township”) in the County of Burlington (“County”) in the State of New Jersey (“State”).

### **History**

The history of the Township predates the American Revolution by nearly 100 years. The greater portion of the land was first called Bridgetown and is now called Mount Holly, where John Cripps, a passenger on the *Kent*, arrived at Burlington, New Jersey in 1677, with his only son Nathaniel Cripps, and Edward Gaskill. “The Mount” is the outstanding feature of the topography measuring 185 feet above sea level, while the altitude downtown at the intersection of High and Mill Streets is only 15 feet. John Cripps built the first house, probably north of the Mount, but the town actually developed near the Rancocas Creek and the mills which used the creek’s waterpower. The town played an important role in the War for Independence as it was the scene of an important skirmish - the Battle of Iron Works Hill in 1776. In addition, the New Jersey Legislature met here in 1779 when Trenton was threatened, and the Township became the temporary State Capital for a short time.

### **Location and Character**

The Township, which is the county seat, is located in the north central portion of the County, approximately twenty miles northeast of the City of Philadelphia, Pennsylvania. With a land area of approximately 2.9 square miles, the Township is primarily a residential community within the Delaware Valley, a tri-state region composed of eleven counties in the States of New Jersey, Pennsylvania, and Delaware. This region is a closely integrated economic and social unit, with an approximate population of 5.5 million people. It is a major transportation center, combining one of the largest port facilities in the world with extensive rail, air, and interstate highway systems.

Philadelphia, Camden, and Trenton are all less than an hour’s drive away. The Atlantic shore points and resort areas are within easy traveling distance to the northeast, east, and southeast. The New York Metropolitan Area is only an hour’s drive.

### **Township Organization**

The Council-Manager form of government governs the Township. The Township Council has oversight and policy making functions, with the Township Manager acting as the chief executive officer, responsible for the day-to-day functions. The Township Council elects the mayor for a one-year term, with each member of the Township Council serving four-year staggered terms.

### **Transportation**

The Township is accessible by County Route 541, County Route 537, and State Highway Route 38. Exit five (5) of the New Jersey Turnpike is located two (2) miles north on County

Route 541. Interstate Highway 295 is accessible from the north, west, and southwest within five (5) to ten (10) minute drives.

Public transportation is available by two bus routes provided by New Jersey Transit. The routes have direct accessibility to Camden, north to Burlington, and east as far as Asbury Park.

### **Economic Undertaking**

The Township has determined to undertake a Redevelopment Project consisting of the acquisition of various parcels of real property in the Township, together with the demolition of any improvements thereon, as part of the Township's West End Redevelopment Plan ("Redevelopment Plan"). Located within the West End Redevelopment Area ("Redevelopment Area") is the Mount Holly Gardens ("Gardens"), a residential neighborhood originally comprised of three hundred seventy-nine (379) attached housing units built in the early 1950's. Over the past thirty years, the number of owner-occupied housing units in the Gardens declined to the point that the majority of the housing units were renter occupied and owned largely by absentee landlords. This has had a destabilizing effect on the development and has resulted in declined building maintenance and property up-keep. The Redevelopment Area also includes a commercial area which is located north of and adjacent to the Gardens. This land is vacant and underutilized.

The goal of the Redevelopment Plan is to create an attractive, safe, and cohesive residential neighborhood that provides a variety of housing options that meet the needs of the community and to provide opportunities for commercial establishments that will serve the immediate area and the larger community.

In order to proceed with the implementation of the Redevelopment Plan, the Township entered into a redevelopment agreement ("Redevelopment Agreement") with Keating Urban Partners, LLC ("Keating").

In order to complete the redevelopment of the area in accordance with the goals of the Redevelopment Plan, the Township began a process to acquire all the units in the Gardens, necessitating the relocation of its residents. The Township began this process several years ago. The Township's decision to select the Gardens complex is reflective of an opportunity to restore an aging and blighted residential complex to an attractive and functional market rate housing complex by substantial property investments from public/private cooperation. The Redevelopment Plan currently includes approximately five hundred twenty (520) units of mixed-income housing and an approximate 54,000 square feet commercial area.

On February 27, 2012, the Township introduced several ordinances, which allow the Township to move forward with the redevelopment of the Redevelopment Area through the sale and redevelopment of the vacant commercial area located north of the Gardens. These ordinances authorize the sale of this land for \$1,526,903 and the redevelopment of the land into an apartment complex containing 228 apartment units with shared recreational amenities such as a clubhouse and a swimming pool. Closing occurred in the fall of 2012. Future costs for acquisition of the remaining Gardens units and relocation of its residents will be borne by Keating, thereby significantly limiting future Township debt in the implementation of the Redevelopment Plan. This area is considered Phase 1 of the Redevelopment Area.

Phase 3 of the Redevelopment Area, which included 32 townhomes, was completed in June 2019. The Township received a total of \$1,073,098 for this parcel.

As part of the Redevelopment Plan, the Township was required to acquire existing homes and provide new replacement housing for twenty (20) families. As of February 2021, the Township had acquired all twenty (20) of these properties and, as of November 2021, will no longer have a mortgage receivable balance.

The Township continues to make every effort to move forward with the redevelopment. Phase 2 has been completed and includes 96 apartments and 80 townhomes. Full occupancy was reached in 2024 for this Phase. There is 12,000 square feet of commercial space remaining to be completed with an estimated date for the summer of 2027.

Phase 4 is expected to include 100 townhomes and is projected to begin in spring of 2026 with a completion date before the end of the year.

### **Utility Authority**

Wastewater and Sewer Services for the Township are provided by The Mount Holly Municipal Utilities Authority (“Authority”). The Township entered into a service agreement with the Authority in 1978.

### **Public Safety**

The Police Department provides 24-hour service to the residents of the Township.

### **Education**

The Mount Holly Township School District (“District”) is a Type II school district that is coterminous with the borders of the Township. The District provides education to students in grades Pre-K through 8 living in the Township.

An elected five-member Board of Education (“Board”) serves as the chief policy maker for the District. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of District tax money. The Superintendent is the Chief Executive Officer of the District, responsible to the Board for total educational and support operations. The Business Administrator/Board Secretary is the Chief Financial Officer of the District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, and investing idle funds as permitted by State law.

Students in grades 9 through 12 in the District attend the Rancocas Valley Regional High School with four (4) other local communities, Hainesport, Westampton, Eastampton, and Lumberton.

## **Pension and Retirement Systems**

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

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

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

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

*[Remainder of page intentionally left blank]*

## **Employment and Unemployment Comparisons**

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

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>Township</u></b>				
2024	4,986	4,703	283	5.7%
2023	4,943	4,686	257	5.2%
2022	4,821	4,561	260	5.4%
2021	4,743	4,353	390	8.2%
2020	4,752	4,225	527	11.1%
<b><u>County</u></b>				
2024	248,122	237,708	10,414	4.2%
2023	246,548	236,845	9,703	3.9%
2022	240,684	232,054	8,630	3.6%
2021	235,227	221,531	13,696	5.8%
2020	232,816	213,811	19,005	8.2%
<b><u>State</u></b>				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

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

## **Income (as of 2023)**

	<b><u>Township</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Median Household Income	\$83,145	\$105,271	\$101,050
Median Family Income	93,153	127,277	123,892
Per Capita Income	38,150	53,077	53,118

Source: US Bureau of the Census, 2023 American Community Survey 5-Year Estimates

## **Population**

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

<b><u>Year</u></b>	<b><u>Township</u></b>		<b><u>County</u></b>		<b><u>State</u></b>	
	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>
2024 est.	10,172	1.91%	475,515	2.96%	9,500,851	2.28%
2020	9,981	4.67	461,860	2.93	9,288,994	5.65
2010	9,536	-11.11	448,734	5.98	8,791,894	4.49
2000	10,728	0.84	423,394	7.17	8,414,350	8.85
1990	10,639	-1.65	395,066	8.97	7,730,188	4.96

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

## **Largest Taxpayers**

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

<b><u>Taxpayers</u></b>	<b><u>2025 Assessed Valuation</u></b>	<b><u>% of Total Assessed Valuation</u></b>
Levine Properties LLC	\$12,967,000	2.00%
Mount Holly Associates	10,576,100	1.63%
Virtua Memorial Hospital	10,384,500	1.60%
Mount Holly Equities	6,168,200	0.95%
BMB Properties & Management	3,605,300	0.56%
Alaimo, Richard A	3,527,000	0.55%
Public Storage Inc	2,349,700	0.36%
Verizon	2,166,900	0.33%
10 Lippincott, LLC	1,501,000	0.23%
Mount High St., LLC	<u>1,500,000</u>	<u>0.23%</u>
<b>Total</b>	<b><u>\$54,745,700</u></b>	<b><u>8.46%</u></b>

Source: School District CAFR & Municipal Tax Assessor

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

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Current Year Collection</u></b>	<b><u>Current Year % of Collection</u></b>
2024	\$22,868,213	\$22,733,490	99.41%
2023	22,238,288	22,113,051	99.44%
2022	21,397,133	21,235,171	99.24%
2021	20,854,539	20,717,145	99.34%
2020	19,794,647	19,696,831	99.51%

Source: Annual Audit Reports

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2024	\$399,684	\$11,827	\$411,511	1.80%
2023	328,199	29,196	357,395	1.61%
2022	344,257	20,486	364,743	1.70%
2021	285,943	10,918	296,861	1.42%
2020	268,557	14,061	282,618	1.43%

Source: Annual Audit Reports

**Property Acquired by Tax Lien Liquidation**

<u>Year</u>	<u>Amount</u>
2024	\$646,355
2023	646,355
2022	490,055
2021	490,805
2020	490,805

Source: Annual Audit Reports

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

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

<u>Year</u>	<u>Municipal</u>	<u>Local School</u>	<u>Regional School</u>	<u>County</u>	<u>Fire District</u>	<u>Total</u>
2025	\$0.970	\$1.430	\$0.554	\$0.536	\$0.253	\$3.743
2024	0.890	1.413	0.469	0.486	0.253	3.511
2023	0.890	1.358	0.454	0.430	0.224	3.356
2022	0.866	1.337	0.444	0.404	0.187	3.238
2021	0.837	1.331	0.429	0.399	0.095	3.091

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

### **Valuation of Property**

<b><u>Year</u></b>	<b><u>Aggregate Assessed Valuation of Real Property</u></b>	<b><u>Aggregate True Value of Real Property</u></b>	<b><u>Ratio of Assessed to True Value</u></b>	<b><u>Assessed Value of Personal Property</u></b>	<b><u>Equalized Valuation</u></b>
2025	\$647,056,100	\$993,483,955	65.13%	\$0	\$993,483,955
2024	647,026,300	993,438,201	65.13	100	993,438,301
2023	650,707,100	891,746,060	72.97	5,305,332	897,051,392
2022	645,961,100	775,742,885	83.27	5,710,750	781,453,635
2021	646,905,000	689,003,089	97.40	6,305,286	695,308,375
2020	639,789,100	656,867,659	97.40	6,110,778	662,978,437

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

### **Classification of Ratables**

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

<b><u>Year</u></b>	<b><u>Vacant Land</u></b>	<b><u>Residential</u></b>	<b><u>Farm</u></b>	<b><u>Commercial</u></b>	<b><u>Industrial</u></b>	<b><u>Apartments</u></b>	<b><u>Total</u></b>
2025	\$10,761,100	\$514,736,600	\$7,100	\$91,305,300	\$7,642,300	\$22,603,700	\$647,056,100
2024	10,700,200	514,380,900	7,100	91,502,600	7,831,800	22,603,700	647,026,300
2023	11,556,900	514,688,000	7,100	94,281,200	7,831,800	22,342,100	650,707,100
2022	10,509,000	512,659,500	7,100	92,324,200	7,831,800	22,629,500	645,961,100
2021	10,003,700	513,562,100	7,100	93,440,300	7,831,800	22,060,000	646,905,000

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



## **Financial Operations**

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

### **Summary of Current Fund Budget**

<b><u>Anticipated Revenues</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Fund Balance Utilized	\$550,000	\$640,000	\$790,000	\$1,125,000	\$1,000,000
Miscellaneous Revenues	4,457,386	5,000,637	5,108,516	6,843,729	5,637,472
Receipts from Delinquent Taxes	7,000	7,000	7,000	7,000	7,000
Amount to be Raised by Taxation	<u>5,471,117</u>	<u>5,640,612</u>	<u>5,834,691</u>	<u>5,755,020</u>	<u>6,275,900</u>
Total Revenue:	<u>\$10,485,503</u>	<u>\$11,288,249</u>	<u>\$11,740,207</u>	<u>\$13,730,749</u>	<u>\$12,920,372</u>
<b><u>Appropriations</u></b>					
General Appropriations	\$7,618,001	\$9,152,818	\$9,676,440	\$9,754,079	\$10,104,706
Operations (Excluded from CAPS)	337,749	478,675	271,611	2,247,716	896,768
Deferred Charges and Statutory Expenditures	1,012,898	0	0	0	0
Capital Improvement Fund	97,000	125,000	80,000	0	148,000
Municipal Debt Service	1,230,649	1,316,151	1,480,170	1,530,459	1,563,588
Transferred to Board of Education	67,998	67,998	67,998	66,963	66,963
Reserve for Uncollected Taxes	<u>121,208</u>	<u>147,607</u>	<u>163,988</u>	<u>131,532</u>	<u>140,347</u>
Total Appropriations:	<u>\$10,485,503</u>	<u>\$11,288,249</u>	<u>\$11,740,207</u>	<u>\$13,730,749</u>	<u>\$12,920,372</u>

Source: Annual Adopted Budgets of the Township

## **Fund Balance**

<b><u>Year</u></b>	<b><u>Fund Balance - Current Fund</u></b>	
	<b><u>Balance</u></b>	<b><u>Utilized in Budget</u></b>
	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2024	\$2,362,658	\$1,000,000
2023	2,489,751	1,125,000
2022	2,723,224	790,000
2021	2,521,138	640,000
2020	1,250,712	550,000

Source: Annual Audit Reports

## **Township Indebtedness as of December 31, 2024**

### **General Purpose Debt**

Serial Bonds	\$11,980,000
Bond Anticipation Notes	4,417,000
Bonds and Notes Authorized but Not Issued	75,300
Other Bonds, Notes and Loans	0
Total:	<u>\$16,472,300</u>

### **Local School District Debt**

Serial Bonds	\$4,385,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$4,385,000</u>

### **Regional School District Debt**

Serial Bonds	\$3,535,380
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$3,535,380</u>

### **Self-Liquidating Debt**

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

### **TOTAL GROSS DEBT**

**\$24,392,680**

Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	4,385,000
Regional School District Debt	3,535,380
Self-Liquidating Debt	0
Total:	<u>\$7,920,380</u>

### **TOTAL NET DEBT**

**\$16,472,300**

Source: Annual Debt Statement of the Township

**Overlapping Debt (as of December 31, 2024)<sup>1</sup>**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Township Percentage</u></b>	<b><u>Township Share</u></b>
Local School District	\$4,385,000	100.00%	\$4,385,000
Regional School District	24,420,000	14.48%	3,535,380
Mount Holly MUA	26,319,139	100.00%	26,319,139
County	611,689,001	1.41%	<u>8,638,020</u>
Net Indirect Debt			\$42,877,539
Net Direct Debt			<u>16,472,300</u>
Total Net Direct and Indirect Debt			<b><u>\$59,349,839</u></b>

**Debt Limit**

Average Equalized Valuation Basis (2022, 2023, 2024)	\$886,975,715
Permitted Debt Limitation (3 1/2%)	31,044,150
Less: Net Debt	<u>16,472,300</u>
Remaining Borrowing Power	<u>\$14,571,850</u>
Percentage of Net Debt to Average Equalized Valuation	1.857%
Gross Debt Per Capita based on 2020 population of 9,981	\$2,444
Net Debt Per Capita based on 2020 population of 9,981	\$1,650

Source: Annual Debt Statement of the Township

**Litigation**

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

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<sup>1</sup> Township percentage based on the Township's share of total equalized valuation in the County.

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## **APPENDIX B**

### **FINANCIAL STATEMENTS OF THE TOWNSHIP OF MOUNT HOLLY**

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**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON,  
STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**

December 31, 2024

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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## **INDEPENDENT AUDITORS' REPORT**

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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and Members  
of the Township Council  
Township of Mount Holly  
County of Burlington  
Mount Holly, New Jersey 08060

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

#### ***Opinions***

We have audited the financial statements – regulatory basis of the various funds and account group of the Township of Mount Holly, County of Burlington, State of New Jersey (the “Township”), as of and for the year ended December 31, 2024, and the related notes to financial statements, which collectively comprise the Township’s basic financial statements, as listed in the table of contents.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each fund and account group of the Township as of December 31, 2024, and the respective changes in financial position for the year then ended, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note A to the financial statements.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the respective financial position of each fund and account group of the Township as of December 31, 2024, or the changes in financial position for the year then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”) and requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note A of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and requirements of audit issued by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### ***Auditors' Responsibilities for the Audit of the Financial Statements (Continued)***

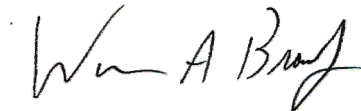
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

### ***Report on Summarized Comparative Information***

We have previously audited the Township's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 16, 2024, in accordance with the financial reporting provisions described in Note A. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**MERCADIEN, P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**



**Warren A. Broudy, CPA, RMA, CGFM, PSA, CGMA**  
**Registered Municipal Accountant**  
**License No. 554**

July 28, 2025

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## **BASIC FINANCIAL STATEMENTS – REGULATORY BASIS**

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**A**

**CURRENT FUND  
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2024 and 2023

	2024	2023
<b><u>ASSETS</u></b>		
Regular Fund:		
Cash:		
Chief Financial Officer	\$ 3,598,151	\$ 3,545,980
Change Fund	750	750
Total Regular Fund	3,598,901	3,546,730
Due from State of New Jersey for Senior Citizen & Veteran Deductions	3,012	2,982
Receivables & Other Assets With Full Reserves:		
Delinquent Property Taxes Receivable	11,827	29,196
Tax Title Liens Receivable	399,684	328,199
Property Acquired for Taxes - Assessed Valuation	646,355	646,355
Property Maintenance Receivable	15,636	12,869
Revenue Accounts Receivable	3,381	3,419
Interfunds Receivable:		
Due from State and Federal Grants	227,517	227,517
Due from Animal Control Fund	21	660
Due from Trust Other	4,281	3,597
Due from Payroll Fund	92,469	10,021
Total Receivables & Other Assets with Full Reserves	1,401,171	1,261,833
Subtotal	5,003,084	4,811,545
Federal & State Grant Fund:		
Cash	742,304	-
Federal & State Aid Receivable	3,593,560	2,323,532
Total Federal & State Grant Fund	4,335,864	2,323,532
Total Assets	\$ 9,338,948	\$ 7,135,077



**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**A**

**CURRENT FUND  
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE  
(CONTINUED)**

December 31, 2024 and 2023

	2024	2023
<b><u>LIABILITIES, RESERVES &amp; FUND BALANCE</u></b>		
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 390,964	\$ 446,386
Reserve for Encumbrances	142,845	231,026
Accounts Payable	-	40,333
Prepaid Taxes	120,818	83,838
Tax Overpayments	109,006	13,289
Due County for Added & Omitted Taxes	20,460	60,637
Local School Taxes Payable	1	1
Regional School Taxes Payable	5	5
Fire District Taxes Payable	423,526	
Due to State of New Jersey - Marriage License/Abatement Fees	10,255	5,585
Due to Mount Holly MUA	1,908	3,563
Interfunds Payable:		
Due to Capital Fund	19,461	1,388
Reserve for Municipal Relief Funds	-	158,391
Reserve for Master Plan	-	15,513
Reserve for Flood	6	6
Total Liabilities	1,239,255	1,059,961
Reserves for Receivables & Other Assets	1,401,171	1,261,833
Fund Balance	2,362,658	2,489,751
Subtotal	5,003,084	4,811,545
Federal & State Grant Fund:		
Reserve for Encumbrances	51,044	41,397
Appropriated Reserves	3,904,341	2,034,413
Unappropriated Reserves	152,962	20,205
Due to Current Fund	227,517	227,517
Total Federal & State Grant Fund	4,335,864	2,323,532
Total Liabilities, Reserves & Fund Balance	\$ 9,338,948	\$ 7,135,077

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**A-1**

**CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

Years Ended December 31, 2024 and 2023

	2024	2023
<b><u>REVENUE &amp; OTHER INCOME REALIZED</u></b>		
Fund Balance Utilized	\$ 1,125,000	\$ 790,000
Miscellaneous Revenue Anticipated	7,859,185	5,675,760
Receipts from Delinquent Taxes	68,200	83,220
Receipts from Current Taxes	22,733,490	22,113,051
Nonbudget Revenue	384,724	64,402
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	375,299	179,869
Interfund Liquidated	286	-
Prior Year Accounts Payable Canceled	98	-
Total Revenue & Other Income Realized	32,546,282	28,906,302
<b><u>EXPENDITURES</u></b>		
Budget & Appropriations:		
Operations within "CAPS":		
Salaries and Wages	4,188,392	3,722,603
Other Expenses	4,408,038	4,800,727
Deferred Charges & Statutory Expenditures	1,157,649	1,147,110
Operations Excluded from "CAPS":		
Other Expenses	3,095,681	768,883
Capital Improvements	-	80,000
Municipal Debt Service	1,530,458	1,480,169
Transferred to Board of Education	66,963	67,578
County Taxes	3,145,465	2,820,943
Due County for Added & Omitted	20,460	60,637
Local District School Tax	9,141,942	8,906,059
Regional High School Taxes	3,035,960	2,980,291
Special Fire District Taxes	1,633,585	1,451,992
Senior Citizens' & Veterans' Deductions Disallowed	3,482	5,633
Refund of Prior Year Revenue	1,352	-
Interfunds Created	118,948	57,150
Total Expenditures	31,548,375	28,349,775
Excess in Revenue to Fund Balance	997,907	556,527
Fund Balance - Balance January 1	2,489,751	2,723,224
Decreased by: Utilization as Anticipated Revenue	1,125,000	790,000
Balance December 31	\$ 2,362,658	\$ 2,489,751

See notes to financial statements.

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**A-2**

**CURRENT FUND  
STATEMENT OF REVENUES**

Year Ended December 31, 2024

	ANTICIPATED BUDGET	SPECIAL N.J.S.A. 40:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 1,125,000	\$ -	\$ 1,125,000	\$ -
<b>MISCELLANEOUS REVENUES</b>				
Licenses - Alcoholic Beverages	22,750	-	22,876	126
Licenses - Other	6,000	-	13,520	7,520
Fees & Permits	200,000	-	197,036	(2,964)
Municipal Court Fines & Costs	40,000	-	55,346	15,346
Interest & Costs on Taxes	85,000	-	70,217	(14,783)
Interest on Investments & Deposits	115,000	-	190,823	75,823
Housing Inspection Fees	100,000	-	100,800	800
Consolidated Municipal Property Tax Relief				
Energy Receipts Tax	1,536,639	-	1,536,639	-
Municipal Relief Fund	158,391	-	158,391	-
Urban Enterprise Zone - Assistance Fund	-	183,308	183,308	-
Urban Enterprise Zone - Administrative Budget	-	56,982	56,982	-
Urban Enterprise Zone	64,946	-	64,946	-
Clean Communities Grant	-	25,983	25,983	-
Green Acres - Iron Works Park Improvement	900,000	-	900,000	-
NJDEP - Iron Works Park Improvement	500,000	-	500,000	-
Body Armor Grant	1,024	-	1,024	-
NJDCA Lead Grant Assistance Program				
NJ DOT - Levis Drive Flood Relief Program	750,000	-	750,000	-
NJ DOT - Front & Mary Street Improvements	-	308,046	308,046	-
NJ DOT - Clover Street Roadway Improvements	-	273,646	273,646	-
State Rental of Parking Lots	10,000	-	10,903	903
Construction Code Office - Indirect Costs	21,000	-	-	(21,000)
Mt. Holly Memorial Health Alliance	397,500	-	405,546	8,046
County Rental of Parking Lots	98,203	-	98,203	-
Payment in Lieu of Taxes:				
Mt. Holly Sewerage Authority	558,000	-	558,000	-
West Rancocas	240,000	-	282,571	42,571
Senior Housing	15,000	-	17,267	2,267
Legacy/Children's Home	30,000	-	30,000	-
Regency Park	200,000	-	213,465	13,465
Fermoor	430,000	-	469,351	39,351
Master Plan	15,513	-	15,513	-

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**A-2**

**CURRENT FUND  
STATEMENT OF REVENUES (CONTINUED)**

Year Ended December 31, 2024

	ANTICIPATED BUDGET	SPECIAL N.J.S.A. 40:4-87	REALIZED	EXCESS OR (DEFICIT)
<b>MISCELLANEOUS REVENUES</b>				
Service Contract - Mt. Holly MUA	30,000	-	30,000	-
Rent - 14 King Street	40,000	-	40,000	-
Contribution from Rancocas Valley Regional High School	111,750	-	111,750	-
Contribution from Mt. Holly BOE	75,866	-	75,886	20
Cable TV Franchise Fee	91,147	-	91,147	-
Total	6,843,729	847,965	7,859,185	167,491
Receipts from Delinquent Taxes	7,000	-	68,200	61,200
Amount to be Raised by Support of Municipal Budget	5,755,020	-	5,887,610	132,590
<b>Budget Totals</b>	13,730,749	847,965	14,939,995	<b>\$ 361,281</b>
Nonbudget Revenues	-	-	384,724	
<b>TOTAL REVENUES</b>	<b>\$ 13,730,749</b>	<b>\$ 847,965</b>	<b>\$ 15,324,719</b>	

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**A-2**

**CURRENT FUND  
STATEMENT OF REVENUES (CONTINUED)**

Year Ended December 31, 2024

**ANALYSIS OF REALIZED REVENUES**

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 22,733,490
Allocated to School, County & Fire District Taxes	<u>16,977,412</u>
Balance for Support of Municipal Budget Appropriations	5,756,078
Increased by Appropriation - Reserve for Uncollected Taxes	<u>131,532</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 5,887,610</u>
Receipts from Delinquent Taxes:	
Taxes Receivable	\$ 25,544
Tax Title Lien Receivable	<u>42,656</u>
Total	<u>\$ 68,200</u>

**ANALYSIS OF NONBUDGET REVENUE**

Miscellaneous Revenues not Anticipated:	
Police Fees	\$ 10,952
Street Openings	9,691
Pilot Payments	1,004
Senior Citizens' and Veterans' Administrative Fee	1,040
Tax Search Fees	70
Sale of Property	28,652
Cannabis Tax	133,813
Performance Guarantee Release	125,000
Refunds	6,000
Miscellaneous	<u>68,502</u>
Total	<u>\$ 384,724</u>

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**A-3**

**CURRENT FUND  
STATEMENT OF EXPENDITURES**

Year Ended December 31, 2024

OPERATIONS	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
General Government:						
Administrative & Executive:						
Salaries and Wages	\$ 161,200	\$ 164,800	\$ 164,800	\$ -	\$ -	\$ -
Other Expenses	171,800	205,800	196,913	8,887	-	-
Mayor and Council:						
Salaries and Wages	22,500	22,500	22,500	-	-	-
Other Expenses	500	500	-	500	-	-
Township Clerk:						
Salaries and Wages	125,514	125,514	123,468	2,046	-	-
Other Expenses	32,250	36,250	34,815	1,435	-	-
Financial Administration:						
Salaries and Wages	104,697	104,697	99,697	5,000	-	-
Other Expenses	32,600	32,600	17,869	14,731	-	-
Audit Services	41,000	45,000	45,000	-	-	-
Revenue Administration (Tax Collection):						
Salaries and Wages	180,800	158,800	154,723	4,077	-	-
Other Expenses	25,000	29,500	28,967	533	-	-
Assessment of Taxes:						
Salaries and Wages	17,927	17,927	17,920	7	-	-
Other Expenses	26,900	5,900	5,382	518	-	-
Legal Services & Costs:						
Other Expenses	170,000	170,000	145,236	24,764	-	-
Engineering Services & Costs:						
Other Expenses	446,500	321,500	192,982	128,518	-	-
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board:						
Salaries and Wages	13,200	13,200	13,031	169	-	-
Other Expenses	27,463	6,463	5,136	1,327	-	-
Code Enforcement and Administration:						
Inspection of Housing:						
Salaries and Wages	121,800	116,700	116,700	-	-	-
Other Expenses	9,500	9,500	2,338	7,162	-	-
Insurance:						
Employee Group Health Insurance	1,058,672	1,043,672	1,032,250	11,422	-	-
General Liability Insurance	207,040	216,540	212,528	4,012	-	-
Workers Compensation	231,888	231,888	228,075	3,813	-	-
Medical Waiver	4,000	4,000	403	3,597	-	-
Public Safety:						
Police:						
Salaries & Wages	2,683,657	2,609,657	2,583,663	25,994	-	-
Other Expenses	183,225	197,225	194,600	2,625	-	-
Emergency Management:						
Other Expenses	1,500	1,500	-	1,500	-	-
Public Works Functions:						
Streets & Road Maintenance:						
Salaries & Wages	620,722	627,722	623,096	4,626	-	-
Other Expenses	114,350	250,350	244,092	6,258	-	-

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**A-3**

**CURRENT FUND  
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2024

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<b>OPERATIONS - Within "CAPS"</b>						
<b>Public Works Functions (continued):</b>						
Public Buildings & Grounds:						
Salaries & Wages	12,500	500	375	125	-	-
Other Expenses	15,000	55,000	51,688	3,312	-	-
Vehicle Maintenance:						
Other Expenses	50,000	62,000	59,077	2,923	-	-
<b>Health &amp; Welfare:</b>						
Animal Control Services:						
Other Expenses	12,000	12,000	12,000	-	-	-
Community Drug Alliance Program:						
Other Expenses	2,200	2,200	-	2,200	-	-
<b>Park &amp; Recreation Functions:</b>						
Recreation Services & Programs:						
Salaries & Wages	63,375	63,375	55,699	7,676	-	-
Other Expenses	3,000	3,000	-	3,000	-	-
Celebration of Public Events:						
Other Expenses	25,000	25,000	24,992	8	-	-
<b>Municipal Court:</b>						
Municipal Court:						
Salaries and Wages	138,500	138,500	129,006	9,494	-	-
Other Expenses	12,750	12,750	7,577	5,173	-	-
Municipal Prosecutor:						
Salaries and Wages	24,000	24,500	22,333	2,167	-	-
Public Defender:						
Other Expenses - Contractual	14,400	14,400	12,000	2,400	-	-
<b>Utility Expenses &amp; Bulk Purchase:</b>						
Electricity	35,000	35,000	34,662	338	-	-
Street Lighting	245,000	245,000	234,373	10,627	-	-
Telecommunication Costs	45,000	56,000	55,796	204	-	-
Water	10,000	10,000	8,871	1,129	-	-
Gasoline	75,000	75,000	68,604	6,396	-	-
<b>Landfill/Solid Waste:</b>						
Garbage & Trash Removal:						
Other Expenses	599,000	604,000	543,708	60,292	-	-
Sanitary Landfill:						
Contractual	380,000	387,000	380,991	6,009	-	-
<b>Unclassified:</b>						
Contingency	1,500	1,500	-	1,500	-	-
Total Operations Within "CAPS"	8,599,430	8,596,430	8,207,936	388,494	-	-
Total Operations Including Contingent Within "CAPS"	8,599,430	8,596,430	8,207,936	388,494	-	-
<b>Detail:</b>						
Salaries and Wages	4,290,392	4,188,392	4,127,011	61,381	-	-
Other Expenses (Including Contingent)	4,309,038	4,408,038	4,080,925	327,113	-	-

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**A-3**

**CURRENT FUND  
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2024

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<b>OPERATIONS - Within "CAPS"</b>						
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":						
Statutory Expenditures:						
Public Employees' Retirement System	262,291	262,291	262,291	-	-	-
Police & Fire Pension Fund	706,358	706,358	706,358	-	-	-
Social Security System (O.A.S.I.)	167,000	168,000	168,000	-	-	-
DCRP	4,000	4,000	3,047	953	-	-
Unemployment Fund	15,000	17,000	15,804	1,196	-	-
Total Deferred Charges & Statutory Expenditures	1,154,649	1,157,649	1,155,500	2,149	-	-
Total General Appropriations for Municipal Purposes Within "CAPS"	9,754,079	9,754,079	9,363,436	390,643	-	-
<b>Mandated Expenditures Excluded from "CAPS": Other Operations - Excluded from "CAPS"</b>						
Shared Services Agreements	27,500	27,500	27,179	321	-	-
Total Shared Services Agreements	27,500	27,500	27,179	321	-	-
<b>Public and Private Programs Offset by Revenues:</b>						
Supplemental Fire Services	4,246	4,246	4,246	-	-	-
Urban Enterprise Zone - Assistance Fund	-	183,308	183,308	-	-	-
Urban Enterprise Zone - Administrative Budget	-	56,982	56,982	-	-	-
NJ Urban Enterprise Zone:						
Other	64,946	64,946	64,946	-	-	-
Clean Communities Program						
NJ DOT - Levis Drive Flood Relief Improvements	750,000	750,000	750,000	-	-	-
NJ DOT - Front & Mary Street Improvements	-	308,046	308,046	-	-	-
NJ DOT - Clover Street Roadway Improvements	-	273,646	273,646	-	-	-
State Body Armor	1,024	1,024	1,024	-	-	-
Green Acres - Iron Works Park Improvement	900,000	900,000	900,000	-	-	-
NJDEP - Iron Works Park Improvement	500,000	500,000	500,000	-	-	-
Recycling Tonnage Grant	-	25,983	25,983	-	-	-
Total Operations Excluded from "CAPS"	2,247,716	3,095,681	3,095,360	321	-	-
Detail:						
Other Expenses	2,247,716	3,095,681	3,095,360	321	-	-
<b>Capital Improvements Excluded from "CAPS"</b>						
Capital Improvements:						
Public Works Equipment	-	-	-	-	-	-
Electrical Stations	-	-	-	-	-	-
Road Improvements	-	-	-	-	-	-
Total Capital Improvements Excluded from "CAPS"	-	-	-	-	-	-



**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**A-3**

**CURRENT FUND  
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2024

OPERATIONS - Excluded from "CAPS"	APPROPRIATIONS		EXPENDED		UNEXPENDED	OVER-
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED	
Municipal Debt Service:						
Payment of Bond Principal	885,000	885,000	885,000	-	-	-
Interest on Bonds	409,630	409,630	409,629	-	1	-
Payment of Bond Anticipation Notes	36,000	36,000	36,000	-	-	-
Interest on Notes	199,829	199,829	199,829	-	-	-
Total Municipal Debt Service	1,530,459	1,530,459	1,530,458	-	1	-
Total General Appropriations - Municipal Purposes - Excluded from "CAPS"	3,778,175	4,626,140	4,625,818	321	1	-
Subtotal General Appropriation Items	13,532,254	14,380,219	13,989,254	390,964	1	-
Transferred to Board of Education for Use of Local Schools (N.J.S.A. 40:48-17 & 17.3)	66,963	66,963	66,963	-	-	-
Reserve For Uncollected Taxes	131,532	131,532	131,532	-	-	-
Total General Appropriations	\$ 13,730,749	\$ 14,578,714	\$ 14,187,749	\$ 390,964	\$ 1	\$ -
Budget		\$ 13,730,749				
Appropriation by 40A:4-87		847,965				
Total		\$ 14,578,714				
Deferred Charges:						
Reserve for Uncollected Taxes			\$ 131,532			
Federal and State Grant Funds			3,063,935			
Due to Capital Fund			22,393			
Encumbrances			142,845			
Refunds			(461,748)			
Disbursed			11,288,792			
Total			\$ 14,187,749			

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**B**

**TRUST FUNDS  
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2024 and 2023

	2024	2023
<b><u>ASSETS</u></b>		
Dog License Fund:		
Cash - Chief Financial Officer	\$ 4,986	\$ 8,524
Total Dog License Fund	4,986	8,524
Other Funds:		
Cash - Chief Financial Officer	1,861,440	1,863,407
Forgivable Mortgage Receivable	620,000	620,000
Total Other Funds	2,481,440	2,483,407
Total Assets	<u>\$ 2,486,426</u>	<u>\$ 2,491,931</u>
<b><u>LIABILITIES &amp; RESERVES</u></b>		
Dog License Fund:		
Due to Current Fund	\$ 21	\$ 660
Due to State of New Jersey	312	312
Reserve for Dog Fund Expenditures	4,653	7,552
Total Dog License Fund	4,986	8,524
Other Funds:		
Due to Current Fund	4,281	3,597
Due to State of New Jersey	4,581	4,507
Reserve for:		
Forgivable Mortgage Receivable	620,000	620,000
Tax Sale Premiums	762,200	600,800
Recreation Commission Funds	43,831	62,740
Law Enforcement Trust Fund	35,020	32,507
Neighborhood Preservation	11,561	11,561
Affordable Housing	274	274
CDBG - Small Cities	53,921	53,921
Builder's Escrow	227,164	271,057
Recycling Program	9,622	9,169
Uniform Construction Code	366,114	287,072
Outside Police Services	109,353	61,316
Snow Removal	-	49,954
Public Defender	1,600	25
P.O.A.A. - Parking Fines	10,997	10,793
Redemption of Tax Sale Certificates	57,921	179,865
RCA Trust	90,327	96,096
Environmental Committee	996	996
Shade Tree	41	41
Urban Enterprise Zone	1,509	56,989
Compensated Absences	70,127	70,127
Total Other Funds	2,481,440	2,483,407
Total Liabilities & Reserves	<u>\$ 2,486,426</u>	<u>\$ 2,491,931</u>

See notes to financial statements.

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**C**

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

December 31, 2024 and 2023

	2024	2023
<b><u>ASSETS</u></b>		
Cash & Investments	\$ 970,885	\$ 1,059,834
Due from Current Fund	19,461	1,388
Deferred Charges to Future Taxation:		
Funded	11,980,000	12,865,000
Unfunded	4,492,300	4,528,300
Total Assets	<u>\$ 17,462,646</u>	<u>\$ 18,454,522</u>
<b><u>LIABILITIES, RESERVES &amp; FUND BALANCE</u></b>		
Encumbrances Payable	\$ -	\$ 60,457
Bond Anticipation Notes	4,417,000	4,453,000
Serial Bonds	11,980,000	12,865,000
Improvement Authorizations:		
Funded	1,463	1,463
Unfunded	787,639	851,680
Capital Improvement Fund	25,154	154
Fund Balance	251,390	222,768
Total Liabilities, Reserves & Fund Balance	<u>\$ 17,462,646</u>	<u>\$ 18,454,522</u>
Bonds and Notes Authorized But not Issued	<u>\$ 75,300</u>	<u>\$ 75,300</u>

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**C-1**

**GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE**

Year Ended December 31, 2024

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Balance December 31, 2023		\$	222,768
Increased by:			
Premium on bond anticipation notes	\$	28,622	<u>28,622</u>
Balance December 31, 2024		\$	<u>251,390</u>

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**D**

**PAYROLL FUND  
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2024 and 2023

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	2024	2023
<b><u>ASSETS</u></b>		
Cash - Chief Financial Officer	\$ 94,068	\$ 10,021
Total	<u>\$ 94,068</u>	<u>\$ 10,021</u>
<b><u>LIABILITIES</u></b>		
Payroll Taxes Payable	\$ 1,599	\$ -
Due to Current Fund	<u>92,469</u>	<u>10,021</u>
Total	<u>\$ 94,068</u>	<u>\$ 10,021</u>

See notes to financial statements.

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**E**

**GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>General Fixed Assets</b>		
Land	\$ 7,076,829	\$ 7,076,829
Buildings & Contents	7,364,885	7,364,885
Vehicles & Equipment	<u>3,572,364</u>	<u>3,404,997</u>
Total	<u>\$ 18,014,078</u>	<u>\$ 17,846,711</u>
 <b>Investment in General</b>		
Fixed Assets	<u>\$ 18,014,078</u>	<u>\$ 17,846,711</u>

## **NOTES TO FINANCIAL STATEMENTS**

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of the Financial Reporting Entity**

The Township of Mount Holly ("Township") is located in the County of Burlington, State of New Jersey. The governing body, the Township Committee, is comprised of five elected members who serve three-year terms.

The Governmental Accounting Standards Board ("GASB") Statement No. 14 established criteria to be used to determine which component units should be included in the financial statements of an oversight entity. The primary criterion for including activities within the reporting entity, as set forth in the Statement, is the degree of oversight responsibility maintained by the reporting entity. However, the Division of Local Government Services, Department of Community Affairs, State of New Jersey requires the financial statements of the Township to be presented separately. As such, the financial statements of the Township include each board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S.A. 40A:5-5.

**Description of Funds and Account Groups**

The accounting policies of the Township 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. 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 accounts for its financial transactions through the following separate funds:

**Current Fund** - resources and expenditures for governmental operation of a general nature, including federal and state grant funds.

**Trust Fund** - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created, including dog license revenue and expenditures and sundry deposits held for satisfactory completion of specific work.

**General Capital Fund** - receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

**Payroll Fund** - is used for the receipt and disbursement of funds used to meet obligations to employees and payroll tax liability.

**General Fixed Assets Account Group** - is used to account for fixed assets used in governmental operations.

**Basis of Accounting, Measurement Focus and Basis of Presentation**

**Revenues** - Revenues are recorded as received in cash except for certain amounts, which may be due from the State of New Jersey or the federal government as grants. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual are recorded as receivables with offsetting reserves.



TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting, Measurement Focus and Basis of Presentation (Continued)**

**Expenditures** - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balance are automatically created on December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Pension expenses are recorded on a cash basis as billed by the State of New Jersey. Thus, net pension liability and related deferred inflows and outflows are not recorded on the statements of assets, liabilities, reserves and fund balance.

**Property Taxes** - Property taxes are an enforceable lien on property as of January 1. Taxes are levied annually and are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year.

**Foreclosed Property** - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

**Interfunds** - Receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

**Insurance** - Costs of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

**Accrued Sick and Vacation Time** - The Township allows employees to accrue vacation time. By contract and personnel policy employees may accrue sick time. The Township's payroll records do provide data on the number of hours accumulated. This amount is not reported as either an expenditure or liability.

**Inventories of Supplies** - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

**General Fixed Assets Account Group** - Property and equipment purchased by the Current and General Capital Funds are recorded at cost as expenditures at the time of purchase and are not capitalized or depreciated. They are maintained at cost with an equal reserve until disposal. Fixed assets acquired through grants and/or contributed capital are not accounted for separately.

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting, Measurement Focus and Basis of Presentation (Continued)**

**Tax Appeals and Other Contingent Losses** - Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

**Budgets** - The governing body prepares and approves by resolution an operating and capital budget for the Current Fund, which is then submitted for certification to the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Upon the receipt of such certification and after a public hearing, the budget is then adopted by resolution. Transfers of budgeted amounts may be made by resolution of the Township Council subsequent to October 31 in the current budget year and up to March 31 of the following year.

Once adopted, the Township may make emergency appropriations for purposes which are not known at the time the budget was adopted per N.J.S.A. 40A:4-46. Also, the Township may make amendments to the budget for any special item of revenue made available by any public or private funding source per N.J.S.A. 40A:4-87.

**Comparative Data** - Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data has not been presented in each of the statements because its inclusion would make the statements unduly complex and difficult to read.

**Departures from U.S. Generally Accepted Accounting Principles** - The accounting principles and practices followed by the Township differ in some respects, which in some instances may be material from U.S. generally accepted accounting principles. The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved and recognized as revenue in the year of liquidation.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Overexpended appropriations and emergency appropriations are deferred to the succeeding year's operations.
- No provision is made for accumulated vested vacation and sick leave.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.
- Depreciation expense is not calculated on fixed assets.
- Pension expenses are recorded on a cash basis as billed by the State of New Jersey. Thus, net pension liability and related deferred outflows and inflows are not recorded on the statement of assets, liabilities, reserves and fund balance.

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates** - The preparation of financial statements in accordance with accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**B. BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

At December 31, 2024, the Township had authorized but not issued bonds and notes as follows:

General Capital Fund - Bonds and Notes	<u>\$ 75,300</u>
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**C. CURRENT FUND BALANCE APPROPRIATED**

The following amounts of fund balance at December 31, 2024, were anticipated as revenue in the adopted 2025 budget:

	Balance December 31, 2024	Utilized 2025 Budget
Current Fund	<u>\$ 2,362,658</u>	<u>\$ 1,000,000</u>

**D. DEFERRED CHARGES TO BE RAISED IN SUCCEEDED BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2024, there were no deferred charges that needed to be raised in the succeeding year's budget.

**E. DEFERRED DISTRICT SCHOOL TAXES**

School taxes are raised on a calendar year basis for both the local and regional high school districts; therefore, school taxes cannot and have not been deferred as of December 31, 2024.

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**F. CASH AND CASH EQUIVALENTS**

The Township is governed by the deposit limitations of New Jersey state law. The deposits held at December 31, 2024, and reported book balances are as follows:

Type Deposits	Book Balances
Demand Deposits	\$ 6,529,004
Total Deposits	<u>\$ 6,529,004</u>

Type	Book Balances
Demand Deposits by Fund	
Current	\$ 3,598,151
Dog Trust	4,986
Other Trust	1,860,914
Payroll	94,068
General Capital	<u>970,885</u>
Total	<u>\$ 6,529,004</u>

**Custodial Credit Risk** - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. The Township does have a deposit policy for custodial credit risk. As of December 31, 2024, the Township's bank balance of \$7,175,656 was insured or collateralized as follows:

Insured	\$ 477,745
Collateralized in the Township's name under GUDPA (see Note G)	<u>6,697,911</u>
Total	<u>\$ 7,175,656</u>

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**G. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (“GUDPA”)**

The Township has deposited cash in 2024 with an approved public fund depository qualified under the provisions of GUDPA. In addition to savings and checking accounts the Township invests monies in certificates of deposits.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with GUDPA, a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include state or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

Each depository participating in the GUDPA system must pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million. The minimum 5% pledge applies to institutions that are categorized as "well capitalized" by federal banking standards. The percentage of the required pledge will increase for institutions that are less than "well capitalized."

No collateral is required for amounts covered by Federal Deposit Insurance Corporation ("FDIC") insurance. The collateral which may be pledged to support these deposits includes obligations of state and federal governments, insured securities and other collateral approved by the Department of Banking and Insurance. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged.

If a governmental depository fails and the FDIC insurance does not insure or pay out the full amount of public deposits, the collateral pledged to protect these funds would first be liquidated and paid out. If this amount is insufficient, other institutions holding public funds would be assessed pro rata up to 4% of their uninsured public funds. Although these protections do not constitute a 100% guarantee of the safety of all funds, no governmental unit under GUDPA has ever lost protected deposits.

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**H. PENSION OBLIGATION**

A substantial number of the Township's employees participate in the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered and/or regulated by the New Jersey Division of Pensions and Benefits (the "Division"). Both plans have a board of trustees that is primarily responsible for its administration. The Division issues publicly available financial reports for each plan that includes financial statements and required supplementary information. Those reports may be obtained at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml> or by writing to:

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

**Plan Descriptions** - PERS is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. PFRS is a cost-sharing multiple-employer defined benefit pension plan administered by the Division. For additional information about PERS and PFRS, please refer to the Division's annual financial statements, which can be found at the link above.

The Defined Contribution Retirement Program ("DCRP") is a multiple-employer defined contribution pension fund established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code ("IRC") 401(a) et seq. and is a governmental plan within the meaning of IRC 414(d). The DCRP provides benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn a salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn a salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn a salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010, who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn a salary of at least \$5,000.00 annually.

Since the GASB Statement No. 68 report of the Plan for the period ended June 30, 2024, was not available as of the initial preparation of this report, the Township included in the note below, disclosures based on the period ended June 30, 2023, audited Plan information.

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**H. PENSION OBLIGATION (CONTINUED)**

**Benefits Provided** - For PERS, vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

For PFRS, vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except for disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010, and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

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

For DCRP, eligible members are provided with a defined contribution retirement plan intended to qualify for favorable federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**H. PENSION OBLIGATION (CONTINUED)**

non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

For DCRP, the contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Empower Plan Services not later than the fifth business day after the date on which the employee is paid for that pay period. For the plan year ended December 31, 2024, the Township's contributions were \$3,047. There were no forfeitures during the year.

The contribution policy for PERS and PFRS is set by N.J.S.A. 43:15A and 43:16A, respectively and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in state fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$262,291 for 2024. The employee contribution rate for PERS was 7.50% effective July 1, 2018. Township contributions to PFRS amounted to \$706,358 for 2024. The employee contribution rate for PFRS was ten percent of employees' annual compensation, as defined.

**PERS 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, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation are 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. For the special funding situation, the unaudited proportionate share of the net pension liability of the State of New Jersey ("State") related to the Township for the year ended December 31, 2023, was .0196993244% and \$8,865. Unaudited State contributions and pension expense for the year ended December 31, 2023, was \$8,865 and \$8,865, respectively.



**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**H. PENSION OBLIGATION (CONTINUED)**

**PFRS 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 are 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. For the special funding situation, the unaudited proportionate share of the net pension liability of the State related to the Township for the year ended December 31, 2023, was .05306180% and \$1,080,266. Unaudited State contributions and pension expense for the year ended December 31, 2023, was \$123,541 and \$122,878, respectively.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At plan year ended June 30, 2023, the Township had a liability of \$2,842,532 for its proportionate share of the net pension liability in PERS and at plan year ended June 30, 2023, the Township had a liability of \$5,862,673 for its proportionate share of the net pension liability in PFRS. The PERS net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The PFRS net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members of the plan, actuarial determined. At plan year ended June 30, 2023, the Township's PERS proportion was 0.0196248149%, which was a slight decrease of 0.000693% from its proportion measured as of plan year ended June 30, 2022. At plan year ended June 30, 2023, the Township's PFRS proportion was 0.0530617100% which was a slight decrease of 0.000791% from its proportion measured as of plan year ended June 30, 2022. The Township's PERS pension expense for the plan year ended June 30, 2023, was a net benefit of \$24,276. The Township's PFRS pension expense for the plan year ended June 30, 2023, was a net expense of \$234,006.

At December 31, 2023, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PERS as of Plan Year Ended June 30, 2023		PFRS as of Plan Year Ended June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 27,178	\$ 11,619	\$ 251,028	\$ 279,597
Changes in Assumptions	6,244	172,270	12,654	395,871
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	13,090	-	298,575	-
Changes in Proportion	90,240	232,534	111,344	488,789
	<u>\$ 136,752</u>	<u>\$ 416,423</u>	<u>\$ 673,601</u>	<u>\$ 1,164,257</u>

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**H. PENSION OBLIGATION (CONTINUED)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)** - Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

PERS as of		PFRS as of	
Years Ending June 30,		Years Ending June 30,	
2024	\$ (150,075)	2024	\$ (228,155)
2025	(83,766)	2025	(218,955)
2026	117,058	2026	352,276
2027	(20,949)	2027	(30,299)
2028	356	2028	10,814
Thereafter	-	Thereafter	1,106
	<u>\$ (137,376)</u>		<u>\$ (113,212)</u>

The previous amounts do not include Township-specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by the Township over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63, for the years 2023, 2022, 2021, 2020, 2019 and 2018, respectively.

**Actuarial Assumptions** - The total PERS pension liability for the plan year ended June 30, 2023, and the total PFRS pension liability for the plan year ended June 30, 2023, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	PERS - 2023	PFRS - 2023
Inflation Rate		2.75%
Price	2.75%	
Wage	3.25%	
Salary Increases		
Based on years of service	2.75 - 6.55%	3.25 - 16.25%
Investment Rate of Return	7.00%	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.

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**H. PENSION OBLIGATION (CONTINUED)**

**Actuarial Assumptions – (Continued)** The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

For PFRS, employee mortality rates were based on the Pub-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 Pub-2010 amount-weighted table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the Pub-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 actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at plan year ended June 30, 2023, for PERS and June 30, 2022, for PFRS) is determined by the State Treasurer, after consultation with the directors of the Division of Investments and Division, 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 real rates of return for each major asset class included in PERS's and PFRS's target asset allocation, are summarized in the following table:

Asset Class	Target Allocation	PERS - 2023	PFRS - 2023
		Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%	9.22%
International Small Cap Equity	1.25%	9.22%	9.22%
Emerging Market Equity	5.50%	11.13%	11.13%
Private Equity	13.00%	12.50%	12.50%
Real Estate	8.00%	8.58%	8.58%
Real Assets	3.00%	8.40%	8.40%
High Yield	4.50%	6.97%	6.97%
Private Credit	8.00%	9.20%	9.20%
Investment Grade Credit	7.00%	5.19%	5.19%
Cash Equivalents	2.00%	3.31%	3.31%
U.S. Treasuries	4.00%	3.31%	3.31%
Risk Mitigation Strategies	3.00%	6.21%	6.21%
	<u>100.00%</u>		

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**H. PENSION OBLIGATION (CONTINUED)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that employers and the non-employer 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 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.

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

**Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Township's proportionate share of the collective net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Township's proportionate share of PERS plan year ended June 30, 2023	\$ 3,700,372	\$ 2,842,532	\$ 2,112,397
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Township's proportionate share of PFRS plan year ended June 30, 2023	\$ 8,168,608	\$ 5,862,673	\$ 3,942,380

**I. PROPERTY TAXES**

Property taxes are an enforceable lien on the assessed property. Taxes are due on a quarterly basis on February 1, May 1, August 1 and November 1. All unpaid taxes become delinquent eight days after the above due dates. The Township bills and collects its own property taxes as well as the taxes levied by the other taxing bodies within the municipality. Property tax revenues are recognized when collected. A reserve for uncollected taxes is established in the current operating budget to the extent that their collectability is improbable.

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**J. INTERFUNDS, RECEIVABLES AND PAYABLES**

The composition of interfund balances as of December 31, 2024, is as follows:

	Interfunds Receivable	Interfunds Payable
Current Fund	\$ 324,288	\$ 19,461
Federal and State Grant Fund	-	227,517
General Capital Fund	19,461	
Payroll Fund	-	92,469
Trust Fund - Animal Control	-	21
Trust Other Funds	-	4,281
Total Funds	<u>\$ 343,749</u>	<u>\$ 343,749</u>

**K. RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The Township maintains commercial insurance coverage for property, liability and surety bonds.

**L. GENERAL LONG-TERM DEBT**

During the year ended December 31, 2024, the following changes occurred in long-term debt including loans:

	Balance December 31, 2023	Reduction	Balance December 31, 2024
General Capital			
Serial Bonds	\$ 12,865,000	\$ 885,000	\$ 11,980,000
Total	<u>\$ 12,865,000</u>	<u>\$ 885,000</u>	<u>\$ 11,980,000</u>

**Permanently Funded Debt**

General Obligation and Serial Bonds as of December 31, 2024, consists of the following:

Date of Issue	Purpose	Maturities	Interest Rate	Amount
October 31, 2013	General Obligation	2021 to 2025	Various	\$ 130,000
September 27, 2017	Refund Bond Series 2010	2021 to 2030	Various	2,755,000
November 7, 2018	General Obligation 2018	2021 to 2043	Various	3,260,000
July 22, 2020	Taxable General Obligation Refunding	2021 to 2038	Various	3,755,000
October 29, 2021	Taxable General Obligation Refunding	2021 to 2041	Various	2,080,000
				<u>\$ 11,980,000</u>

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**L. GENERAL LONG-TERM DEBT (CONTINUED)**

**Debt Service Requirements**

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and five-year increments thereafter for Bonded Debt issued and outstanding:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 900,000	\$ 1,283,398	\$ 1,283,398
2026	795,000	1,151,030	1,151,030
2027	870,000	1,200,256	1,200,256
2028	885,000	1,187,146	1,187,146
2029	915,000	1,188,693	1,188,693
2030-2034	3,165,000	4,198,035	4,198,035
2035-2039	3,355,000	3,894,343	3,894,343
2040-2043	1,095,000	1,202,278	1,202,278
	<u>\$ 11,980,000</u>	<u>\$ 15,305,176</u>	<u>\$ 15,305,176</u>

Bond Anticipation Notes issued as of December 31, 2024, are as follows:

<u>Interest</u>	<u>Purpose</u>	<u>Rate</u>	<u>Amount</u>
General Capital Fund	Restoration of Upper Buttonwood & Woolman Lakes	4.0000%	\$ 177,000
General Capital Fund	Restoration & Rehab of Mill Dam Park	4.0000%	2,200,000
General Capital Fund	Replacement of Buttonwood Lake Dam	4.0000%	721,300
General Capital Fund	Various Capital Improvements	4.0000%	407,000
General Capital Fund	Construction & Improvements to Real Property	4.0000%	570,000
General Capital Fund	Construction of Improvements at Buttonwood	4.0000%	142,500
General Capital Fund	Repair & Reconstruction of Union Mill Dam	4.0000%	199,200
Total			<u>\$ 4,417,000</u>

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**L. GENERAL LONG-TERM DEBT (CONTINUED)**

**Summary of Municipal Debt (Excluding Current Debt)**

**Summary of Municipal Debt  
(Excluding Current Debt)**

	2024	2023	2022
Issued -			
General - Bonds and Notes	\$ 16,397,000	\$ 17,318,000	\$ 18,184,000
Net Debt Issued	16,397,000	17,318,000	18,184,000
Authorized but not Issued:			
General - Bonds and Notes	75,300	75,300	75,300
Net Debt	\$ 16,472,300	\$ 17,393,300	\$ 18,259,300

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.66%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Regional School District	\$ 4,385,000	\$ 4,385,000	\$ -
Local School District	3,535,380	3,535,380	-
General Debt	16,472,300	-	16,472,300
Total	\$ 24,392,680	\$ 7,920,380	\$ 16,472,300

Net debt, \$16,472,300 divided by Equalized Valuation Basis Per N.J.S.A. 40A:2-2 as amended, \$886,975,715 equals 1.857%.

**Equalized Valuation Basis:**

2024	\$ 993,438,201
2023	891,746,060
2022	775,742,885
Average	\$ 886,975,715

**Borrowing Power Under 40A:2-6**

3.5% of Equalized Valuation Basis (Municipal)	\$ 31,044,150
Net Debt	16,472,300
Remaining Borrowing Power	\$ 14,571,850

This information above is in agreement with the annual debt statement filed by the CFO.

New Jersey Statutes limit the debt of a municipality to 3.50% of the average of the last three preceding years' equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2024, was 1.857%. The Township's remaining borrowing power is 1.643%.

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**L. GENERAL LONG-TERM DEBT (CONTINUED)**

**Lease Obligations**

On September 30, 2022, the Township entered into a lease for a mail machine with a five (5) year term at an interest rate of 6.25%. This lease is under a long-term, noncancelable lease agreement.

As of December 31, 2024, the lease payments are as follows:

Year	Amount
2025	\$ 3,501
2026	3,501
2027	1,751
Total	<u>\$ 8,753</u>

Lease payments under this lease for the year 2024 were \$3,501.

**M. FIXED ASSETS**

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2024:

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
Land	\$ 7,076,829	\$ -	\$ -	\$ 7,076,829
Buildings and Contents	7,364,885	-	-	7,364,885
Vehicles and Equipment	3,404,997	198,033	30,666	3,572,364
Total	<u>\$ 17,846,711</u>	<u>\$ 198,033</u>	<u>\$ 30,666</u>	<u>\$ 18,014,078</u>

**N. DEFERRED COMPENSATION SALARY ACCOUNT**

The Township offers its employees a Deferred Compensation Plan created in accordance with IRC Section 457. The plan, available to all Township 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.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the participants and their beneficiaries, and are held in a custodial account as described in IRC Section 457(g). Such amounts are part of a common fund held with the assets of other Section 457 plans.

All assets of the plan are held by two independent administrators; Nationwide Retirement Solutions, Inc. and AXA Equitable.



**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**O. ACCRUED SICK AND VACATION TIME**

Township employees are entitled to paid vacation and sick time depending on their length of service with the Township. Vacation days not used during the year may be accumulated and carried forward for two years. Vacation days not used within this time period are forfeited. Vacation time unused at termination is reimbursed to the employee at their current rate of pay. Unused sick leave may be accumulated and carried forward to subsequent years. One-half of accrued sick time is reimbursed to employees only if they meet the requirements of retirement according to PERS or PFRS. Sick time is reimbursed to the employee at their current rate of pay up to a maximum of 62 to 65 days depending on their job classification.

The amount of accrual for compensated absences as of December 31, 2024, is as follows:

Vacation Time and Sick Time:	
Employees' Accrual	\$ 601,756
Township Share of Payroll Taxes	27,197
Total	<u>\$ 628,953</u>

This liability has not been recorded in the financial statements. Actual payment and funding for compensated absences occurs through budget appropriation in the annual operating budget and only during the year the employee terminates or retires (pay-as-you-go basis). As of December 31, 2024, the reserve balance is \$70,127.

**P. LITIGATION**

It is the Township's Counsel's opinion that there exists no litigation or contingent liability that may be pending against the Township that would have a material adverse effect on the financial position of the Township.

**Q. SERVICE AGREEMENT**

In 1978, the Township entered into a service agreement with the Mount Holly Municipal Utilities Authority (the "Authority") whereby the Township will pay the Authority any annual charges made and charged by the Authority in accordance with the service agreement. The annual charges made and to be charged by the Authority to and payable by the Township for or with respect to any fiscal year shall be the sum of money equal to any deficiency in (a) the fund established by resolution or any other bond resolution for the payment of debt service and (b) any reserve fund for debt service below the bond's reserve requirement established therein. The Authority covenants that (a) the bond reserve requirement referred to above will not exceed the maximum annual debt service in any given year (excluding short-term debt) without the consent of the Township and (b) the requirements as to the payments of debt service therefrom and the priority of payments of revenues into various funds set forth in the resolution shall not be substantially altered or amended without the consent of the Township.

The Township will in each year make all budgetary and other provisions or appropriations necessary to provide for and authorize the payment by the Township to the Authority during each fiscal year of the estimated amount of the annual charges and the amount of any deficiency in

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**Q. SERVICE AGREEMENT (CONTINUED)**

prior annual charges (if any) stated in the certificate delivered in such fiscal year to the Township by the Authority.

The Authority will at all times take reasonable measures permitted by the act or otherwise by law to collect and enforce prompt payment of all service charges prescribed, fixed and charged in accordance with the 1978 service contract and the service agreement.

The Authority shall repay to the Township from the revenues collected by the Authority in the next succeeding fiscal year of the Authority, all monies by the Township to the Authority under the 1978 service contract, except service charges on property owned by the Township itself and including reasonable expenses of the Township. Such repayment shall be made without interest, except for any interest incurred by the Township in providing for such repayment. The 1978 service agreement states that failure by the Authority to make any such repayment shall not relieve the Township of the obligation to pay any annual charges, as described above.

In exchange for the service agreement, the Authority pays an annual sum of \$30,000 to the Township as a fee for the financial obligation accepted by the Township as long as the 1978 service agreement is in effect.

**R. ECONOMIC UNDERTAKING**

The Township previously determined to undertake a Redevelopment Project consisting of the acquisition of various parcels of real property in the Township, together with the demolition of any improvements thereon, as part of the Township's West End Redevelopment Plan ("Redevelopment Plan"). Located within the West End Redevelopment Area ("Redevelopment Area") in the Mount Holly Gardens ("Gardens"), a residential neighborhood originally comprised of three hundred seventy-nine (379) attached housing units built in the early 1950s. Over the past thirty years, the number of owner-occupied housing units in the Gardens declined to the point that the majority of the housing units were renter occupied and owned largely by absentee landlords. This led to a destabilizing effect on the development and resulted in declined building maintenance and property upkeep. The Redevelopment Area also includes a commercial area which is located north of and adjacent to the Gardens. This land was vacant and underutilized. The goal of the Redevelopment Plan is to create an attractive, safe and cohesive residential neighborhood that provides a variety of housing options that meet the needs of the Mount Holly community and to provide opportunities for commercial establishments that will serve the immediate area and the larger community.

In order to proceed with the implementation of the Redevelopment Plan, the Township entered into a redevelopment agreement with Keating Urban Partners, LLC ("Keating").

In order to complete the redevelopment of the area in accordance with the goals of the Redevelopment Plan, the Township began a process to acquire all the units in the Gardens, necessitating the relocation of its residents. The Township began this process several years ago. The Township's decision to select the Gardens complex is reflective of an opportunity to restore an aging and blighted residential complex to an attractive and functional market rate housing Redevelopment Plan which includes approximately five hundred twenty (520) units of mixed-income housing and an approximate 54,000 square feet commercial area.

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**R. ECONOMIC UNDERTAKING (CONTINUED)**

On February 27, 2012, the Township introduced several ordinances, which allow the Township to move forward with the redevelopment of the Redevelopment Area through the sale and redevelopment of the vacant commercial area located north of the Gardens. These ordinances authorize the sale of this land for \$1,526,903.00 and the redevelopment of the land into an apartment complex containing 228 apartment units with shared recreational amenities such as a clubhouse and a swimming pool. Closing occurred in the fall of 2012.

The Township also sold a second parcel of land for the development of 60 townhouses. The Township received a total of \$1,073,098 for this parcel.

As of December 31, 2021, the Township has sold a third parcel of land which should be considered Phase 3 of the redevelopment which consists of 96 additional apartment units and 80 townhomes for a total of \$1,799,746 with 12,000 square feet of commercial space yet to be sold and built. The 96 apartments have been completed and rented. The 80 townhomes have been completed and sold.

As part of the Redevelopment Plan the Township was required to acquire existing homes and provide new replacement housing for twenty (20) families. As of December 31, 2021, the Township has acquired all twenty (20) of these properties and these mortgages have been transferred to Republic Bank as per the Gardens Settlement Agreement.

The Township has one remaining phase left (phase 4) as part of the Redevelopment Plan. The Township is currently in discussions with the Developer regarding the implementation of the commercial space that consists of 12,000 sq. feet on the Mount Holly bypass.

The Plan anticipates building 80 additional townhome units at a predetermined price in accordance with the Redevelopment Agreement. The Township is in discussion with the Developer to move forward with this phase at the end of 2026 and the Commercial phase shortly thereafter. The sale of this portion should go directly towards reducing the Township's long-term debt.

**S. FORGIVABLE MORTGAGE RECEIVABLE**

The Township implemented a scattered site housing rehabilitation program for owner-occupied single family and renter-occupied unit homes throughout the Township in 2002. This program is open to low or moderate-income owner-occupants of single-family dwelling units. The dwelling unit must be certified as substandard and the occupant must be certified as income eligible.

The program provides funding and financial assistance that will be spent in a manner that is consistent with Council on Affordable Housing rules. Rehabilitation funding shall be used to address deficiencies in major systems and bring each housing unit to code. Financial assistance will be available for repair or replacement of substandard conditions within the housing unit in order to correct code violations. Once the funding or financial assistance is given to the approved occupant the Township files the required lien on the owner-occupied property. The owner-occupants of the single-family homes that qualify will be required to repay the loan in full to the Township if they sell or vacate the unit within six years of the completion of work. Twenty-five percent of the loan shall be forgiven if the owner-occupant remains in the unit for seven (7) years after receiving

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**S. FORGIVABLE MORTGAGE RECEIVABLE (CONTINUED)**

the loan. Similarly, 25 percent of the loan shall be forgiven for each additional year the owner-occupant remains in the unit. Finally, after 10 years, the loan shall be forgiven. The amount of forgivable mortgage receivable as of December 31, 2024, is \$620,000.

**T. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

The Township participates in the State Health Benefits Local Government Retired Employees Plan (the "SHBP" or "OPEB Plan"), a cost sharing multiple-employer defined post-retirement benefit plan, which is administered by the Division. The SHBP provides health care benefits to employees, retirees and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The Township does not offer the OPEB Plan to active employees but retired employees are eligible due to a special funding situation. The total number of retired participants eligible for benefits was 55 at December 31, 2023.

**General Information About the OPEB Plan** - The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The Division issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

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

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**T. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**General Information About the OPEB Plan (Continued)** - State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

The GASB Statement No. 75 report of the Plan for the period ended June 30, 2024, was not available as of the date of this report. Per Local Finance Notice 2023-10, issued by the Division of Local Government Services, calendar year municipalities are able to include in their annual audits the most recent audited GASB 75 information published by the Division. Thus, the Township included in the note below disclosures based on the period ended June 30, 2023, audited Plan information.

**Funding Policy** - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. As a participating employer the Township will pay and remit to contributions to the State treasury contributions to cover the full cost of premiums for eligible pensioners on a basis comparable to the reimbursement made by the State to its eligible pensioners and their spouses in accordance with provisions of Chapter 75, Public Law of 1972.

The Township's contribution to the Plan for the year ended December 31, 2023, was \$38,383, which equaled the required contribution for the year.

**Allocation Methodology** - GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023.

TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

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**T. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**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 No. 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 SHBP, 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. For the special funding situation, the unaudited proportionate share of the net pension liability of the State related to the Township for the year ended December 31, 2023, was .0137139% and \$4,784,908. Unaudited State pension expense (revenue) for the year ended December 31, 2023, was a balance of (\$867,597).

**Net OPEB Liability**

Components of Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the SHBP as of plan year ended June 30, 2023, are as follows:

	June 30, 2023
Total OPEB Liability	\$ 8,487,505
Plan Fiduciary Net Position	(66,672)
Net OPEB Liability	<u>\$ 8,554,178</u>
Plan Fiduciary Net Position as a percentage of total OPEB liability	-0.79%

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**T. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

The total OPEB liability as of plan year ended June 30, 2023, was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Salary increases\*:

Public Employees' Retirement System (PERS)

Rate for all future years	2.75% - 6.55%
Based on years of service	

Police and Firemen's Retirement System (PFRS)

Rate for all future years	3.25 - 16.25%
Based on years of service	

Mortality:

PERS

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

PFRS

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

\*Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2022, valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021. One hundred-percent of active members are considered to participate in the Plan upon retirement.

**Health Care Trend Assumptions** - For pre-Medicare medical benefits, the trend is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.45 in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount Rate** - The discount rate for June 30, 2023, was 3.65%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**T. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

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

The following presents the collective net OPEB liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	At 1% Decrease (2.65%)	At Current Discount Rate (3.65%)	At 1% Increase (4.65%)
Local	\$ 9,682,796	\$ 8,359,354	\$ 7,294,849

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

The following presents the net OPEB liability as of June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	At 1% Decrease	At Current Healthcare Cost Trend Rate	At 1% Increase
Local	\$ 7,104,467	\$ 8,359,354	\$ 9,965,992

**Deferred Outflows of Resources and Deferred Inflows of Resources**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 394,475	\$ 2,323,035
Changes in Assumptions	1,108,087	2,417,992
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,411
Changes in Proportion	8,262,429	259,529
	<u>\$ 9,764,991</u>	<u>\$ 5,001,967</u>



**TOWNSHIP OF MOUNT HOLLY  
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**T. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenditure as follows:

	Years Ending June 30,
2023	\$ (970,466)
2024	(794,873)
2025	(430,013)
2026	(201,575)
2027	(406,887)
Thereafter	(436,063)
	<u>\$ (3,239,877)</u>

The previous amounts do not include employer-specific deferred outflows of resources and deferred inflows of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which are 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**U. SUBSEQUENT EVENTS**

The Township has evaluated all subsequent events occurring after December 31, 2024, through July 28, 2025, which is the date the financial statements were available to be issued. Management has determined no events have occurred that require disclosure.

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## **APPENDIX C**

### **FORM OF BOND COUNSEL OPINION**

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September \_\_, 2025

Mayor and Township Council  
of the Township of Mount Holly  
23 Washington Street  
Mount Holly, New Jersey

**RE:    \$4,313,000 TOWNSHIP OF MOUNT HOLLY, COUNTY OF BURLINGTON, NEW  
JERSEY, BOND ANTICIPATION NOTES OF 2025, SERIES A**

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Mayor and Township Council Members:

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

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2009-11, 2016-14, 2016-15, 2017-15, 2021-16, 2022-9, and 2022-11, each duly and finally adopted by the Township Council (collectively, the "Bond Ordinances"), and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on September 9, 2025 ("Award Certificate").

The Notes are issued to temporarily finance the costs of certain improvements described in the Bond Ordinances. The Notes are dated September 23, 2025 and mature on September 22, 2026. The Notes are issued in [bearer] [registered book-entry only] form without coupons and are not subject to redemption prior to maturity.

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

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



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

1. The Notes are legal, valid and binding obligations of the Township enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").
2. For the payment of principal of and interest on the Notes, the Township has the power and is obligated, to the extent payment is not otherwise provided, to levy *ad valorem* taxes upon all taxable real property within the Township without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.
3. Interest on the Notes is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

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

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

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

Ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Notes will constitute disqualified income for this



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

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

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

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

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

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

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

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

Very truly yours,

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## **APPENDIX D**

### **FORM OF INFORMATION REPORTING UNDERTAKING AGREEMENT**

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## INFORMATION REPORTING UNDERTAKING AGREEMENT

ISSUER: Township of Mount Holly, County of Burlington, New Jersey ("Issuer")

ISSUE: \$4,313,000 Bond Anticipation Notes of 2025, Series A  
(Non-Callable) ("Notes")

DATED: September 23, 2025

CUSIP: 621545\_\_\_\_

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

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

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

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

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

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

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

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

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

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

**IN WITNESS WHEREOF**, the Issuer has executed and delivered this Agreement as of this 23rd day of September, 2025.

ISSUER:

**TOWNSHIP OF MOUNT HOLLY,  
COUNTY OF BURLINGTON, NEW  
JERSEY**

By: \_\_\_\_\_  
**DENISE MUCHOWSKI,**  
**Chief Financial Officer**

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