PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 23, 2025

NEW ISSUE – Book-Entry-Only **RATING: NOT RATED**

In the opinion of Fleishman Daniels Law Offices, LLC, Northfield, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions existing as of the date hereof and assuming continuing compliance by the Township (as hereinafter defined) with certain covenants described herein, interest on the Notes (as defined below) (i) is not includable in gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax; 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 corporations for tax years beginning after December 31, 2022. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Notes and any gain on the sale of the Notes are not includable in gross income under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof. See "TAX MATTERS" herein.

$2,782,000
TOWNSHIP OF FRANKLIN
IN THE COUNTY OF GLOUCESTER, STATE OF NEW JERSEY
BOND ANTICIPATION NOTES, SERIES 2025
(BOOK-ENTRY-ONLY) (NON-CALLABLE) (BANK-QUALIFIED)

Interest Rate: ___%
Reoffer Yield: ___%
CUSIP No.: _________

Dated: Date of Delivery **Due: November 13, 2026**

The $2,782,000 aggregate principal amount of Bond Anticipation Notes, Series 2025 are valid and legally binding general obligations of the Township of Franklin, in the County of Gloucester, State of New Jersey (the "Township") and are secured by a pledge of the full faith and credit of the Township for the payment of the principal thereof and interest thereon.

The principal of and interest on the Notes are payable, if not paid from other sources, from ad valorem taxes to be levied upon all the taxable property within the Township without limitation as to rate or amount. Interest on the Notes will be payable at maturity. The Notes will be due on the maturity date and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"), which will act as Securities Depository. See "DEPOSITORY TRUST COMPANY INFORMATION-Book-Entry-Only System" herein. Individual purchases of the Notes will be made in book-entry only form in the principal amount of $5,000 or any integral multiple of $1,000 in excess thereof.

The Notes are being issued to provide funds which will be used to: (i) temporarily finance various capital improvements in and for the Township; and (ii) pay the costs associated with the authorization, sale and issuance of the Notes.

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

The Notes are not a debt or obligation, legal, moral or otherwise of the State of New Jersey, or any county, municipality or political subdivision thereof other than the Township.

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, including the Appendices attached hereto, to obtain information essential to their making of an informed investment decision.

The Notes are offered when, as and if issued, and delivered to the Purchaser, as defined herein, subject to withdrawal or modification of the offer without notice, to the prior approval of legality by the law firm of Fleishman Daniels Law Offices, LLC, Northfield, New Jersey, Bond Counsel, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Attorney, Matthew P. Lyons, Esquire, of the law firm Gebhardt & Kiefer, P.C., Annandale, 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. It is expected that delivery of the Notes in book-entry only form will be made at DTC in Brooklyn, New York on or about November 13, 2025.

BID PROPOSALS WILL BE ACCEPTED IN ACCORDANCE WITH THE NOTICE OF SALE ON THURSDAY, OCTOBER 30, 2025. FOR MORE DETAILS ON HOW TO BID, VIEW THE NOTICE OF SALE POSTED ON WWW.MUNIHUB.COM.

TOWNSHIP OF FRANKLIN, IN THE
COUNTY OF GLOUCESTER, NEW JERSEY

MAYOR

John "Jake" Bruno

TOWNSHIP COMMITTEE

Tim Doyle – Deputy Mayor
Mark Fiorella
Jonathan Keen
Mike Marsh

CHIEF FINANCIAL OFFICER

Robin Sarlo

TOWNSHIP CLERK

Barbara Freijomil

TOWNSHIP SOLICITOR

Matthew P. Lyons, Esquire
Gebhardt & Kiefer, P.C.
Annandale, New Jersey

AUDITOR

Bowman & Company LLP
Voorhees, New Jersey

BOND COUNSEL

Fleishman Daniels Law Offices, LLC
Northfield, New Jersey

MUNICIPAL ADVISOR

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

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Notes other than those contained in this document, 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, such information is not to be construed as a representation or warranty by the Purchaser or, as to information from sources other than itself, by the Township. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this document nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, 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.

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, salesman or other person has been authorized to give any information or to make any representations other than as contained in this document. If given or made, such other information or representations must not be relied upon as having been authorized by the Township, the Municipal Advisor, or the Purchaser.

Upon issuance, the Notes will not be registered under the Securities Act of 1933, as amended, will not be listed on the stock or other securities exchange and neither the Securities and Exchange Commission or any other federal, state, municipal or other governmental entity, other than the Township, will have passed upon the accuracy or adequacy of the Official Statement.

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 Appendices, must be considered in its entirety.

"CUSIP" is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are 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 numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Notes as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Notes.

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OFFICIAL STATEMENT
Relating to

$2,782,000
TOWNSHIP OF FRANKLIN
IN THE COUNTY OF GLOUCESTER, STATE OF NEW JERSEY
BOND ANTICIPATION NOTES, SERIES 2025
(BOOK-ENTRY-ONLY) (NON-CALLABLE) (BANK-QUALIFIED)

INTRODUCTION

This Official Statement, which includes the cover page, has been prepared by the Township of Franklin (the "Township"), in the County of Gloucester, in the State of New Jersey (the "State") in connection with the $2,782,000 aggregate principal amount of Bond Anticipation Notes, Series 2025. 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 described herein.

This Official Statement contains specific information relating to the Notes including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the Township from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and, but only to the extent specifically provided herein, certain projections into the immediate future, and is not necessarily indicative of future or continuing trends in the financial position of the Township.

This Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12").

THE NOTES

General Description

The Notes shall be dated and shall bear interest from their date of delivery, and will mature on the due date, as shown on the cover page hereof. The interest on the Notes will be payable on the due date as shown on the cover page. The Notes may be purchased in book-entry only form in the amount of $5,000, or any integral multiple of $1,000 in excess thereof, through book-entries made on the books and the records of The Depository Trust Company, Brooklyn, New York ("DTC") and its participants. See "Book-Entry-Only System" herein.

Book-Entry-Only System*

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Notes, payment of principal and interest, and other payments on the Notes to DTC Participants or Beneficial Owners, 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 as to the completeness or accuracy of such information.

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* Source: The Depository Trust Company

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 Note certificate will be issued for the aggregate principal amount of the Notes, and will be deposited with DTC.

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

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 the Notes ("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 only system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 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 the Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township 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 the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, if applicable, and distributions 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 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 or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest with respect to the Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but the Township does not take any responsibility for the accuracy thereof.

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

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

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 a Securities Depository, or if the Township determines, in its sole discretion, that it is in the best interest of the Township or that the interest of the Beneficial Owners might be adversely affected if the book-entry- only system of transfer is continued (the Township undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination), the Township shall notify DTC of the termination of the book-entry only system.

Redemption

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

AUTHORIZATION AND PURPOSE OF THE NOTES

Authorization

The Notes are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"). The Notes are authorized by the bond ordinances duly adopted by the Township Committee on the dates set forth in the table on the following page and published and approved as required by law.

The bond ordinances authorizing the Notes were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced, began to run from the date of the first publication of such statement. The Local Bond Law provides, that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Township. Such estoppel period has concluded as of the date of this Official Statement.

Purpose of the Notes

The Notes are being issued to provide funds which will be used to: (i) temporarily finance $2,782,000 of various capital improvements in and for the Township; and (ii) pay the costs associated with the authorization, sale and issuance of the Notes.

The purpose for which the Notes are to be issued has been authorized by a duly adopted, approved and published bond ordinance of the Township, which bond ordinance is described in the following table by ordinance number, description and date of final adoption, and amount to be issued. The bond ordinance is :

Ordinance No.	Description and Date of Adoption	Amount of New Money
O-10-25	Various improvements, finally adopted on August 12, 2025.	$2,782,000
	TOTAL:	**$2,782,000**

SECURITY AND SOURCE OF PAYMENT

Taxing Power

The Notes are valid and 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. The Notes are direct obligations of the Township and, unless paid from other sources, the Township is required by law to levy *ad valorem* taxes upon all the real taxable property within the Township for the payment of the principal of and the interest on the Notes without limitation as to rate or amount. Enforcement of a claim for the payment of principal of or interest on bonds or notes of the Township is subject to applicable provisions of Federal bankruptcy law and to the provisions of statutes, if any, hereafter enacted by the Congress of the United States or the Legislature of the State of New Jersey, providing extension with respect to the payment of principal of or interest on the Notes or imposing other constraints upon enforcement of such contracts insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission.

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

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

The Plan, signed into law by the President of the United States on March 12, 2021, provided $1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Township has received $1,706,097 from the Plan. The deadline to spend the funds was December 31, 2024, and such funds can only be spent on certain allowable uses as ser forth in the Plan.

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 subvariants 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. In addition, the Township maintains certain insurance coverage for cyberattacks and related events. However, there can be no assurance that any existing safety or security measures will provide adequate protection in safeguarding against cybersecurity threats and attacks. Cybersecurity breaches of the Township could cause material disruption of the Township's finances and operations.

Climate

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

PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

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

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds or notes must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments, with no annual principal payment greater than 100% of the smallest amount of any prior year's principal amount. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Township are general full faith and credit obligations.

Debt Limits

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis over the past three years. The equalized valuation basis of a municipality is set by statute as the average for the last three preceding years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as determined annually by the State Director of Taxation. Certain categories of debt, which include the portion of school debt within a school district's debt limitation and the self-liquidating portion of a utility's debt, are permitted by statute to be deducted for purposes of computing the statutory debt limit. As shown in Appendix "A", the Township has not exceeded its statutory debt limit as of December 31, 2024.

Exceptions to Debt Limits - Extensions of Credit

The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township, without approval of the Local Finance Board, to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

Short Term Financing

The Township may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued for one year periods, with the last date of issuance not to exceed ten years and four months from the original issuance date. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

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

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

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

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

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

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

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

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

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

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

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited, except for: (i) during the first three (3) months of a current fiscal year, appropriation reserves may be transferred to the immediately preceding fiscal year's budget; and (ii) transfers between major appropriation accounts are permitted during the last two (2) months of a current fiscal year. Such transfers must be approved by two-thirds of the full membership of the governing body of a local governmental unit. Although sub-accounts within an appropriation account are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

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 provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

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

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.

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

Tax Assessment and Collection Procedure

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

Upon the filing of certified adopted budgets by the local school district, regional 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 provisions 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 New Jersey for various special services rendered to the properties located with the special districts.

For calendar year municipalities, tax bills are mailed annually in June of the current year by the Township's Tax Collector. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The August and November tax bills are determined as the full tax levied for municipal, county and school purposes for the current municipal fiscal year, less the amount charged as the February and May installments for municipal, county and school purposes in the current fiscal year. The amounts due for the February and May installments are determined by the municipal governing body as either one quarter or one-half of the full tax levied for municipal, county or school purposes for the preceding fiscal year.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first $1,500.00 of the delinquency and 18% per annum on any excess of $1,500.00. These interest and penalties are the highest permitted under New Jersey statutes. Delinquent taxes that remain in arrears after November 10th are included in an accelerated tax sale in accordance with New Jersey Statutes.

Tax Appeals

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

Real Estate Taxes

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A. 40A:4-29 governs anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

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 with 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."

This provision and N.J.S.A. 40A:4-40 require that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the revenue will at least be equal to the tax levy required to balance the budget.

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

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

An independent examination of each local unit accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local units financial procedures and must be filed with the report, together with all recommendations made, and 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 for the Township is on file with the Clerk and is available for review during business hours. The annual audit report is also available on the Township's website www.franklintownshipnj.org.

Operation of Utilities

Municipal public utilities are supported by the revenue 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 provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

TAX MATTERS

Federal Tax Exemption

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Notes in order to assure that interest on the Notes will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Notes to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Notes. The Township will make certain representations in its Arbitrage and Tax Certificate ("Tax Certificate"), which will be executed on the date of issuance of the Notes, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Notes and has covenanted not to take any action or fail to take any action that would cause interest on the Notes to lose the exclusion from gross income under Section 103 of the Code.

In the opinion of Fleishman Daniels Law Offices, LLC, Northfield, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Township with the requirements of the Code and the representations and covenants in the Tax Certificate, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax; 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 corporations for tax years beginning after December 31, 2022.

Additional Federal Income Tax Consequence of Holding the Notes

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Notes, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations. Prospective purchasers of the Notes should consult their tax advisors with respect to all other tax consequences of holding the Notes, including the need to furnish certain taxpayer information in order to avoid backup withholding.

Changes in Federal Tax Law Regarding the Notes

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

State Taxation

Bond Counsel is of the opinion that, based upon existing law as enacted and construed on the date hereof, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Notes.

See "Appendix C" for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Notes.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE NOTES ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL DECISIONS AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE NOTES, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE NOTES (INCLUDING, BUT NOT LIMITED TO, THOSE LISTED ABOVE) OR REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

BANK QUALIFICATION

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

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 institutional 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, moneys or other funds belonging to them or within their control in any obligations of the Township including the Notes, and such Notes are authorized security for any and all public deposits.

SECONDARY MARKET DISCLOSURE

The Township has covenanted for the benefit of noteholders to provide or cause to be provided, notices of the occurrence of certain enumerated events to comply with the provisions of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented, and as detailed and within the timeframe established in the Continuing Disclosure Certificate (the "Disclosure Certificate") to be executed on behalf of the Township by its Chief Financial Officer, in the form appearing in Appendix "D" hereto. Such Disclosure Certificate is to be delivered concurrently with the delivery of the Notes. This covenant is being made by the Township to assist the purchaser of the Notes in complying with the Rule.

The Township has previously entered into secondary market disclosure undertakings in accordance with the Rule. The Township appointed Phoenix Advisors, Hamilton, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

LITIGATION

To the knowledge of Matthew P. Lyons, Esquire, of the law firm Gebhardt & Kiefer, P.C., Annandale, New Jersey (the "Township Attorney"), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the 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 of 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 Township Attorney, no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided. A certificate to such effect will be executed by the Township Attorney and delivered to the purchaser of the Notes at the closing.

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 401, et seq. (the "Bankruptcy Code"), as amended by Public Law 94-260, approved April 8, 1976 and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditor's rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

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

Reference to the Bankruptcy Code or the State statute should not create any implication that the Township expects to utilize the benefits of their provisions.

PREPARATION OF OFFICIAL STATEMENT

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

Bowman & Company LLP, Voorhees, New Jersey (the "Auditor") has participated in the preparation and review of this Official Statement and in the collection of financial, statistical or demographic information contained in this Official Statement but has not verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto. Bowman & Company LLP does take responsibility for the financial statements to the extent specified in the Independent Auditors' Report. 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.

The Municipal Advisor has not participated in the preparation and review of the information contained in this Official Statement, except as hereinafter noted, nor has it verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

The Township Attorney has not participated in the preparation of the information contained in this Official Statement, nor has he verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the caption entitled "LITIGATION" and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

Bond Counsel has participated in the review of this Official Statement but has not participated in the preparation of the financial or statistical information contained in this Official Statement, nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

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

RATING

The Notes have not been rated. The Township maintains a long-term rating of "AA-" from S&P Global Ratings which was assigned to the Township's General Obligation Bonds, Series 2023. Such long-term rating is neither assigned nor applicable to the Notes.

PURCHASER

The Notes have been purchased from the Township by ____, ______ (the "Purchaser"), at a purchase price of $______ (the "Purchase Price") in accordance with the Notice of Sale. The Purchase Price of the Notes reflects the par amount of the Notes plus a bid premium of $____. The Notes are being offered for sale at the yield set forth on the cover page of this Official Statement, which yield may be changed from time to time by the Purchaser without notice.

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 (the "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

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Notes are subject to the approval of Fleishman Daniels Law Offices, LLC, Northfield, New Jersey, Bond Counsel to the Township, whose approving legal opinion will be delivered with the Notes substantially in the form set forth as Appendix "C". Certain legal matters will be passed on for the Township by the Township Attorney.

Bond Counsel has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement and will express no opinion relating thereto.

The various legal opinions to be delivered concurrently with the delivery of the Notes express the professional judgement 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 the expression of professional judgement of the transaction opined upon, or the future performance of the 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.

RISK TO HOLDERS OF NOTES

It is understood that the rights of the holders of the Notes, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

CERTIFICATES OF THE TOWNSHIP

Upon the delivery of the Notes, the Purchaser shall receive a certificate, in form satisfactory to Bond Counsel and signed by officials of the Township, stating to the best knowledge of said officials, that this Official Statement, as of its date, did not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and stating, to the best knowledge of said officials, that there has been no material adverse change in the condition, financial or otherwise, of the Township from that set forth in or contemplated by this Official Statement. In addition, the Purchaser shall also receive certificates in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Notes and receipt of payment therefore, and a certificate dated as of the date of the delivery of the Notes and signed by the officers who signed the Notes, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Notes or the levy or collection of taxes to pay the Notes or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Notes, are issued, and that neither the corporate existence or boundaries of the Township, nor the title of any of the said officers to the respective offices, is being contested.

FINANCIAL STATEMENTS

Appendix “B” contains certain audited financial data of the Township for the fiscal years ending December 31, 2024, 2023, 2022, 2021 and 2020. The audited financial data was extracted from the reports prepared by the Auditor, to the extent and for the periods set forth in their report appearing in Appendix “B”, and is included herein in reliance upon the authority of such firm.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Robin Sarlo, Chief Financial Officer, Township of Franklin, 1571 Delsea Drive, Franklinville, New Jersey 08322-0300, (856) 694-1234, or to its Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey 08691, telephone (609) 291-0130.

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.

MISCELLANEOUS

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

THE TOWNSHIP OF FRANKLIN IN THE COUNTY OF GLOUCESTER, NEW JERSEY

By: ____
Robin Sarlo, Chief Financial Officer

Dated: October __, 2025

APPENDIX A

GENERAL INFORMATION REGARDING THE TOWNSHIP

INFORMATION REGARDING THE TOWNSHIP (1)

The following material presents certain economic and demographic information of the Township of Franklin (the "Township") in the County of Gloucester (the "County"), New Jersey.

General Information

The Township was incorporated on January 27, 1820 from parts of Woolwich and Greenwich townships. At that time the Township encompassed 72,000 acres. There were many small farms and orchards throughout the area as well as glasshouses in the Malaga and Janvier sections. With the Township being watered by the headwaters of the Maurice River and Scotland Run, many gristmills and sawmills were built throughout the Township. By 1924 the Township had taken on its current configuration as the boroughs of Glassboro, Clayton, and Newfield and Elk Township had seceded and formed independent municipalities.

Location and Character

The Township is located in the southeast corner of the County bordering Atlantic, Cumberland and Salem counties. Surrounding municipalities include the boroughs of Buena and Clayton, the townships of Buena Vista, Elk, Monroe, Pittsgrove, and Upper Pittsgrove, and the City of Vineland. The Township comprises an area of approximately 55 square miles located approximately 30 miles east of Atlantic City, 27 miles west of Wilmington, Delaware and 28 miles southeast of Philadelphia, Pennsylvania.

An outstanding highway system connects the Township to the region. US Route 40 and NJ Routes 47 and 55 connect the Township with the New Jersey Turnpike, 1-95, 1-295 and the Atlantic City Expressway. The Township is ideally located for businesses that need to capture large volumes of "pass by" traffic. US Route 40 carries traffic traveling from the Delaware Memorial Bridge to Atlantic City and other shore resorts in New Jersey. Routes 47 and 55 run parallel through the Township with both intersecting Route 40 in the Malaga section of the Township. Route 47 is the "historic" route connecting Camden County and Lower Cape May County. There are two full interchanges with Route 55 (at Little Mill Road and Route 40), a limited access highway connecting the Philadelphia area with shore resorts in Cape May County.

Form of Government

The Township's form of government is a Township Committee. Five members, elected at large for staggered three-year terms, make up the Township Committee. Of these five members, the Mayor is chairman of the township committee and head of the municipal government. The Township Committee may, by ordinance, appoint the Township Administrator to administer its directives and conduct municipal affairs. This form of government provides a stable, non-partisan government with professional administration for all municipal services.

Police

The Township has a full-time Police Department consisting of a Chief, one Captain, one Lieutenant, five Sergeants, four corporals, two Detectives, twenty Patrol Officers and five SLEO Class III's and two Part-time Police Aides. The Department is linked to the Gloucester County Central Communications System on a twenty-four-hour basis.

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[1] Source: The Township (unless otherwise indicated)

Fire Protection and First Aid Services

Fire protection are provided by five fire districts consisting of volunteers located at the five fire stations logistically located throughout the Township. The fire districts have their own budgets, taxing power and own and maintain their own buildings and equipment. First Aid Services are provided by Gloucester County.

Public Works

The Department of Public Works is headed by a superintendent and is responsible for weekly trash collection, leaf collection, snow removal, park and building maintenance and maintenance of street signs. The Township participates in a countywide recycling program and provides its residents with containers for recyclables. The Township has initiated an Automated Trash Collection program.

The Department is also responsible for approximately 125 miles of street and road maintenance. Independent contractors are also used for major projects under the Township's Capital Improvement Program.

Recreation

The Township offers a variety of recreational programs and facilities to its residents. The Township maintains over 100 acres of ball fields, parks and picnic areas.

The Township provides a major recreation and sports complex known as "Pennsylvania Avenue Recreation Complex" encompassing 75 acres of land and consists of various multi-purpose fields. The complex also includes a roller hockey rink for use by township residents.

The Township has three lakes with beaches accessible to all residents from Memorial through Labor Day that are staffed daily with lifeguards.

A 14,000 square foot Community Center/Library/Senior Citizens Center is located in the Township for use by the residents. The facility contains a senior citizen center, large multi-purpose community room, historic library/museum and a state of the art library.

The Township organizes activities such as National Night Out and Franklin Township Community Day.

The Township also appoints a non-partisan Recreation Commission coordinating the activities of the various non-profit athletic organizations. The Recreation Commission appoints their own officers, prepares their own budget and provides a variety of youth sports programs in the Township.

Library

The Township Library was started in 1950 when Township volunteers put books in the side room of the Franklinville Fire House. In May of 1966 the Richmond Public Library was built in the Malaga area of town boasting one wall of shelving. In October 1986 the Township Library moved into a larger building located next to the Municipal Building. In September of 2002 the new Township Library opened in the Franklinville area of town. This new state of the art Library is approximately ten thousand square feet in space and will be open sixty-one hours per week. One full time Librarian, two other full time library staff and eight part time library assistants staff the library. In the late 1980's the Township Library joined the Gloucester On Line Library Database (GOLD) inter library system. There are seven Municipal, County and Community College participants in the GOLD system. Library programs offered to the public include, summer reading programs, story time for children, arts and crafts and special group programs. The Library offers several meeting rooms for outside groups, videos, CO's, art prints, newspapers and magazines for the residents' education and pleasure. The Library has ten computer stations available for public use, all with internet access.

Business and Industry

The Township continues to pursue non-residential development to offset impacts of residential growth. Completed projects include a 10,500 sq. ft. CVS Pharmacy, an adjacent McDonald's Restaurant, a Dunkin' Donuts, a Family Dollar store, a 58,000 sq. ft. refrigerated warehouse with a 2,100 sq. ft. office building at RT Enterprises, and a 67,000 sq. ft. mixed use building containing commercial, office, light industrial and warehouse space. Projects in the development pipeline include a 215,000 sq. ft. Cold Storage Facility in the vicinity of Main Road and Route 40 as well as a 10,600 sq. ft. Dollar General Store which is currently under construction.

The Township has revived its Economic Development Commission and the Commission plans to be very active in 'selling' the Township. The Township sold Meredith Farms in December of 2023 to Stanker & Galetto of Vineland and a concept plan has been provided which consists of three stand alone warehouses totaling in excess of 420,000 sq. ft. of space.

Building, Zoning and Development Codes

The Township has established development regulations governing the size of lots for various types of construction. The land requirements are based on the type and nature of the building.

The Township building codes conform to standards of the Uniform Construction Code of New Jersey. These codes and other municipal codes are codified as a basis for improved administration and regulation.

The Township adopted the Municipal Land Use Law in 1975. The Municipal Land Use Law gave the Township Planning Board and the Township Zoning Board of Adjustment authority to regulate most land use other than single-family residential use. The Township's Master Plan and Land Development Ordinance have also been certified by the New Jersey Pinelands Commission. Accordingly, the Township is able to guide the approximate use or development of land to promote the public health, safety and general welfare.

Township Employees

	As of December 31,				
	2024	**2023**	**2022**	**2021**	**2020**
Full-time	78	73	86	79	80
Part-time	37	30	39	36	50
Total	115	103	135	115	130

Employee Collective Bargaining Units

The Public Works Department and Township Clerical Staff (Administration, Police and Court) is represented by the AFSCME Local 3574 Union and have an approved contract through December 31, 2025.

Compensated Absences

Under the existing policy of the Township, full-time employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may be accumulated and carried forward, but the carry-forward is limited to the equivalent of one year's accrued vacation days.

The Township compensates employees for unused sick leave and vacation days upon termination or retirement. For unused sick leave, however, the current policy provides one compensated day for every two days accumulated and a maximum payout of $15,000 as per State law.

The Township does not record accrued expenses related to compensated absences. For additional information regarding compensated absences see Appendix B: 2024 Audited Financial Statements, Note 9.

Pension Plans

Employees, who are eligible to participate in a pension plan, are enrolled in the Public Employees' Retirement System ("PERS") or the Police and Firemen's Retirement System ("PFRS"), Department of the State of New Jersey. The State Division of Pensions annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost. The Township's share of pension costs in 2024, which is based upon the annual billings, received from the State, amounted to $304,487 for PERS and $1,157,505 for PFRS. For additional information regarding pension plans see Appendix B: 2024 Audited Financial Statements, Note 7.

Township Population (1)

2020 Federal Census	16,380
2010 Federal Census	16,820
2000 Federal Census	15,466
1990 Federal Census	14,482
1980 Federal Census	12,396

Selected 2023 Data for the Township (1)

Median household income	$104,303
Per capita income	$42,406

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

Labor Force (1)

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

	2024	2023	2022	2021	2020
Township					
Labor Force	8,787	8,716	9,077	8,935	8,900
Employment	8,303	8,273	8,659	8,269	7,982
Unemployment	484	443	418	666	918
Unemployment Rate	5.5%	5.1%	4.6%	7.5%	10.3%
County					
Labor Force	166,130	165,120	161,341	158,400	157,268
Employment	158,789	158,213	155,427	148,428	143,282
Unemployment	7,341	6,907	5,914	9,972	13,986
Unemployment Rate	4.4%	4.2%	3.7%	6.3%	8.9%
State					
Labor Force	4,898,008	4,867,113	4,739,800	4,666,100	4,650,300
Employment	4,676,064	4,659,779	4,564,100	4,357,200	4,212,400
Unemployment	221,944	207,334	175,700	308,900	437,900
Unemployment Rate	4.5%	4.3%	3.7%	6.6%	9.4%

TEN LARGEST EMPLOYERS IN THE COUNTY(2)

Company	Nature of Business	Location	Number of Employees
Rowan University	Education	Glassboro	3,500
Inspira Medical Center	Healthcare	Woodbury	1,222
Walmart Supercenter	Retail	Turnersville	800
Jefferson Health	Healthcare	Washington Twp.	670
Aryzta LA Brea Bakery Inc.	International Bakery	Logan Twp.	500
Keller Williams Realty	Real Estate Company	Sewell	500
Honda of Turnersville	Car Dealership	Turnersville	499
Paulsboro Refinery LLC Ap	Oil Refinery	Paulsboro	402
Washington Township HS	Education	Washington Twp.	400
Johnson Matthey Inc.	Specialty Chemicals	West Deptford	379

(1) Source: New Jersey Department of Labor
(2) Source: County officials

Building, Zoning and Development Codes

The Township has established development regulations governing the size of lots for various types of construction. The land requirements are based on the type and nature of the building.

The Township building codes conform to standards of the Uniform Construction Code of New Jersey. These codes and other municipal codes are codified as a basis for improved administration and regulation.

The Township adopted the Municipal Land Use Law in 1975. The Municipal Land Use Law gave the Township Planning Board and the Township Zoning Board of Adjustment authority to regulate most land use other than single-family residential use. The Township's Master Plan and Land Development Ordinance have also been certified by the New Jersey Pinelands Commission. Accordingly, the Township is able to guide the approximate use or development of land to promote the public health, safety and general welfare.

Building Permits Issued (1)

Year	Permits	Construction	Alteration	Demolition	Total Cost	Total Fees
2020	687	$3,305,443.00	$6,257,490.00	$95,000.00	$9,657,933.00	$233,635.00
2021	707	$8,572,692.00	$5,508,332.00	$108,533.00	$14,189,557.00	$290,696.00
2022	679	$6,001,392.00	$6,019,557.60	$111,350.00	$12,132,299.60	$291,745.00
2023	696	$18,514,945.00	$5,848,562.00	$118,272.00	$24,481,779.00	$332,007.00
2024	908	$6,490,902.00	$12,157,715.00	$161,140.00	$18,809,757.00	$453,799.00
2025 (2)	584	$5,179,174.00	$7,067,495.00	$95,850.00	$12,342,519.00	$246,379.00

EDUCATION (3)

Primary and Secondary

The School District is a Type II school district that is coterminous with the borders of the Township of Franklin. The School District provides a full range of educational services appropriate to Pre-K through the sixth grade.

The Board is composed of nine (9) members elected by the legally qualified voters in the School District to terms of three (3) years on a staggered basis. The President and Vice President are chosen for one (1) year terms from among the members of the Board.

The Board is the policy making body of the School District and has the general responsibility for providing an education program, the power to establish policies and supervise the public schools in the School District, the responsibility to develop the annual School District budget and present it to the legally registered voters in the School District. The Board's fiscal year ends each June 30.

The Board appoints a Superintendent and Board Secretary/Business Administrator who are responsible for budgeting, planning and the operational functions of the School District. The administrative structure of the Board gives final responsibility for both the educational process and the business operation to the Superintendent.

The Delsea Regional School District is a Type II Limited Purpose Regional District that serves the Township of Elk and the Township of Franklin. The school facilities are located in the Township of Franklin. The Delsea Regional School District, was formed pursuant to Chapter 13 of Title 18A of the New Jersey Statutes, which authorizes two or more municipalities to create a regional school district upon the approval of the voters of each municipality.

The Board of Education, for the Delsea Regional School District consists of nine (9) members, three (3) members elected each year for a three (3) year term. The Board of Education manages its operations with a Superintendent of Schools, who is responsible for all operations of the school system. In addition, the Board Secretary/School Business Administrator is responsible for the financial, facilities, transportation and food service aspects of the system.

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(1) Source: Township's Construction Official
(2) As of September 30, 2025.
(3) Source: School District Officials

FRANKLIN SCHOOL DISTRICT
SCHOOL ENROLLMENTS (1)(2)

Grade	2024	2023	2022	2021	2020
Half-Day Pre-K	19	20	20	20	9
K	159	153	167	145	133
1	155	172	154	141	165
2	166	157	153	158	176
3	152	149	158	176	175
4	136	153	174	158	160
5	154	169	160	153	146
6	176	169	162	154	166
Spec. Ed	187	173	166	151	166
Totals	1,304	1,315	1,314	1,256	1,296

PRESENT SCHOOL FACILITIES

Facility	Construction Date	Grade Level
Caroline L. Reutter	1952	5-6
Main Road	1968	3-4
Mary F. Janiver	1989	Pre K-2

DELSEA REGIONAL SCHOOL DISTRICT(1)(2)
SCHOOL ENROLLMENTS
October 15,

Grade	2024	2023	2022	2021	2020
7	218	209	217	210	249
8	209	205	215	243	254
9	211	232	250	253	233
10	217	204	231	215	216
11	194	232	215	211	203
12	218	224	192	189	203
Spec. Ed	292	279	272	244	256
Totals	1,559	1,585	1,592	1,565	1,614

(1) Source: Regional District Officials.
(2) Franklin Township students only.

HIGHER EDUCATION FACILITIES

Rowan College at South Jersey

Rowan College of South Jersey, formerly known as Rowan College at Gloucester County and Gloucester County College, is a public community college with two campuses, one in Sewell and one in Vineland. The College was established in 1966 as Gloucester County College. In 2014 the College changed its name to Rowan College of Gloucester County when Rowan University and Gloucester County College entered into a partnership. The College than expanded in 2019, combining Rowan College at Gloucester County and Cumberland County College to become Rowan College of South Jersey. The College now offers conditional dual enrollment with Rowan University depending on GPA. While GCC took the Rowan name, the College maintains its independence with its own Board of Trustees and administration.

Total enrollment for the fall 2024[(3)] semester was 5,217 students. In addition, the College's Division of Career and Technical Education provides various educational, career training and personal enrichment courses, as well as outreach programs, to community residents.

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

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

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

Located on 250 acres in Deptford Township, New Jersey, the College's main campus also houses the Career and Technical Education Center that will provide wind turbine technician training for employers in the off-shore wind industry.

Rowan University

Rowan University ("Rowan" or the "University") is a selective, medium-sized national public research university located primarily in Glassboro, New Jersey. It is recognized for its nationally-ranked academic and athletic programs, talented professors, and high-tech facilities. Rowan prides itself on being able to provide its approximately 19,700 students an outstanding education at an exceptional value.

The University's approved degree programs as of June 30, 2024, include 101 bachelor's degrees, 60 master's degrees, 16 doctoral degrees (Ed.D. and Ph.D.) and two professional degrees, a Doctor of Medicine (M.D.) and a Doctor of Osteopathic Medicine (D.O.). A Doctor of Veterinary Medicine degree has also been approved and the University plans to admit its first class of students in Fall 2025.

For 2025, *U.S. News & World Report* ranked Rowan #171 among national research universities and #92 among public research universities. Rowan was also recognized in the following categories:

- Best Value Schools – National Universities, #98

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(3) Represents the latest data available. (Unaudited)

- Best Colleges for Veterans – National Universities, #120
- Social Mobility – National Universities, #211

The Chronicle of Higher Education recognized Rowan as the nation's 3rd fastest-growing research university in the U.S. in August of 2024. The Princeton Review ranked Rowan's entrepreneurship program #1 in New Jersey and #4 in the Northeast.

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

Gloucester County Institute of Technology

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

GCIT offers a diverse range of Career and Technical Education (CTE) and academic programs designed to prepare students for both higher education and immediate entry into the workforce. As of the 2024-2025 school year, the school provides 18 full-time programs of study.Admission to GCIT is competitive, with approximately 450 students accepted each year, and the selection process considers academic performance from 7th – 8th graders, and standardized test scores. As of the 2023-2024 school year, GCIT had an enrollment of 1,639 students with a student-to-teacher ratio of 15:1.

In addition to high school secondary programs, GCIT offers post-secondary and apprenticeship programs for adult learners and high school graduates seeking advanced education and career training. These programs are designed to help adult learners acquire industry-recognized credentials and prepare for successful careers. As an official recognized, registered apprenticeship site with the United States Department of Labor (USDOL), in collaboration with local labor unions and businesses, GCIT offers apprenticeship programs in Electrical, HVAC, and Plumbing. These programs combine classroom instruction with on-the-job training, providing a comprehensive pathway to skilled trades careers.

Schools for Neurodiversity at Gloucester County Special Services School District

The Schools for Neurodiversity provides a wide range of educational services to the families of the County. The Schools for Neurodiversity serves children with special needs from birth to age 21. The enrollment for the 28-acre Bankbridge complex in Deptford, as of May 15, 2025, was 515 neurodivergent students

Bankbridge Regional opened its doors in September 2000 and serves secondary level students who have special needs. In September 2002, GCSSSD opened Bankbridge Elementary School. The elementary school is located next to Bankbridge Regional and serves special needs students from pre-kindergarten to grade five (5).

The Bankbridge Development Center ("BDC") opened in 2007. With an emphasis on developing skills in the areas of communication, socialization, and independence, the BDC strives toward helping students become participating and contributing members of their community. Education, advocacy, public awareness efforts, and the promotion of research form the cornerstones of the activities. Together, they can promote lifelong access and opportunity for all individuals within the autism spectrum and/or multiply disabled.

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

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

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

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

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

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS (1)

Name of Taxpayer	2025 Assessed Valuation
RLS Real Estate of Newfield NJ, II	$ 7,158,000
Chales and Leo Iannuzzi	3,587,300
PDM LLC c/o CVS Pharmacy	2,300,000
Wawa Inc.	2,143,600
328 Investment GRP, LLC	2,131,300
Graiff Brothers Properties LLC	2,065,100
2515 Delsea Drive Realty	2,057,100
Visconti Brothers Property	1,852,000
Rosemar Properties V LLC	1,600,000
AJ Seerat LLC	1,550,000

CURRENT TAX COLLECTIONS (2)

		Outstanding Dec. 31		Collected in Year of Levy	
Year	Total Levy	Amount	Percentage	Amount	Percentage
2024	$ 48,195,307	$ 791,235	1.64%	$ 47,262,570	98.06%
2023	46,815,699	824,416	1.76%	45,855,137	97.95%
2022	45,349,570	785,876	1.73%	44,432,866	97.98%
2021	44,443,262	592,121	1.33%	43,621,321	98.15%
2020	43,778,111	705,001	1.61%	42,804,418	97.78%

(1) Source: Tax Assessor
(2) Source: Annual Reports of Audit

DELINQUENT TAXES (1)

Year	Outstanding Jan. 1	Added	Collected Amount	Collected Percentage	Transferred to Liens	Other Credits	Outstanding Dec. 31
2024	$ 838,071	$ 11,836	$ 806,573	94.90%	$ 6,964	$ 8,083	$ 28,286
2023	795,646	36,015	805,204	96.82%	3,714	9,088	13,655
2022	592,900	7,877	588,653	97.98%	-	2,354	9,770
2021	711,583	5,313	712,223	99.35%	-	3,893	779
2020	917,163	7,850	826,274	89.33%	72,710	19,447	6,581

TAX TITLE LIENS (1)

Year	Balance Jan. 1	Added by Sales and Transfers	Collector Adjustments	Collected	Cancellations/ Foreclosures	Balance Dec. 31
2024	$ 801,943	$ 97,904	$ (39)	$ 10,612		$ 889,195
2023	769,576	88,574	2,229	58,435	-	801,943
2022	922,537	96,518	11,027	80,904	$ 179,601	769,576
2021	1,310,071	176,128		563,297	364	922,537
2020	1,026,723	370,181		86,833	-	1,310,071

FORECLOSED PROPERTY(1)(2)

Year	Balance Jan. 1	Added By Transfer	Adjustment to Assessed Valuation	Adjustments/ Sales of Property	Balance Dec. 31
2024	$1,077,400	$ -	$ -	$ -	$ 1,077,400
2023	1,593,200	-	183,635	699,435	1,077,400
2022	1,168,100	196,771	432,229	203,900	1,593,200
2021	1,539,500	-	-	371,400	1,168,100
2020	1,695,728	-	-	156,228	1,539,500

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

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (1)

		Tax Rate (2)						
Year	Net Valuation Taxable	Total Rate	County	County Open Space	Local School	Regional High School	Municipal	Municipal Open Space
2024	$ 1,253,913,000	$ 3.652	$ 0.702	$ 0.047	$ 0.989	$ 1.113	$ 0.791	$ 0.010
2023	1,244,641,300	3.564	0.706	0.044	0.954	1.085	0.765	0.010
2022	1,239,774,554	3.468	0.710	0.043	0.923	1.054	0.728	0.010
2021	1,234,106,285	3.418	0.717	0.044	0.915	1.026	0.705	0.011
2020	1,230,598,454	3.380	0.712	0.043	0.918	1.019	0.678	0.010

SPECIAL DISTRICT TAXES (3)

Year	Fire No. 1	Fire No. 2	Fire No. 3	Fire No. 4	Fire No. 5
2024	$ 0.171	$ 0.183	$ 0.133	$ 0.209	$ 0.157
2023	0.171	0.181	0.122	0.206	0.172
2022	0.166	0.177	0.122	0.203	0.168
2021	0.166	0.167	0.122	0.201	0.165
2020	0.165	0.159	0.122	0.201	0.157

RATIO OF ASSESSED VALUATION TO TRUE VALUE AND TRUE VALUE PER CAPITA(4)

Year	Real Property Assessed Valuation	Percentage of True Value	True Value	True Value per Capita
2025	$ 1,259,276,400	62.31%	$ 2,020,986,038	$ 123,381 (5)
2024	1,253,913,000	67.18%	1,866,497,469	113,950 (5)
2023	1,244,641,300	75.24%	1,654,228,203	100,991 (5)
2022	1,237,711,200	84.90%	1,457,845,936	89,002 (5)
2021	1,231,913,800	90.26%	1,364,850,211	83,324 (5)

(1) Source: Township Tax Collector
(2) Per $100 of assessed valuation
(3) Source: Township Tax Collector. Rates expressed as dollars (fractions) / $100 assessed value.
(4) State of New Jersey, Department of Treasury, Division of Taxation
(5) Based on Federal Census 2020 of 16,380

REAL PROPERTY CLASSIFICATION (1)

Year	Assessed Value of Land and Improvements	Vacant Land	Residential	Commercial	Industrial	Apartments	Farmland
2025	$1,259,279,400	$28,787,000	$ 1,071,237,200	$ 99,884,700	$ -	$ 1,927,000	$ 57,440,500
2024	1,253,913,000	28,442,700	1,067,768,800	97,785,800	-	1,927,000	57,988,700
2023	1,246,121,000	29,291,900	1,061,242,500	96,198,000	-	1,927,000	57,461,600
2022	1,237,711,200	29,735,400	1,056,924,400	93,689,800	-	1,927,000	55,434,600
2021	1,231,913,800	31,119,600	1,050,078,300	93,136,200	-	1,927,000	55,652,700

TOWNSHIP OF FRANKLIN
STATEMENT OF INDEBTEDNESS (2)
AS OF DECEMBER 31, 2024

The following table summarizes the direct debt of the Township as of December 31, 2024, in accordance with the requirements of the Local Bond Law. The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, and Debt of the Local and Regional School Districts. Deductions from gross debt to arrive at net debt include local and regional school district debt. The resulting net debt of $6,172,229 represents 0.336% of the average of equalized valuations for the Township for the last three years, of $1,836,697,388, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued		Debt Auth. But Not	Gross	Deductions		Net
	Bonds/Loans	Notes	Issued	Debt	School District	Other	Debt
General	$ 7,045,000			$ 7,045,000		$ 872,771	$ 6,172,229
School - Local	727,000			727,000	$ 727,000		
School - Regonal	5,452,724			5,452,724	5,452,724		
	$ 13,224,724	$ -	$ -	$ 13,224,724	$ 6,179,724	$ 872,771	$ 6,172,229

(1) Source: County Tax Assessor
(2) Annual Debt Statement

DEBT RATIOS AND VALUATIONS (1)

Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024	$	1,836,697,388
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024		0.336%
2024 Net Valuation Taxable	$	1,253,913,000
2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	$	1,866,497,469
Gross Debt (2)		
As a Percentage of 2024 Net Valuation Taxable		1.05%
As a Percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		0.71%
Net Debt (2)		
As a Percentage of 2024 Net Valuation Taxable		0.49%
As a Percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		0.33%
Gross Debt per Capita (3)	$	807
Net Debt per Capita (3)	$	377

TOWNSHIP BORROWING CAPACITY (1)

3.5% of Average (2022-24) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property ($1,836,697,388)	$	64,284,409
Net Debt		(6,172,229)
Remaining Borrowing Capacity	$	58,112,180

LOCAL SCHOOL BORROWING CAPACITY (1)

3% of Average (2022-24) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property ($1,836,697,388)	$	55,100,922
Local School Debt		(727,000)
Remaining Borrowing Capacity	$	54,373,922

REGIONAL HIGH SCHOOL DISTRICT (1)

3% of Averaged (2022-24) Equalized Valuation of Real Property Including Improvements ($2,376,745,422)	$	71,302,363
Regional High School Debt (4)		(7,056,000)
Remaining Borrowing Capacity	$	64,246,363

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(1) As of December 31, 2024
(2) Excluding overlapping debt
(3) Based on Census 2020 of 16,380
(4) Debt portion allocated to the Township is $5,452,724

TOWNSHIP OF FRANKLIN
OVERLAPPING DEBT
AS OF DECEMBER 31, 2024

	DEBT ISSUED				
	Debt Outstanding	Deductions	Net Debt Outstanding	Net Debt Outstanding Allocated to the Issuer	**Debt Auth. but not Issued**
County of Gloucester(1):					
General	$ 239,268,000	$ 19,131,039 (2)	$ 220,136,961	$ 10,588,588 (4)	
Bonds Issued by Other Public Bodies Guaranteed by the County	100,041,911	100,041,911 (3)			
	$ 339,309,911	$ 119,172,950	$ 220,136,961	$ 10,588,588	$ -

TOWNSHIP OF FRANKLIN
SCHEDULE OF DEBT SERVICE (5)
(BONDED DEBT ONLY)

	General		
Year	Principal	Interest	Total
2025	$775,000	$242,425	$1,017,425
2026	775,000	221,113	996,113
2027	785,000	197,300	982,300
2028	790,000	170,900	960,900
2029	800,000	144,300	944,300
2030	520,000	124,800	644,800
2031	520,000	104,000	624,000
2032	520,000	83,200	603,200
2033	520,000	62,400	582,400
2034	520,000	41,600	561,600
2035	520,000	20,800	540,800
	$ 7,045,000	$ 1,412,838	$ 8,457,838

(1) Source: County's Annual Debt Statement.
(2) Includes Reserve for Payment of Debt and County College Bonds.
(3) Deductible in accordance with N.J.S. 40:37A-80.
(4) Such debt is allocated as a proportion of the Issuer's share of the total 2024 Net Valuation on which County taxes are apportioned, which is 4.81%.
(5) As of December 31, 2024

TOWNSHIP OF FRANKLIN

2025 MUNICIPAL BUDGET (1)

CURRENT FUND

Anticipated Revenues:		
Fund Balance	$	2,500,000
Miscellaneous Revenues:		
Local Revenues		644,438
State Aid without Offsetting Appropriations		1,470,232
Dedicated Uniform Construction Code Fees		350,000
Shared Service Agreements		1,697,263
Public and Private Programs Offset with Appropriations		530,054
Other Special Items of Revenue		557,525
Receipts from Delinquent Taxes		800,000
Amount to be Raised by Taxation for Municipal Purposes		9,980,366
Minimum Library Tax		670,792
Total Anticipated Revenues	$	19,200,670
Appropriations:		
Within CAPS:		
Operations	$	11,628,963
Deferred Charges and Statutory Expenditures		1,987,699
Excluded from CAPS:		
Other Operations		959,561
Shared Service Agreeements		1,702,946
Public and Private Programs		530,054
Capitol Improvements		143,425
Debt Service		1,017,425
Total Deferred Charges		265,250
Reserve for Uncollected Taxes		965,347
Total Appropriations	$	19,200,670

(1) Source: 2025 Adopted Budget

TOWNSHIP OF FRANKLIN
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2025 - 2030 (1)

	Estimated Total Cost	Capital Improvement Fund	Budget Appropriation	Bonds and Notes General
General Capital:				
Department of Public Works Vehicles	$ 1,676,600	$ 83,830		$ 1,592,770
Improvments to Department of Public Works Complex	447,400	22,370		425,030
Police Vehicles	346,400	17,320		329,080
Police Equipment	94,800	4,740		90,060.00
Improvements to Township Building	13,300	665		12,635
Senior Lunch Program	150,000	7,500		142,500
Bonding & Engineering	200,000	10,000		190,000
Totals--All Projects	$ 2,928,500	$ 146,425	$ -	$ 2,782,075

(1) Source: 2025 Adopted Budget

APPENDIX B

FINANCIAL STATEMENTS OF THE TOWNSHIP

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Franklin
County of Gloucester
Franklinville, New Jersey 08322

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Franklin, in the County of Gloucester, State of New Jersey, as of December 31, 2024, 2023, 2022, 2021 and 2020, and the related statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Franklin, in the County of Gloucester, State of New Jersey, as of December 31, 2024, 2023, 2022, 2021 and 2020, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Township of Franklin, in the County of Gloucester, State of New Jersey, as of December 31, 2024, 2023, 2022, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

601 White Horse Road | Voorhees, NJ 08043 | P 856-435.6200 | F 856-435.0440 | www.bowman.cpa

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

Change in Accounting Principle

As discussed in note 1 to the financial statements, during the year ended December 31, 2024, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101*, Compensated Absences.* The adoption of this new accounting principle resulted in an updated measurement of compensated absences in accordance with the Statement (note 9). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only impacted financial statement disclosures. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we (cont'd):

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Carol A McAllister

Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 21, 2025

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

	As of December 31, 2024	2023	2022	2021	2020
ASSETS					
Regular Fund:					
Cash and Investments	$ 5,697,874.15	$ 7,648,247.39	$ 5,347,306.76	$ 4,307,566.75	$ 2,510,369.84
Due from State of New Jersey - Veterans and Senior Citizens Deductions				3,524.46	929.13
Due from Library			11,254.02	74,524.49	70,887.63
Receivables and Other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	819,520.82	838,070.84	795,646.21	592,900.07	711,582.75
Tax Title Liens Receivable	889,195.44	801,943.60	769,576.39	922,537.31	1,310,070.52
Property Acquired for Taxes--Assessed Valuation	1,077,400.00	1,077,400.00	1,593,200.00	1,168,100.00	1,539,500.00
Other Accounts Receivable	51,329.57	51,700.34	35,804.43	95,823.78	594,626.94
Deferred Charges:					
Emergency Authorization (40A: 4-46)	265,250.00				
Overexpenditure of Appropriations				7,202.81	45,831.41
Expenditures without Appropriations				10,000.00	
Overexpenditures of Appropriation Reserves					64,559.28
Operating Deficit					55,207.28
Total Current Fund	8,800,569.98	10,417,362.17	8,552,787.81	7,182,179.67	6,903,564.78
Federal and State Grant Fund:					
Federal and State Grants Receivable	2,662,439.74	779,884.17	1,131,586.46	990,822.86	946,087.85
Interfunds Receivable	652,449.78	658,051.43	290,230.87	152,933.16	321,027.63
Deferred Charges: Overexpenditure of Grant Funds					241.50
Total Federal and State Grant Fund	3,314,889.52	1,437,935.60	1,421,817.33	1,143,756.02	1,267,356.98
	$ 12,115,459.50	$ 11,855,297.77	$ 9,974,605.14	$ 8,325,935.69	$ 8,170,921.76
LIABILITIES, RESERVES AND FUND BALANCE					
Regular Fund:					
Liabilities and Reserves:					
Appropriation Reserves	$ 1,400,927.11	$ 977,581.26	$ 1,031,098.05	$ 794,308.22	$ 833,329.79
Reserve for Encumbrances	45,835.27	71,858.81	162,158.22	102,705.89	42,301.08
Accounts Payable			35,341.92	35,341.92	26,022.90
Due to State of New Jersey - Veterans and Senior Citizens Deductions	1,290.93	2,152.54	1,743.34		
Prepaid Taxes	635,066.67	745,939.77	489,370.28	573,688.78	536,600.63
Tax Overpayments	43,471.10	9,483.53	92,177.26	32,339.57	26,966.05
Due County for Added and Omitted Taxes	44,533.33	62,868.26	53,942.46	45,696.57	36,956.18
Special District Taxes Payable		0.50			
Due to Library		42,873.36			
Reserve for Open Space Pilot Aid		1,284.00			
Reserve for Insurance Claims		205,350.00			
Reserve for Municipal Relief Fund Aid		150,842.02	75,437.12		
Local School District Taxes Payable		722,586.98	460,958.98	302,511.98	302,510.98
Regional High School Taxes Payable		252,139.52	261,161.13	266,239.92	272,604.92
Other Liabilities	11,459.00	10,808.83	42,463.83	11,624.83	474,184.16
Interfunds Payable	754,889.52	658,051.43	290,230.87	152,933.16	
Reserves for Receivables and Other Assets	2,837,445.83	2,769,114.78	3,194,227.03	2,779,361.16	4,155,780.21
Fund Balance	3,025,651.22	3,734,426.58	2,362,477.32	2,085,427.67	196,307.88
Total Current Fund	8,800,569.98	10,417,362.17	8,552,787.81	7,182,179.67	6,903,564.78
Federal and State Grant Fund:					
Due to General Capital Fund					
Reserve for Encumbrances	361,525.90	44,422.18	11,953.98	155,670.30	401,337.50
Appropriated Reserves	2,940,590.52	1,379,816.04	1,407,160.94	988,085.72	847,819.48
Unappropriated Reserves	12,773.10	13,697.38	2,702.41		18,200.00
Total Federal and State Grant Fund	3,314,889.52	1,437,935.60	1,421,817.33	1,143,756.02	1,267,356.98
	$ 12,115,459.50	$ 11,855,297.77	$ 9,974,605.14	$ 8,325,935.69	$ 8,170,921.76

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

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

	For the Years Ended December 31,				
	2024	2023	2022	2021	2020
REVENUES AND OTHER INCOME REALIZED:					
Fund Balance Utilized	$ 2,400,000.00	$ 1,862,477.00	$ 940,000.00	$ -	$ 650,000.00
Miscellaneous Revenue Anticipated	7,397,528.02	4,840,382.87	5,227,301.75	6,217,504.12	5,801,512.11
Receipts from Delinquent Taxes	817,185.87	863,639.75	669,556.64	1,275,520.53	913,107.22
Receipts from Current Taxes	47,262,570.44	45,855,136.83	44,432,866.16	43,621,321.09	42,804,417.88
Non-Budget Revenues	211,169.93	1,540,241.72	443,699.45	427,958.78	472,378.41
Other Credits to Income	1,226,150.95	1,143,763.17	772,581.73	718,193.43	226,545.36
Total Revenues	59,314,605.21	56,105,641.34	52,486,005.73	52,260,497.95	50,867,960.98
EXPENDITURES:					
Budget Appropriations:					
Operations Within "CAPS":					
Salaries and Wages	4,965,090.31	4,349,592.00	4,658,470.00	4,419,275.00	4,440,269.41
Other Expenses	6,299,258.69	5,507,996.00	5,448,338.88	4,958,925.00	4,727,690.00
Deferred Charges and Statutory Expenditures Within "CAPS'	1,789,388.80	1,747,928.00	1,684,003.81	1,760,783.70	1,954,749.82
Operations Excluded From "CAPS":					
Salaries and Wages	1,590,142.22	1,470,000.00	1,360,000.00	1,315,000.00	1,088,600.00
Other Expenses	3,350,835.15	1,795,238.30	1,191,489.18	1,033,265.60	1,647,340.07
Debt Service	1,020,573.00	734,631.19	814,261.93	1,248,473.80	1,271,404.55
Deferred Charges	840.00				
Judgements	275,250.00				
County Taxes and County Share of Added and Omitted Taxes	9,419,641.46	9,385,075.12	9,369,441.11	9,428,674.33	9,323,594.53
Local School District Tax	12,391,482.00	11,866,314.00	11,446,238.00	11,287,790.00	11,287,790.00
Regional High School Tax	13,967,661.00	13,511,693.00	13,070,206.00	12,661,469.00	12,543,152.00
Special District Taxes	2,193,480.10	2,133,361.96	2,084,695.00	2,032,344.00	1,990,370.00
Municipal Open Space Tax	126,083.22	125,451.36	124,697.50	124,183.02	123,551.64
Cancellation of Grant Receivable in General Capital Fund	102,439.74				
Expendtiure without Appropriation				10,000.00	
Overexpenditure of Appropriation Reserves				7,202.81	
Payment of Prior Year Health Benefits					133,668.06
Prior Year Senior Citizens and Veterans Deductions Disallowed	10,635.31	10,182.87	7,876.72	5,312.79	7,850.25
Refund of Prior Year Revenue	2,340.80	488.87	9,237.95		
Refund of Prior Year Revenues - Tax Overpayments				34,067.62	114,208.09
Cancellation of Grants Receivable	383,451.20	232,939.74			50,995.30
Creation of Reserve for Interfunds and Other Receivables	37.57	322.67		61,814.30	263,765.95
Total Expenditures	57,888,630.57	52,871,215.08	51,268,956.08	50,388,580.97	50,968,999.67
Excess / (Deficit) Revenues over Expenditures	1,425,974.64	3,234,426.26	1,217,049.65	1,871,916.98	(101,038.69)
Adjustments to Income Before Fund Balance:					
Expenditures Included above which are by Statute Deferred Charges to Budget of Succeeding Year	265,250.00			17,202.81	45,831.41
Statutory Excess to Fund Balance	1,691,224.64	3,234,426.26	1,217,049.65	1,889,119.79	
Deficit in Operations to be Raised in Budget of Succeeding Year					$ (55,207.28)
FUND BALANCE:					
January 1	3,734,426.58	2,362,477.32	2,085,427.67	196,307.88	846,307.88
	5,425,651.22	5,596,903.58	3,302,477.32	2,085,427.67	846,307.88
Decreased by:					
Utilized in Budget	2,400,000.00	1,862,477.00	940,000.00	-	650,000.00
December 31	$ 3,025,651.22	$ 3,734,426.58	$ 2,362,477.32	$ 2,085,427.67	$ 196,307.88

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

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

	As of December 31,				
	2024	2023	2022	2021	2020
ASSETS					
Animal Control Fund:					
Cash	$ 19,145.19	$ 19,781.26	$ 16,292.51	$ 69,116.46	$ 53,074.04
Other Funds:					
Cash	1,327,216.17	1,262,058.11	1,463,638.86	1,243,707.68	1,585,571.83
	1,327,216.17	1,262,058.11	1,463,638.86	1,243,707.68	1,585,571.83
Municipal Open Space Trust Fund:					
Cash	753,423.86	670,701.74	883,938.81	822,025.00	678,144.97
Due from Current Fund	.				123,551.64
	753,423.86	670,701.74	883,938.81	822,025.00	801,696.61
	$ 2,099,785.22	$ 1,952,541.11	$ 2,363,870.18	$ 2,134,849.14	$ 2,440,342.48
LIABILITIES AND RESERVES					
Animal Control Fund:					
Due to Current Fund			$ 95.00	$ 25,851.66	$ 3,148.64
Reserve for Animal Control Fund Expenditures	$ 19,145.19	$ 19,781.26	16,197.51	43,264.80	49,925.40
	19,145.19	19,781.26	16,292.51	69,116.46	53,074.04
Other Funds:					
Due to Current Fund	393.49	355.92	33.25	9,113.42	560,117.67
Miscellaneous Trust Reserves and Escrows	1,326,822.68	1,261,702.19	1,463,605.61	1,234,594.26	1,025,454.16
	1,327,216.17	1,262,058.11	1,463,638.86	1,243,707.68	1,585,571.83
Municipal Open Space Trust Fund					
Reserve for Municipal Open Space	753,423.86	670,701.74	883,938.81	822,025.00	801,696.61
	$ 2,099,785.22	$ 1,952,541.11	$ 2,363,870.18	$ 2,134,849.14	$ 2,440,342.48

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

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

	As of December 31,				
	2024	2023	2022	2021	2020
ASSETS					
Cash	$1,757,504.21	$ 2,771,312.14	$ 163,415.91	$ 246,586.59	$ 215,685.03
Grants Receivable		102,439.74	102,439.74	102,439.74	102,439.74
Deferred Charges to Future Taxation:					
Funded	7,045,000.00	7,809,000.00	3,550,000.00	4,100,000.00	5,160,000.00
Unfunded		840.00	3,096,040.00	3,229,832.00	3,228,938.00
Due from Current Fund	102,439.74				17,038.06
	$8,904,943.95	$ 10,683,591.88	$ 6,911,895.65	$ 7,678,858.33	$ 8,724,100.83
LIABILITIES, RESERVES AND FUND BALANCE					
General Serial Bonds	$7,045,000.00	$ 7,809,000.00	$ 3,550,000.00	$ 4,100,000.00	$ 5,160,000.00
Bond Anticipation Notes			2,933,803.00	3,067,595.00	3,105,105.00
Improvement Authorizations:					
Funded	923,193.09	1,660,868.32	187,584.68	184,556.68	134,580.29
Unfunded		840.00	146,520.97	172,788.79	195,160.68
Reserve for Encumbrances	60,192.63	210,306.38		3,028.00	3,674.00
Due to Current Fund				29,997.86	
Reserve for Debt Service	872,771.23	998,790.18		26,905.00	29,997.86
Capital Improvement Fund	3,787.00	3,787.00	93,987.00	93,987.00	95,583.00
	$8,904,943.95	$ 10,683,591.88	$ 6,911,895.65	$ 7,678,858.33	$ 8,724,100.83

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

TOWNSHIP OF FRANKLIN
Notes to Financial Statements
For the Year Ended December 31, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Franklin (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature in 1825, covers approximately 56 square miles and is located in southwest New Jersey approximately thirty-three miles southeast of the City of Philadelphia. According to the 2020 census, the population is 16,415.

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

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

Franklin Township Library
1584 Coles Mill Road
Franklinville, New Jersey 08322

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

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

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

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)

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

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

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

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

Cash and Cash Equivalents - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity.

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

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

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

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

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

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

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

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

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

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

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

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

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Gloucester, the Township of Franklin School District, Delsea Regional High School District, and the Township of Franklin Fire Districts No. 1, No. 2, No. 3, No. 4, and No. 5. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Franklin School District and the Delsea Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local and regional school districts for the period from January 1 to December 31.

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

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Franklin Fire Districts No. 1, No. 2, No. 3, No. 4, and No. 5. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

Library Taxes - The municipality is responsible for levying, collecting and remitting library taxes for the Franklin Township Library. The amount of the library tax is a separate local levy tax and is remitted to the Library through the municipal budget.

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

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

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

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

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

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

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The Township implemented the following GASB Statement for the year ended December 31, 2024:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only impacted financial statement disclosures. There exists no impact on the financial statements of the Township.

Because of the implementation of GASB Statement No. 101, the Township has updated the measurement of compensated absences in accordance with the Statement (note 9).

Note 2: CASH AND CASH EQUIVALENTS

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

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

As of December 31, 2024, the Township's bank balances of $12,440,081.98 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	$ 12,275,320.30
Uninsured and Uncollateralized	164,761.68
Total	$ 12,440,081.98

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

	Year Ended				
	2024	**2023**	**2022**	**2021**	**2020**
General Tax Rate	$ 3.652	$ 3.564	$ 3.468	$ 3.418	$ 3.380
Apportionment of General Tax Rate:					
Municipal - Local Purpose	$ .742	$ .721	$ .689	$ .669	$ .642
Municipal Library	.049	.044	.039	.036	.036
Municipal Open Space	.010	.010	.010	.011	.010
County - General	.702	.706	.710	.717	.712
County - Open Space	.047	.044	.043	.044	.043
Local School	.989	.954	.923	.915	.918
Regional High School	1.113	1.085	1.054	1.026	1.019

	Year Ended				
	2024	**2023**	**2022**	**2021**	**2020**
Special District Tax Rates:					
Fire District No. 1	$ .171	$ .171	$ .166	$ .166	$ .165
Fire District No. 2	.183	.181	.177	.167	.159
Fire District No. 3	.133	.122	.122	.122	.122
Fire District No. 4	.209	.206	.203	.201	.201
Fire District No. 5	.157	.172	.168	.165	.157

Note 3: PROPERTY TAXES (CONT'D)

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

Assessed Valuation

Year	Amount
2024	$ 1,253,913,000.00
2023	1,244,641,300.00
2022	1,239,774,554.00
2021	1,234,106,285.00
2020	1,230,598,454.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2024	$ 48,195,306.76	$ 47,262,570.44	98.06%
2023	46,815,699.18	45,855,136.83	97.95%
2022	45,349,569.76	44,432,866.16	97.98%
2021	44,443,261.93	43,621,321.09	98.15%
2020	43,778,110.51	42,804,417.88	97.78%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2024	$ 889,195.44	$ 819,520.82	$ 1,708,716.26	3.55%
2023	801,943.60	838,070.84	1,640,014.44	3.50%
2022	769,576.39	795,646.21	1,565,222.60	3.45%
2021	922,537.31	592,900.07	1,515,437.38	3.41%
2020	1,310,070.52	711,582.75	2,021,653.27	4.62%

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

Year	Number
2024	62
2023	61
2022	73
2021	130
2020	160

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

Year	Amount
2024	$ 1,077,400.00
2023	1,077,400.00
2022	1,593,200.00
2021	1,168,100.00
2020	1,539,500.00

Note 5: FUND BALANCES APPROPRIATED

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

Current Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2024	$ 3,025,651.22	$ 2,500,000.00	82.63%
2023	3,734,426.58	2,400,000.00	64.27%
2022	2,362,477.32	1,862,477.00	78.84%
2021	2,085,427.67	940,000.00	45.07%
2020	196,307.88	-	N/A

Note 6: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2024:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	$ 393.49	$ 652,449.78
Federal, State and Other Grant Fund	652,449.78	
Trust - Other Fund		393.49
Totals	$ 652,843.27	$ 652,843.27

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2025, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: PENSION PLANS

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

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

General Information about the Pension Plans

Plan Descriptions

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

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

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Plan Descriptions (Cont'd)

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

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

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

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

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

The following represents the membership tiers for PFRS:

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

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

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

Contributions

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

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

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

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

The Employer's contractually required contribution rate for the year ended December 31, 2024 was 16.00% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 is $304,487.00 and is payable by April 1, 2025. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 was $288,820.00, which was paid on April 1, 2024.

Employee contributions to the Plan for the year ended December 31, 2024 were $149,893.12.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2024 was .52% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2024, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was $9,803.00. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was $9,761.00.

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

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

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

The Employer's contractually required contribution rate for the year ended December 31, 2024 was 35.16% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 is $1,157,505.00 and is payable by April 1, 2025. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 was $1,013,353.00, which was paid on April 1, 2024.

Employee contributions to the Plan for the year ended December 31, 2024 were $334,629.90.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2024 was 5.95% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2024, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was $195,989.00 and is payable by April 1, 2025. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was $177,234.00, which was paid on April 1, 2024.

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

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

For the year ended December 31, 2024, there were no employees in the plan.

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

Public Employees' Retirement System

Pension Liability - As of December 31, 2024, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was $3,040,583.00. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2024 measurement date, the Employer's proportion was .0223768957%, which was an increase of .0007671606% from its proportion measured as of June 30, 2023.

Pension (Benefit) Expense - For the year ended December 31, 2024, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date was ($67,787.00). This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2024, the Employer's contribution to PERS was $288,820.00, and was paid on April 1, 2024.

For the year ended December 31, 2024, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2024 measurement date, was $9,803.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2024, the Employer's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	$ 8,641,375.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	1,703,629.00
	$ 10,345,004.00

Note 7: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Police and Firemen's Retirement System (Cont'd)

Pension Liability (Cont'd) - The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2024 measurement date, the Employer's proportion was .0836807400%, which was an increase of .0075575300% from its proportion measured as of June 30, 2023. Likewise, at June 30, 2024, the State of New Jersey's proportion, on-behalf of the Employer, was .0836808800%, which was an increase of .0075575200% from its proportion, on-behalf of the Employer, measured as of June 30, 2023.

Pension (Benefit) Expense - For the year ended December 31, 2024, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date was $1,182,613.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2024, the Employer's contribution to PFRS was $1,013,353.00, and was paid on April 1, 2024.

For the year ended December 31, 2024, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2024 measurement date, was $195,989.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2024, the Employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	$ 60,908.00	$ 544,400.00	$ 605,308.00	$ 8,095.00	$ 295,832.00	$ 303,927.00
Changes of Assumptions	3,777.00	13,660.00	17,437.00	34,595.00	253,783.00	288,378.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	140,984.00	67,634.00	208,618.00
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	111,214.00	1,092,351.00	1,203,565.00	521,562.00	92,083.00	613,645.00
Contributions Subsequent to the Measurement Date	152,244.00	578,753.00	730,997.00	-	-	-
	$ 328,143.00	$ 2,229,164.00	$ 2,557,307.00	$ 705,236.00	$ 709,332.00	$ 1,414,568.00

Note 7: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amounts of $152,244.00 and $578,753.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2025. These amounts were based on an estimated April 1, 2026 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2024 to the Employer's year end of December 31, 2024.

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

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	-
June 30, 2023	5.08	-	6.16	-
June 30, 2024	5.08	-	6.09	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2020	5.00	-	5.00	-
June 30, 2021	-	5.00	-	5.00
June 30, 2022	5.00	-	5.00	-
June 30, 2023	-	5.00	-	5.00
June 30, 2024	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22
June 30, 2023	5.08	5.08	6.16	6.16
June 30, 2024	5.08	5.08	6.09	6.09

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

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

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

Year Ending Dec 31,	PERS	PFRS	Total
2025	$ (295,447.00)	$ (48,326.00)	$ (343,773.00)
2026	(27,060.00)	675,252.00	648,192.00
2027	(187,051.00)	41,169.00	(145,882.00)
2028	(22,474.00)	69,839.00	47,365.00
2029	2,695.00	186,223.00	188,918.00
Thereafter	-	16,922.00	16,922.00
	$ (529,337.00)	$ 941,079.00	$ 411,742.00

Actuarial Assumptions

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Public Employees' Retirement System

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

Police and Firemen's Retirement System

Employee mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2024 are summarized in the table that follows:

PERS

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

PFRS

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large-Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%
	100.00%	

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Public Employees' Retirement System (PERS) - The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2024 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	$ 4,040,187.00	$ 3,040,583.00	$ 2,189,925.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Employer's annual required contribution. As such, the net pension liability as of the June 30, 2024 measurement date, for the Employer and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	$ 12,346,602.00	$ 8,641,375.00	$ 5,555,732.00
State of New Jersey's Proportionate Share of Net Pension Liability	2,434,106.00	1,703,629.00	1,095,301.00
	$ 14,780,708.00	$ 10,345,004.00	$ 6,651,033.00

Note 7: PENSION PLANS (CONT'D)

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)

Pension Plan Fiduciary Net Position

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

Supplementary Pension Information

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

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

	Measurement Date Ended June 30,				
	2024	2023	2022	2021	2020
Proportion of the Net Pension Liability	0.0223768957%	0.0216097351%	0.0262687855%	0.0260394309%	0.0270669700%
Proportionate Share of the Net Pension Liability	$ 3,040,583.00	$ 3,130,035.00	$ 3,964,321.00	$ 3,084,761.00	$ 4,413,915.00
Covered Payroll (Plan Measurement Period)	$ 1,791,080.00	$ 1,715,460.00	$ 1,805,936.00	$ 1,908,276.00	$ 1,923,444.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	169.76%	182.46%	219.52%	161.65%	229.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%

	Measurement Date Ended June 30,				
	2019	2018	2017	2016	2015
Proportion of the Net Pension Liability	0.0272667336%	0.0229271430%	0.0202389223%	0.0193696270%	0.0204326511%
Proportionate Share of the Net Pension Liability	$ 4,913,052.00	$ 4,514,240.00	$ 4,711,298.00	$ 5,736,728.00	$ 4,586,721.00
Covered Payroll (Plan Measurement Period)	$ 1,939,536.00	$ 1,610,064.00	$ 1,404,612.00	$ 1,332,496.00	$ 1,393,776.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	253.31%	280.38%	335.42%	430.52%	329.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%

Note 7: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)

	Year Ended December 31,				
	2024	2023	2022	2021	2020
Contractually Required Contribution	$ 304,487.00	$ 288,820.00	$ 331,262.00	$ 304,952.00	$ 296,099.00
Contribution in Relation to the Contractually Required Contribution	(304,487.00)	(288,820.00)	(331,262.00)	(304,952.00)	(296,099.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 1,902,737.00	$ 1,780,845.00	$ 1,686,804.00	$ 1,810,106.00	$ 1,847,059.00
Contributions as a Percentage of Covered Payroll	16.00%	16.22%	19.64%	16.85%	16.03%

	Year Ended December 31,				
	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 265,225.00	$ 228,051.00	$ 187,492.00	$ 172,077.00	$ 175,666.00
Contribution in Relation to the Contractually Required Contribution	(265,225.00)	(228,051.00)	(187,492.00)	(172,077.00)	(175,666.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 1,902,685.00	$ 1,899,011.00	$ 1,647,397.00	$ 1,409,731.00	$ 1,351,636.00
Contributions as a Percentage of Covered Payroll	13.94%	12.01%	11.38%	12.21%	13.00%

Note 7: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Ten Plan Years)

	Measurement Date Ended June 30,				
	2024	2023	2022	2021	2020
Proportion of the Net Pension Liability	0.0836807400%	0.0761232100%	0.0772603500%	0.0754785015%	0.0740050635%
Proportionate Share of the Net Pension Liability	$ 8,641,375.00	$ 8,410,688.00	$ 8,843,494.00	$ 5,516,838.00	$ 9,562,430.00
State's Proportionate Share of the Net Pension Liability	1,703,629.00	1,549,767.00	1,573,883.00	1,551,610.00	1,484,046.00
Total	$ 10,345,004.00	$ 9,960,455.00	$ 10,417,377.00	$ 7,068,448.00	$ 11,046,476.00
Covered Payroll (Plan Measurement Period)	$ 3,103,912.00	$ 2,829,040.00	$ 2,717,256.00	$ 2,645,908.00	$ 2,553,532.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	278.40%	297.30%	325.46%	208.50%	374.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.66%	70.16%	68.33%	77.26%	63.52%

	Measurement Date Ended June 30,				
	2019	2018	2017	2016	2015
Proportion of the Net Pension Liability	0.0667021020%	0.0526639804%	0.0528599145%	0.0506114872%	0.0548372439%
Proportionate Share of the Net Pension Liability	$ 8,162,882.00	$ 7,126,305.00	$ 8,160,549.00	$ 9,668,089.00	$ 9,133,973.00
State's Proportionate Share of the Net Pension Liability	1,288,935.00	967,991.00	914,050.00	811,880.00	801,019.00
Total	$ 9,451,817.00	$ 8,094,296.00	$ 9,074,599.00	$ 10,479,969.00	$ 9,934,992.00
Covered Payroll (Plan Measurement Period)	$ 2,261,940.00	$ 1,784,348.00	$ 1,711,060.00	$ 1,617,668.00	$ 1,736,592.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	360.88%	399.38%	476.93%	597.66%	525.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.00%	62.48%	58.60%	52.01%	56.31%

Note 7: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Ten Years)

	Year Ended December 31,				
	2024	2023	2022	2021	2020
Contractually Required Contribution	$ 1,157,505.00	$ 1,013,353.00	$ 1,004,812.00	$ 879,675.00	$ 826,763.00
Contribution in Relation to the Contractually Required Contribution	(1,157,505.00)	(1,013,353.00)	(1,004,812.00)	(879,675.00)	(826,763.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 3,291,966.00	$ 3,019,999.00	$ 2,830,060.00	$ 2,764,115.00	$ 2,696,224.00
Contributions as a Percentage of Covered Payroll	35.16%	33.55%	35.50%	31.82%	30.66%

	Year Ended December 31,				
	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 673,765.00	$ 514,868.00	$ 467,820.00	$ 412,656.00	$ 445,745.00
Contribution in Relation to the Contractually Required Contribution	(673,765.00)	(514,868.00)	(467,820.00)	(412,656.00)	(445,745.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 2,542,040.00	$ 2,260,783.00	$ 1,826,865.00	$ 1,673,534.00	$ 1,511,795.00
Contributions as a Percentage of Covered Payroll	26.50%	22.77%	25.61%	24.66%	29.48%

Note 7: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

Chapter 249, P.L. 2023 extends provisions of Chapter 498, P.L. 2021 for calendar years 2023 or 2024 to allow for a temporary return to employment by a former employee of the Legislature after retirement from PERS.

Changes in Assumptions

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

Discount Rate				Long-term Expected Rate of Return			
Year	Rate	Year	Rate	Year	Rate	Year	Rate
2024	7.00%	2019	6.28%	2024	7.00%	2019	7.00%
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms

None.

Changes in Assumptions

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

Discount Rate				Long-term Expected Rate of Return			
Year	Rate	Year	Rate	Year	Rate	Year	Rate
2024	7.00%	2019	6.85%	2024	7.00%	2019	7.00%
2023	7.00%	2018	6.51%	2023	7.00%	2018	7.00%
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersy Division of Pension's reporting on GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2024 was not available; therefore, the information from the measurement period June 30, 2023 is disclosed below.

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

Plan Description and Benefits Provided - The State of New Jersey (the "State") provides postemployment benefits to certain Township retirees and their dependents under a special funding situation as described below.

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

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

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

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)

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

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

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

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Employer, is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the Employer is ($1,317,468.00) for the year ended December 31, 2023, representing (43.62%) of the Employer's covered payroll.

OPEB Liability

OPEB Liability - At December 31, 2023, the State's proportionate share of the net OPEB liability associated with the Employer was $7,266,002.00. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

The State's proportion of the net OPEB liability, associated with the Employer, was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2022 through June 30, 2023. For the June 30, 2023 measurement date, the State's proportion on-behalf of the Employer was .208249%, which was a decrease of .016812% from its proportion measured as of the June 30, 2022 measurement date.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Actuarial Assumptions

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

Salary Increases:

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

Mortality:

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

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

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

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

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 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.

The health care trend assumptions used is as follows:

	Annual Rate of Increase					
	Medical Trend			Prescription Drug Trend		
Fiscal Year Ending	Pre-65	PPO Post-65	HMO Post-65	Pre-65	Post-65	EGWP
2024	6.50%	-5.63%	-6.04%	14.00%	9.50%	14.28%
2025	6.25%	8.22%	8.33%	10.00%	8.75%	11.21%
2026	6.00%	16.85%	17.28%	7.50%	7.50%	7.50%
2027	5.75%	14.31%	14.65%	6.75%	6.75%	6.75%
2028	5.50%	12.43%	12.71%	6.00%	6.00%	6.00%
2029	5.25%	11.02%	11.24%	5.25%	5.25%	5.25%
2030	5.00%	9.91%	10.09%	4.50%	4.50%	4.50%
2031	4.75%	8.98%	9.14%	4.50%	4.50%	4.50%
2032	4.50%	6.46%	6.53%	4.50%	4.50%	4.50%
2033 and Later	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

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

The net OPEB liability, calculated using a discount rate of 3.65%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	$ 8,416,346.00	$ 7,266,002.00	$ 6,340,727.00

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	$ 6,175,247.00	$ 7,266,002.00	$ 8,662,502.00

OPEB Plan Fiduciary Net Position

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

Supplementary OPEB Information

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Supplementary OPEB Information (Cont'd)

Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the Employer (Last Seven Plan Years)

	Measurement Date Ended June 30,			
	2023	2022	2021 (a)	2020
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%
Proportionate Share of the Net OPEB Liability	$ -	$ -	$ -	$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	7,266,002.00	7,593,130.00	8,782,659.00	8,768,799.00
Total	$ 7,266,002.00	$ 7,593,130.00	$ 8,782,659.00	$ 8,768,799.00
Covered Payroll (Plan Measurement Period)	$ 2,906,038.00	$ 2,815,308.00	$ 2,745,546.00	$ 2,648,883.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	250.03%	269.71%	319.89%	331.04%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.79%	-0.36%	0.28%	0.91%

	Measurement Date Ended June 30,		
	2019	2018	2017
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%
Proportionate Share of the Net OPEB Liability	$ -	$ -	$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	7,228,745.00	7,653,592.00	8,746,977.00
Total	$ 7,228,745.00	$ 7,653,592.00	$ 8,746,977.00
Covered Payroll (Plan Measurement Period)	$ 2,380,983.00	$ 2,033,013.00	$ 1,748,329.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	303.60%	376.47%	500.30%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Supplementary OPEB Information (Cont'd)

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023, included changes due to employers adopting and /or changing Chapter 48 provisions.

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

Year	Rate	Year	Rate
2023	3.65%	2019	3.50%
2022	3.54%	2018	3.87%
2021	2.16%	2017	3.58%
2020	2.21%		

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

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

There were no changes to mortality projections.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. TOWNSHIP OF FRANKLIN POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided – The Township is referred to as "Employer" throughout this note. The Employer provides postretirement health care benefits through a health plan for retirees of the Superior Officers Association of PBA Local 122, which includes a medical, dental, vision, and prescription plan. The Employer provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: Township employees who retire from the Superior Officers Association of PBA Local 122, including their spouse and eligible dependents, who have at least twenty (20) years or more as a police officer in Franklin Township and twenty-five (25) years of credited service with the Police and Fire Retirement System (PFRS). The Plan is administered by the Employer; therefore, premium payments are made directly to the insurance carriers. Reimbursements by the retirees are paid in monthly installments after the Township provides the retirees with a detailed accounting of the costs. These officers will pay fifteen (15%) of the premium for the life of this contract and the life of future contracts.

Employees Covered by Benefit Terms - As of January 1, 2024, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	15
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	8
	23

Total OPEB Liability

The Employer's total OPEB liability of $17,197,287.00 was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2024.

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

Inflation	3.00%
Salary Increases	3.00%
Discount Rate	4.28%
Healthcare Cost Trend Rates	Increase at an annual rate of 7.0% to 4.5% ultimate, Dental 4.5% flat
Retirees' Share of Benefit-Related Costs	Future retirees are assumed to contribute 15% for medical, prescription and dental benefits.

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Bond index rate as of December 31, 2024.

Mortality rates were based on the RP-2010 Mortality Table with MP-2021 Projection.

An experience study was not performed on the actuarial assumptions used in the January 1, 2024 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. TOWNSHIP OF FRANKLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Changes in Total OPEB Liability

Balance at December 31, 2023		$ 9,853,404.00
Changes for the Year:		
Service Cost	$ 64,279.00	
Interest Cost	385,387.00	
Benefit Payments	(437,402.00)	
Changes in Assumptions	(897,152.00)	
Difference Between Expected and Actual Experience	7,911,191.00	
Changes of Benefit Terms	317,580.00	
Net Changes		7,343,883.00
Balance at December 31, 2024		$ 17,197,287.00

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

Changes of assumptions and other inputs reflect a change in the discount rate from 4.00% at December 31, 2023, to 4.28% at December 31, 2024.

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

	December 31, 2024		
	1.00% Decrease (3.28%)	Current Discount Rate (4.28%)	1.00% Increase (5.28%)
Total OPEB Liability	$ 20,400,334.00	$ 17,197,287.00	$ 14,700,783.00

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

	December 31, 2024		
	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	$ 14,611,126.00	$ 17,197,287.00	$ 20,517,161.00

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. TOWNSHIP OF FRANKLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2024, the Employer recognized OPEB (benefit) expense of $2,589,039.00. As of December 31, 2024, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	$ -	$ 732,301.00
Difference Between Expected and Actual Experience	5,933,393.00	-
	$ 5,933,393.00	$ 732,301.00

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

Year Ending Dec 31,	
2025	$ 1,694,073.00
2026	1,753,510.00
2027	1,753,509.00
	$ 5,201,092.00

Supplementary OPEB Information

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. TOWNSHIP OF FRANKLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios (Last 7 Years):

	Plan Measurement Date December 31,			
	2024	2023	2022	2021
Total OPEB Liability				
Service Cost	$ 64,279.00	$ 55,027.00	$ 104,111.00	$ 83,880.00
Interest Cost	385,387.00	388,199.00	135,871.00	122,800.00
Benefit Payments	(437,402.00)	(389,781.00)	(365,954.00)	(234,248.00)
Changes in Assumptions	(897,152.00)	520,912.00	(4,336,566.00)	(297,181.00)
Changes of Benefit Terms	317,580.00	-	-	-
Difference Between Expected and Actual Experience	7,911,191.00	77,227.00	7,442,656.00	-
Net Change in Total OPEB Liability	7,343,883.00	651,584.00	2,980,118.00	(324,749.00)
Total OPEB Liability - Beginning of Year	9,853,404.00	9,201,820.00	6,221,702.00	6,546,451.00
Total OPEB Liability - End of Year	$ 17,197,287.00	$ 9,853,404.00	$ 9,201,820.00	$ 6,221,702.00
Covered-Employee Payroll	$ 969,375.00	$ 268,955.00	$ 239,746.00	$ 795,687.58
Total OPEB Liability as a Percentage of Covered Payroll	1774.06%	3663.59%	3838.15%	781.93%

	Plan Measurement Date December 31,		
	2020	2019	2018
Total OPEB Liability			
Service Cost	$ 137,958.00	$ 101,656.00	$ 168,790.00
Interest Cost	171,149.00	212,146.00	245,839.00
Benefit Payments	(234,248.00)	(126,956.00)	(126,956.00)
Changes in Assumptions	638,591.00	1,234,984.00	(741,140.00)
Actuarial Demographic Gains	-		
Difference Between Expected and Actual Experience	(1,157,577.00)	(322,929.00)	(472,141.00)
Net Change in Total OPEB Liability	(444,127.00)	1,098,901.00	(925,608.00)
Total OPEB Liability - Beginning of Year	6,990,578.00	5,891,677.00	6,817,285.00
Total OPEB Liability - End of Year	$ 6,546,451.00	$ 6,990,578.00	$ 5,891,677.00
Covered-Employee Payroll	$ 942,823.14	$ 906,575.13	$ 913,809.54
Total OPEB Liability as a Percentage of Covered Payroll	694.35%	771.10%	644.74%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. TOWNSHIP OF FRANKLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Other Notes to Supplementary OPEB Information

Changes of Benefit Terms:
Contract negotiation to provide benefits for individual participant Barbara Freijomil (not otherwise eligible).

Changes of Assumptions:
Implied Subsidy - Approximately $50,000 is included in Benefit Payments/Contributions
Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.
The following are the discount rates used in each period:

Year	Percentage
2024	4.28%
2023	4.00%
2022	4.31%
2021	2.25%
2020	1.91%
2019	2.49%
2018	3.64%

Note 9: COMPENSATED ABSENCES

Under the existing policy of the Township, full-time employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may be accumulated and carried forward, but the carry-forward is limited to the equivalent of one year's accrued vacation days.

The Township compensates employees for unused sick leave and vacation days upon termination or retirement. For unused sick leave, however, the current policy provides one compensated day for every two days accumulated.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2024, accrued benefits for compensated absences are valued at $1,065,250.81.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 11: LEASE LIABILITY AND LEASE ASSET

The Township, as lessee, has entered into the following leases which meet the requirements of GASB 87:

Copiers - The Township is leasing twenty-seven (27) HP printer copiers with a total lease liability of $41,501.54. The lease began on June 7, 2021, for a term of five years. The implied interest rate is based on the Township's estimated incremental borrowing rate of 1.25%. The lease is not expected to be renewed at the expiration of the lease agreement. Based on this lease, the Township is making payments through May 31, 2026. The Township paid $8,557.80 of lease payments during the year ended December 31, 2024 which were budgeted and paid from the current fund.

Vehicles - The Township is leasing eleven (11) police vehicles with a total lease liability of $457,771.56. There are 5 separate leases and the first one began on December 1, 2022 for a term of five years. The most recent one began on November 1, 2023 for a term of five years. The implied interest rate is based on the Township's estimated incremental borrowing rate of 4.00%. The lease is not expected to be renewed at the expiration of the lease agreement. Based on the leases, the Township is making payments through October 31, 2028. The Township paid $100,830.60 of lease payments during the year ended December 31, 2024 which were budgeted and paid from the current and trust funds.

Under the provisions of GASB 87, as of December 31, 2024, the balance of the lease liability is $313,448.85, and balance of the related right to use leased assets have a balance of $303,973.17. The leases are summarized as follows:

Description	Lease Liability	Lease Asset
Copiers	$ 12,010.65	$ 11,758.88
Vehicles	301,438.20	292,214.29
	$ 313,448.85	$ 303,973.17

As a result of the regulatory basis of accounting previously described in note 1, the Township has not reported a lease liability or right to use leased assets.

Under the provision of GASB 87, annual requirements to amortize lease obligations and related interest are as follows:

Year	Principal	Interest	Total
2025	$ 101,463.63	$ 10,728.83	$ 112,192.46
2026	95,068.46	6,523.83	101,592.29
2027	95,110.34	2,894.11	98,004.45
2028	21,806.42	349.44	22,155.86
Total	$ 313,448.85	$ 20,496.21	$ 333,945.06

Under the provision of GASB 87, for the year ended December 31, 2024, the Township would have recognized $95,230.24 in amortization of lease liability and $14,158.16 in interest on leases.

As a result of the regulatory basis of accounting previously described in note 1, for the year ended December 31, 2024, rental payments of $109,388.40 were budgeted and paid from the current and trust funds.

Note 12: CAPITAL DEBT

General Improvement Bonds

General Improvement Bonds, Series 2017 - On April 11, 2017, the Township issued $5,226,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 4.0%. The purpose of the bonds is to fund various capital ordinances, specifically 25-08, 26-08, 18-11, and 11-15. The final maturity of the bonds is January 15, 2029.

General Improvement Bonds, Series 2023 - On September 27, 2023, the Township issued $4,809,000.00 of general improvement bonds, with a 4.00% interest rate. The purpose of the bonds is to fund various capital ordinances, specifically 14-17, 17-17, 3-18, 5-18, 14-14/13-21, and 12-23. The final maturity of the bonds is September 15, 2035.

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

Year	Principal	Interest	Total
2025	$ 775,000.00	$ 242,425.00	$ 1,017,425.00
2026	775,000.00	221,112.50	996,112.50
2027	785,000.00	197,300.00	982,300.00
2028	790,000.00	170,900.00	960,900.00
2029	800,000.00	144,300.00	944,300.00
2030-2034	2,600,000.00	416,000.00	3,016,000.00
2035	520,000.00	20,800.00	540,800.00
Totals	$ 7,045,000.00	$ 1,412,837.50	$ 8,457,837.50

Note 12: CAPITAL DEBT (CONT'D)

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

	2024	2023	2022
Issued			
General:			
Bonds, Loans and Notes	$ 7,045,000.00	$ 7,809,000.00	$ 6,483,803.00
Authorized but not Issued			
General:			
Bonds, Loans and Notes		840.00	162,237.00
Total Issued and Authorized but not Issued	7,045,000.00	7,809,840.00	6,646,040.00
Deductions			
General:			
Funds Temporarily Held To Pay Debt	872,771.23	998,790.18	
Net Debt	$ 6,172,228.77	$ 6,811,049.82	$ 6,646,040.00

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .336%.

	Gross Debt	Deductions	Net Debt
Local School Debt	$ 727,000.00	$ 727,000.00	
Regional School Debt	5,452,723.99	5,452,723.99	
General	7,045,000.00	872,771.23	$ 6,172,228.77
	$ 13,224,723.99	$ 7,052,495.22	$ 6,172,228.77

Net debt $6,172,228.77 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, $1,836,697,387.67, equals .336%.

Summary of Statutory Debt Condition - Annual Debt Statement

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

3 1/2% of Equalized Valuation Basis (Municipal)	$ 64,284,408.57
Less: Net Debt	6,172,228.77
Remaining Borrowing Power	$ 58,112,179.80

Note 13: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2024, the following deferred charge is shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

Description	Balance December 31, 2024	2025 Budget Appropriation
Current Fund:		
Emergency Appropriation	$ 265,250.00	$ 265,250.00

The appropriations in the 2025 Budget as adopted are not less than that required by the statutes.

Note 14: RISK MANAGEMENT

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

Joint Insurance Fund - The Township of Franklin is a member of the Gloucester, Salem, Cumberland Counties Municipal Insurance Joint Insurance Fund (the "Fund"). The Fund provides its members with the following coverage:

General Liability
Automotive Liability
Property (including Auto Physical Damage)
Fidelity & Performance (Blanket)
Boiler & Machinery
Workers' Compensation
Police Professional
Public Officials / EPL / Cyber
Volunteer Directors & Officers Liability

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

Excess Workers' Compensation
Excess General Liability
Non-Owned Aircraft Liability
Excess Auto Liability
Optional Excess Public Officials & Employments Practices Liability
Optional Excess Liability
Excess Property Including Boiler and Machinery
Crime

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

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

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

Note 14: RISK MANAGEMENT (CONT'D)

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

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

Note 15: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

Litigation - The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 16: CONCENTRATIONS

The Township depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 17: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 2, 1999, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township of Franklin authorized the establishment of the Township of Franklin Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2000, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the referendum, the Township levies a tax equal to one cent per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Franklin Open Space, Recreation and Farmland Preservation Trust Funds.

Note 18: SUBSEQUENT EVENTS

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

Purpose	Adoption	Authorization
General Improvements		
Various Capital Improvements	8/12/2025	$ 2,782,075.00

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

FLEISHMAN • DANIELS LAW OFFICES, LLC

JOEL M. FLEISHMAN, ESQUIRE

MAILING ADDRESS: P.O. BOX 884
NORTHFIELD, NEW JERSEY 08225
(609) 272-1266 | JOEL@FDLAWLLC.COM

PLEASE REFER TO: 20053-04

_____, 2025

An opinion in substantially the following form will be delivered at Closing, assuming no material changes in facts or law.

The Mayor and Township Committee of the
Township of Franklin
County of Gloucester, New Jersey

RE: Issuance of $2,782,000 Bond Anticipation Notes, Series 2025
Township of Franklin, Atlantic County, New Jersey

Ladies and Gentlemen:

This office has served as bond counsel to and has examined a record of the proceedings related to the issuance of bond anticipation notes in the aggregate principal amount of $2,782,000 Bond Anticipation Notes, Series 2025 (the "**Notes**"), all dated the date hereof, of the Township of Franklin, in the County of Gloucester, a municipal corporation created and organized as a political subdivision of the State of New Jersey (the "**Township**").

The Notes are dated November 13, 2025, and mature on November 13, 2026. The Notes bear interest at the rate of ____________ per centum (______%) per annum. [The Notes are issued in book entry-only form, without coupons, initially registered in the name of and held by Cede & Co., as nominee of the Depository Trust Company, New York, New York ("**DTC**"). So long as DTC or its nominee is the registered owner of the Notes, payments of principal and interest on the Notes will be made by the Township or a duly designated paying agent directly to Cede & Co., as nominee for DTC.] The Notes have been designated by the Township as a "bank-qualified tax-exempt obligation" under Section 265 of the Internal Revenue Code of 1986, as amended (the "**Code**"). The Notes are authorized to be issued pursuant to the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1, *et seq*., as amended (the "**Act**"), and Bond Ordinance No. 0-10-2025, finally adopted on August 12, 2025, in all respects duly approved and published as required by law (the "**Ordinance**").

In our capacity as special counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Notes including, without limitation, (a) a copy of the Ordinance; (b) such matters of law, including, *inter alia*, the Act and the Code; and (c) such other agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the Notes as we deem necessary including, without limitation, the Arbitrage and Tax Certificate delivered by the Township and dated the date of delivery of the Notes (the "**Tax Certificate**"). We have also examined the fully executed Notes, or a true copy thereof. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. The Notes are temporary obligations issued in anticipation of the issuance of bonds.

In our opinion, except insofar as the enforcement thereof may be limited by applicable bankruptcy, insolvency, moratorium or similar laws or equitable principles relating to the enforcement of creditors' rights generally, the Notes constitute the legal, valid and binding obligations of the Township, payable in the first instance from the proceeds of the sale of bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable real property within the Township without limitation as to rate or amount.

On the date hereof, the Township has covenanted in its Tax Certificate to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Notes in order to preserve the tax-exempt status of the Notes pursuant to Section 103(a) of the Code. Pursuant to Section 103(a) of the Code, failure to comply with these requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Tax Certificate, it is our opinion that, pursuant to Section 103(a) of the Code, interest on the Notes is not included in gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax; 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 corporations for tax years beginning after December 31, 2022.

Further, in our opinion, under the New Jersey Gross Income Tax Act as enacted and construed on the date hereof, interest on the Notes and any gain from the sale thereof are not includable in gross income.

Other than as specifically set forth in this Opinion, we express no opinion regarding federal or state tax consequences arising with respect to the Notes.

The within opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

This Opinion is rendered as of the date hereof and we express no opinion as to any matters not set forth herein. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever. This Opinion is issued solely for the benefit of the addressees hereof (including the successors or assigns of each) and no other person shall acquire or have any right hereunder.

FLEISHMAN ⬩ DANIELS LAW OFFICES, LLC

____

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE AGREEMENT

BY AND BETWEEN

THE TOWNSHIP OF FRANKLIN
GLOUCESTER COUNTY, NEW JERSEY

AND

PHOENIX ADVISORS, a division of
First Security Municipal Advisors, Inc.

DATED AS OF NOVEMBER ___, 2025

ENTERED INTO WITH RESPECT TO:

TOWNSHIP OF FRANKLIN, COUNTY OF GLOUCESTER, NEW JERSEY

$ 2,782,000 BOND ANTICIPATION NOTES, SERIES 2025

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "**Agreement**"), is hereby made and entered into as of November ____, 2025, by and between **THE TOWNSHIP OF FRANKLIN, GLOUCESTER COUNTY, NEW JERSEY** (the "**Township**"), a public body corporate and politic of the State of New Jersey (the "**State**"), and **PHOENIX ADVISORS,** a division of First Security Municipal Advisors, Inc., acting as dissemination agent for the Township (the "**Dissemination Agent**" or "**Phoenix Advisors**" and, together with the Township, the "**Parties**").

W I T N E S S E T H:

WHEREAS, Township is issuing $2,782,000 Bond Anticipation Notes, Series 2025 (the "**Notes**"), pursuant to the following bond ordinance heretofore adopted by the Township Committee: Bond Ordinance No. 0-10-25, finally adopted on August 12, 2025, in all respects duly approved and published as required by law (the "**Bond Ordinance**"); and

WHEREAS, the Notes are being issued pursuant to the Local Bond Law of New Jersey, (N.J.S.A. 40A:2-1 *et seq*.), as amended and supplemented, and the Bond Ordinance; and

WHEREAS, the Dissemination Agent has duly accepted the obligations imposed upon it by this Agreement as Dissemination Agent for the holders from time to time of the Notes; and

WHEREAS, the Securities and Exchange Commission (the "**SEC**"), pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified as of the date hereof at 15 U.S.C. §77 *et seq*.), has adopted amendments effective July 3, 1995 to its Rule 15c2-12 (codified at 17 C.F.R. §240.15c2-12) ("**Rule 15c2-12**") that generally prohibit a broker, dealer or municipal securities dealer from purchasing or selling municipal securities, such as the Notes, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide, among other things, notices of the occurrence of certain material events and notices of the failure to make a submission required by a continuing disclosure agreement to various information repositories; and

WHEREAS, the SEC has adopted amendments, effective July 1, 2009, to Rule 15c2-12 requiring that the annual financial information and operating data, notices of the occurrence of certain material events and notices of the failure to make a submission required by a continuing disclosure agreement be provided to the Municipal Securities Rulemaking Board (the "**MSRB**") and not to the various information repositories, and requiring that such information be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB; and

WHEREAS, the SEC has adopted amendments, effective December 1, 2010 and February 27, 2019 to Rule 15c2-12 revising the list of events notice of the occurrence of which must be provided to the MSRB and revising the time for the filing of notices of the occurrence of these events; and

WHEREAS, the Township is an "obligated person" with respect to the Notes within the meaning of Rule 15c2-12 and, in order to enable a "participating underwriter" within the meaning of Rule 15c2-12 to purchase the Notes, is causing the delivery of the information described in this Agreement to the municipal securities marketplace for the period of time specified in this Agreement; and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the and the Dissemination Agent, respectively, and all conditions, acts and things necessary and required to exist, to have happened or to have been performed precedent to and in the execution and delivery of this Agreement, do exist, have happened and have been performed in regular form, time and manner; and

WHEREAS, the Township and the Dissemination Agent are entering into this Agreement for the benefit of the holders of the Notes.

NOW, THEREFORE, for and in consideration of the promises and of the mutual representations, covenants and agreements herein set forth, the Township and the Dissemination Agent, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1. Terms Defined in Recitals. All capitalized terms defined in the preambles hereof shall have the meanings set forth therein for all purposes of this Agreement.

Section 1.2. Additional Definitions. The following additional terms shall have the meanings specified below:

"*Business Day*" means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in the City of New York, in the State or in the city or cities in which the designated corporate trust office of the Dissemination Agent is located are authorized or required by law to close, or (c) a day on which the New York Stock Exchange is closed.

"*Disclosure Event*" means any event described in Section 2.1 of this Agreement.

"*Disclosure Event Notice*" means the notice to the MSRB, as provided in Section 2.1 of this Agreement.

"Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Dissemination Agent, or another

method or system specified by the Dissemination Agent as available for use in connection with its services hereunder. The Dissemination Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("**Instructions**") given pursuant to this Agreement and delivered using Electronic Means; provided, however, that the Township shall provide to the Dissemination Agent an incumbency certificate listing officers with the authority to provide such Instructions ("**Authorized Officers**") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Township whenever a person is to be added or deleted from the listing. If the Township elects to give the Dissemination Agent Instructions using Electronic Means and the Dissemination Agent in its discretion elects to act upon such Instructions, the Dissemination Agent's understanding of such Instructions shall be deemed controlling. The Township understands and agrees that the Dissemination Agent cannot determine the identity of the actual sender of such Instructions and that the Dissemination Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Dissemination Agent have been sent by such Authorized Officer. The Township shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Dissemination Agent and that the Township and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Township. The Dissemination Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Dissemination Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Township agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Dissemination Agent, including without limitation the risk of the Dissemination Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Dissemination Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Township; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Dissemination Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

"*EMMA*" means the Electronic Municipal Markets Access system maintained by the MSRB, which serves as the sole nationally recognized municipal securities information repository under Rule 15c2-12.

"*Final Official Statement*" means the final Official Statement of the Township dated October 30, 2025, pertaining to the Notes.

"*MSRB*" means the Municipal Securities Rulemaking Board, or any successor organization.

"*Noteholder*" or any similar term, when used with reference to Notes, means any person who shall be the registered owner of any of the Notes, including holders of beneficial interests in the Notes.

"*Notice*" means written notice sent pursuant to the provisions of Section 4.4 of this Agreement via the United States Postal Service or through a private delivery service that provides evidence of delivery.

Section 1.3. Capitalized Terms Not Defined Herein. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Final Official Statement.

Section 1.4. Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Agreement. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Agreement, refer to this Agreement as a whole unless otherwise expressly stated.

As the context shall require, all words importing the singular number shall include the plural number and vice versa; the disjunctive term "or" shall be interpreted conjunctively as required to insure that the Parties perform any obligations mentioned in the passage in which such term appears.

ARTICLE 2

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1. Reporting of Disclosure Events. The Dissemination Agent shall provide in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, to the MSRB through EMMA, Notice of any of the following events with respect to the Notes (each, a "**Disclosure Event**"):

(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-exempt status of the Notes;

(vii) modifications to the rights of Noteholders, if material;

(viii) Note calls, if material, and 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 events of the Township, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Township in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Township, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Township;

(xiii) the consummation of a merger, consolidation or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or

(xiv) appointment of a successor or additional trustee, or the change of name of a trustee, if material or;

(xv) incurrence of a financial obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; or

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Township, any of which reflect financial difficulties.

The foregoing Disclosure Events are quoted from Rule 15c2-12. Some of such Disclosure Events may not be applicable to the Notes.

Section 2.2. Documents to be Provided in Electronic Format and Accompanied by Identifying Information. The Dissemination Agent agrees, as applicable, that each Disclosure Event Notice pursuant to Section 2.1 hereof shall be provided to the MSRB and the Township in an electronic format as prescribed by the MSRB, and that all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 2.3. Responsibilities, Duties, Immunities and Liabilities of Dissemination Agent.

(a) If the Dissemination Agent has determined it necessary to report the occurrence of a Disclosure Event, or if the Dissemination Agent has received written instruction from the Township to report the occurrence of a Disclosure Event, the Dissemination Agent shall in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, file a Disclosure Event Notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. The Dissemination Agent shall file a copy of each Disclosure Event Notice with the Township.

(b) The Dissemination Agent has no power to enforce performance of this Agreement on the part of the Township. The Dissemination Agent shall not be responsible in any manner for the content of any Notice or report prepared by the Township pursuant to this Agreement.

Section 2.4. Appointment, Removal and Resignation of Dissemination Agent.

(a) The Township may discharge the Dissemination Agent and appoint a successor Dissemination Agent, such discharge to be effective on the date of the appointment of a successor Dissemination Agent. The Township hereby appoints Phoenix Advisors, a division of First Security Municipal Advisors, Inc., as Township Dissemination Agent, and Phoenix Advisors hereby accepts such appointment.

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written Notice to the Township. Such resignation shall take effect on the date specified in such Notice.

ARTICLE 3

DEFAULTS AND REMEDIES

Section 3.1. Disclosure Default. The occurrence and continuation of a failure by the Township to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Agreement, and if such failure shall remain uncured for a period of thirty (30) days after written Notice thereof has been given to the Township by the Dissemination Agent or any Noteholder, shall constitute a disclosure default hereunder.

Section 3.2 Remedies on Default.

(a) The Dissemination Agent (at the request of the Underwriter or the holders of at least twenty-five percent (25%) in aggregate principal amount of Notes), shall, or any Noteholder, for the equal benefit and protection of all Noteholders similarly situated, may, take whatever action at law or in equity against the Township and any of the officers, agents and employees of the Township, necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Township under this Agreement and may compel the Township, or any such officers, agents or employees, except for the Dissemination Agent, to perform and carry out their duties under this Agreement; *provided*, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case the Dissemination Agent or any Noteholder shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Dissemination Agent or any Noteholder, as the case may be, then and in every such case the Township, the Dissemination Agent and any Noteholder, as the case may be, shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Township, the Dissemination Agent and any Noteholder shall continue as though no such proceeding had been taken.

(c) A default under this Agreement shall not be deemed an event of default under the Notes, and the sole remedy under this Agreement in the event of any failure by the Township to comply with this Agreement shall be as set forth in Section 3.2(a) of this Agreement.

ARTICLE 4

MISCELLANEOUS

Section 4.1. Purposes of this Agreement. This Agreement is being executed and delivered by the Township and the Dissemination Agent for the benefit of the Noteholders and in order to assist the Underwriter in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2. Third-Party Beneficiaries. Each Noteholder is hereby recognized as being a third-party beneficiary hereunder and each may enforce, for the equal benefit and protection of all Noteholders similarly situated, any such right, remedy or claim conferred, given or granted hereunder in favor of the Dissemination Agent. Except as provided in the immediately preceding sentence, this Disclosure Agreement shall create no rights in any other person or entity.

Section 4.3 Additional Information. Nothing in this Agreement shall be deemed to prevent the Township from (a) disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or (b) including any other information in any Disclosure Event Notice in addition to that which is specifically required by this Agreement. If the Township chooses to include any information in any Disclosure Event Notice in addition to that which is specifically required by this Agreement, the Township shall have no obligation under this Agreement to update such information or to include it in any future Disclosure Event Notice. The Township shall reimburse the Dissemination Agent for any expenses incurred by the Dissemination Agent in providing such additional information pursuant to this Section 4.3.

Section 4.4. Notices. All Notices required to be given or authorized to be given by any party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail (as well as by Electronic Means, in the case of the Dissemination Agent) to:

In the case of the Township:

Township of Franklin
1571 Delsea Drive
Franklinville, New Jersey 08322
Attention: Robin Sarlo, Chief Financial Officer

In the case of the Dissemination Agent:

Phoenix Advisors, a division of First Security Municipal Advisors, Inc.
2000 Waterview Drive, Suite 101
Hamilton, New Jersey 08691
Attention: Anthony Inverso, Managing Director

Section 4.5. Assignment. This Agreement may not be assigned by either party without the written consent of the other party and, as a condition to any such assignment, only upon the assumption in writing of all of the obligations imposed upon such party by this Agreement.

Section 4.6. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 4.7. Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Parties hereto may sign the same counterpart or each party hereto may sign a separate counterpart.

Section 4.8. Amendments, Changes and Modifications.

(a) Except as otherwise provided in this Agreement, subsequent to the initial issuance of the Notes and prior to its payment in full, this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Dissemination Agent.

(b) Without the consent of any Noteholders, the Township and the Dissemination Agent may amend any provision of this Agreement if Bond Counsel to the Township issues an opinion supporting a determination that:

(1) This Agreement, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering of the Notes, after taking into account any amendments or interpretations of Rule 15c2-12; and

(2) Such amendment does not materially impair the interests of the holders or beneficial owners of the Notes.

(c) Upon entering into any amendment or modification required or permitted by this Agreement, the Township shall provide, or cause the Dissemination Agent to provide, to the MSRB through EMMA, Notice of any such amendment or modification.

(d) The Township and the Dissemination Agent shall be entitled to rely exclusively upon opinions of Bond Counsel to the Township when determining questions of materiality relating to any provision of this Agreement and Rule 15c2-12.

Section 4.9. Amendments Required by Rule 15c2-12. The Township and the Dissemination Agent each recognize that the provisions of this Agreement are intended to enable the Underwriter to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Agreement shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery by the Underwriter of an opinion of counsel nationally recognized as an expert in federal securities law acceptable to the Township to the effect that such amendments shall be permitted or necessary to assure continued compliance by the Underwriter with Rule 15c2-12 as so amended or interpreted, then the Township and the Dissemination Agent shall amend this Agreement to comply with and be bound by any such amendment hereto to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and agree to provide written Notice of such amendment as required by Section 4.8(c) hereof.

Section 4.10. Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State and the federal laws of the United States of America.

Section 4.11. Termination of Township's Continuing Disclosure Obligations. The continuing obligation of the Township under Section 2.1 hereof to provide any Disclosure Event Notice and to comply with the other requirements of this Agreement shall terminate if and when the Township no longer remains an "obligated person" (as defined in Rule 15c2-12(f)(10)) with respect to the Notes and, in either event, only after the Township provides, or causes the Dissemination Agent to provide, to the MSRB through EMMA, written Notice to such effect. This Agreement shall be in full force and effect from the date hereof and shall continue in effect so long as any Notes remain outstanding and unpaid.

Section 4.12. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Township and the Dissemination Agent and their respective successors and assigns.

Section 4.13. No Personal Recourse. No personal recourse shall be had for any claim based on this Agreement against any member of the Township, or any officer or employee, past, present or future, or any successor body, as such, either directly or through the Township or any successor body, under any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise.

Section 4.14. Headings for Convenience Only. The descriptive headings in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 4.15. Entire Agreement. This Agreement sets forth the entire understanding and agreement of the Township, and the Dissemination Agent with respect to the matters herein contemplated, and no modification or amendment of or supplement to this Agreement shall be valid or effective unless the same is in writing and signed by the Parties hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SEE SIGNATURES NEXT PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

THE TOWNSHIP OF FRANKLIN
GLOUCESTER COUNTY, NEW JERSEY

____
ROBIN SARLO
CHIEF FINANCIAL OFFICER

PHOENIX ADVISORS, a division of First Security Municipal Advisors, Inc.,
as Dissemination Agent

____
ANTHONY INVERSO
SENIOR MANAGING DIRECTOR

[SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT]