

**PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 6, 2025**

**NEW ISSUE - BOOK-ENTRY ONLY**

**RATING: Moody's: "MIG 1"  
(See "RATING" herein)**

*In the opinion of Gibbons P.C., Bond Counsel to the Township (as defined herein), assuming continuing compliance by the Township with certain tax covenants described herein, under existing law, interest on the Notes (as defined herein) is excluded from the gross income of the owners of the Notes for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code. Under existing law, interest on the Notes and net gains from the sale of the Notes are exempt from the tax imposed by the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.*

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

**\$48,135,000 BOND ANTICIPATION NOTES, SERIES 2025**

**Consisting of**

**\$25,475,000 GENERAL IMPROVEMENT NOTES, SERIES 2025,**

**\$2,000,000 OPEN SPACE NOTES, SERIES 2025,**

**\$11,140,000 WATER UTILITY NOTES, SERIES 2025,**

**\$8,850,000 SEWER UTILITY NOTES, SERIES 2025**

**AND**

**\$670,000 SWIMMING POOL UTILITY NOTES, SERIES 2025**

**(Non-Callable)**

**Dated: December 4, 2025**

**Maturing: December 3, 2026**

**Rate of Interest: \_\_\_\_\_**

**Reoffering Yield: \_\_\_\_\_**

**CUSIP No.: \_\_\_\_\_**

The \$48,135,000 Bond Anticipation Notes, Series 2025, consisting of \$25,475,000 General Improvement Notes, Series 2025 (the "General Improvement Notes"), \$2,000,000 Open Space Notes, Series 2025 (the "Open Space Notes"), \$11,140,000 Water Utility Notes, Series 2025 (the "Water Utility Notes"), \$8,850,000 Sewer Utility Notes, Series 2025 (the "Sewer Utility Notes"), and \$670,000 Swimming Pool Utility Notes, Series 2025 (the "Swimming Pool Utility Notes," and together with the General Improvement Notes, the Open Space Notes, the Water Utility Notes and the Sewer Utility Notes, the "Notes") of the Township of Livingston, in the County of Essex, New Jersey (the "Township"), will be issued in the form of one certificate for each series of Notes listed above and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as Securities Depository ("DTC"). Individual purchases will be made in book-entry form (without certificates) through DTC Participants, as hereinafter defined, in the principal amount of \$1,000 each or any integral multiple thereof (except for one odd piece). See "THE NOTES - Book-Entry Only System" herein.

The principal of and interest on the Notes shall be paid on the maturity date to DTC by the Township as Paying Agent. Interest on the Notes shall be calculated on the basis of a 360-day year of twelve 30-day calendar months. Interest on the Notes will be credited to the participants of DTC as listed on its records as of the close of business on November 26, 2026 (the "Record Date" for the payment of interest on the Notes). See "THE NOTES - Book-entry Only System" herein.

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

The Notes are valid and legally binding general obligations of the Township and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable property within the Township for the payment of the Notes and the interest thereon without limitation as to rate or amount.

*The Notes are offered when, as and if issued and delivered to the purchaser, subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of Gibbons P.C., Newark, New Jersey and certain other conditions described herein. 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. Delivery is anticipated to be at the offices of the Township's bond counsel, Gibbons P.C., Newark, New Jersey or at such other place as agreed to with the purchaser on or about December 4, 2025.*

This is a Preliminary Official Statement "deemed final" within the meaning of, and with the exception of certain information permitted to be omitted by, Rule 15c2-12 of the Securities and Exchange Commission, and is otherwise subject to change in accordance with applicable law. The Township will deliver a final Official Statement in compliance with Rule 15c2-12. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

**TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX  
NEW JERSEY**

**MAYOR**

Edward Meinhardt

**DEPUTY MAYOR**

Shawn R. Klein

**COUNCIL MEMBERS**

Alfred M. Anthony  
Ketan K. Bhuptani  
Michael Vieira

**TOWNSHIP MANAGER**

Barry R. Lewis, Jr.

**DEPUTY TOWNSHIP MANAGER**

Russell A. Jones, Jr.

**ASSISTANT TOWNSHIP MANAGER**

Adam D. Loehner

**CHIEF FINANCIAL OFFICER**

Ann M. Cucci

**TOWNSHIP CLERK**

Carolyn Mazzucco

**PROFESSIONAL ADVISORS**

**TOWNSHIP ATTORNEY**

Antonelli Kantor, PC

**INDEPENDENT ACCOUNTANTS**

Samuel Klein and Company, LLP  
Certified Public Accountants

**TOWNSHIP MUNICIPAL ADVISOR**

Phoenix Advisors,  
a division of First Security Municipal Advisors, Inc.

**BOND COUNSEL**

Gibbons P.C.

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

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

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

The term CUSIP referenced on the front cover page hereof is a registered trademark of American Bankers Association. The CUSIP number referenced on the front cover page hereof is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP number referenced on the front cover page hereof is being provided solely for the convenience of holders of the Notes only at the time of issuance of the Notes and the Township does not make any representation with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number referenced on the front cover page hereof is subject to being changed after the issuance of the Notes.

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## OFFICIAL STATEMENT

### TOWNSHIP OF LIVINGSTON IN THE COUNTY OF ESSEX, NEW JERSEY

**\$48,135,000 BOND ANTICIPATION NOTES, SERIES 2025**  
Consisting of  
**\$25,475,000 GENERAL IMPROVEMENT NOTES, SERIES 2025,**  
**\$2,000,000 OPEN SPACE NOTES, SERIES 2025,**  
**\$11,140,000 WATER UTILITY NOTES, SERIES 2025,**  
**\$8,850,000 SEWER UTILITY NOTES, SERIES 2025**  
**AND**  
**\$670,000 SWIMMING POOL UTILITY NOTES, SERIES 2025**  
**(Non-Callable)**

## INTRODUCTION

This Official Statement, which includes the front cover page and the appendices attached hereto, is furnished by the Township of Livingston (the "Township"), in the County of Essex (the "County"), State of New Jersey (the "State"), in connection with the sale and issuance of the \$48,135,000 Bond Anticipation Notes, Series 2025, consisting of \$25,475,000 General Improvement Notes, Series 2025 (the "General Improvement Notes"), \$2,000,000 Open Space Notes, Series 2025 (the "Open Space Notes"), \$11,140,000 Water Utility Notes, Series 2025 (the "Water Utility Notes"), \$8,850,000 Sewer Utility Notes, Series 2025 (the "Sewer Utility Notes") and \$670,000 Swimming Pool Utility Notes, Series 2025 (the "Swimming Pool Utility Notes," and together with the General Improvement Notes, the Open Space Notes, the Water Utility Notes and the Sewer Utility Notes, the "Notes"). This Official Statement has been executed by and on behalf of the Township by the Chief Financial Officer.

Prior to the issuance of the Notes, the Township will enter into an agreement for the benefit of the holders of the Notes to comply with the secondary market disclosure requirements of the Securities and Exchange Commission's Rule 15c2-12 ("Rule 15c2-12"). See "APPENDIX B - FORM OF CONTINUING DISCLOSURE CERTIFICATE" herein.

## THE NOTES

### General Description

The Notes are dated their date of delivery and will mature on the date in the amounts and will bear interest payable at the rate as set forth on the front cover page hereof. The Notes may be purchased in book-entry only form in the amount of \$1,000 each or any integral multiple thereof (except for one odd piece) through book-entries made on the books of The Depository Trust Company, New York, New York ("DTC" or the "Securities Depository") and its participants.

The principal of and interest due on the Notes will be paid to the Security Depository by the Township or its designated paying agent (the "Paying Agent"). Interest on the Notes shall be calculated on the basis of a 360-day year of twelve 30-day calendar months. Interest on the Notes will be credited to the Participants of DTC as listed on its records as of the close of business on November 26, 2026 (the "Record Date" for the payment of interest on the Notes).

### Redemption

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

### Book-Entry Only System

DTC will act as securities depository for the Notes. The Notes will be issued as fully registered Notes 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 each series for each year of maturity of the Notes, in the aggregate principal amount of each maturity, 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 and 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 Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

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

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

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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and shall be the responsibility of such Participant and not of DTC or its nominee, the paying agent, if any, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or the paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

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

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

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

**THE TOWNSHIP WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTEHOLDERS; (III) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE ON THE NOTES; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO., AS NOMINEE OF DTC AND THE REGISTERED OWNER OF THE NOTES. THE RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.**

**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.

**AUTHORIZATION AND PURPOSE OF THE NOTES**

**General Improvement Notes**

The General Improvement Notes consist of current refunding and new money obligations and are being issued pursuant to the Local Bond Law of the State, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"), and various bond ordinances of the Township as set forth below:

<u>Amount</u>	<u>Ordinance Number</u>	<u>Description of Improvement</u>
\$ 860,000	7-2018	Various Capital Improvements - 2018
1,978,000	30-2021	Various Capital Improvements - 2021
1,394,000	23-2022	Various Capital Improvements - 2022
5,330,000	4-2023	Various Capital Improvements - 2023
3,300,000	18-2023	Various Capital Improvements - 2023
4,013,000	21-2024	Various Capital Improvements - 2024
6,700,000	26-2024/31-2024	Public Works Garage - 2024
1,900,000	9-2025	Various Capital Improvements - 2025
<u>\$25,475,000</u>		

### Open Space Notes

The Open Space Notes consist of new money obligations and are being issued pursuant to the Local Bond Law and the bond ordinance of the Township as set forth below:

<u>Amount</u>	<u>Ordinance Number</u>	<u>Description of Improvement</u>
<u>\$2,000,000</u>	34-2025	Acquisition of Real Property - 2025

### Water Utility Notes

The Water Utility Notes consist of current refunding and new money obligations and are being issued pursuant to the Local Bond Law and various bond ordinances of the Township as set forth below:

<u>Amount</u>	<u>Ordinance Number</u>	<u>Description of Improvement</u>
\$ 4,000,000	28-2021	Improvements to Water System - 2021
890,000	18-2022	Improvements to Water System - 2022
2,500,000	16-2023	Improvements to Water System - 2023
2,750,000	19-2024	Improvements to Water System - 2024
<u>1,000,000</u>	26-2025	Improvements to Water System - 2025
<u>\$11,140,000</u>		

### Sewer Utility Notes

The Sewer Utility Notes consist of current refunding and new money obligations and are being issued pursuant to the Local Bond Law and various bond ordinances of the Township as set forth below:

<u>Amount</u>	<u>Ordinance Number</u>	<u>Description of Improvement</u>
\$1,652,000	19-2022	Improvements to Sewer System - 2022
3,198,000	17-2023	Improvements to Sewer System - 2023
<u>4,000,000</u>	20-2024	Improvements to Sewer System - 2024
<u>\$8,850,000</u>		

### Swimming Pool Utility Notes

The Swimming Pool Utility Notes consist of current refunding and new money obligations and are being issued pursuant to the Local Bond Law and various bond ordinances of the Township as set forth below:

<u>Amount</u>	<u>Ordinance Number</u>	<u>Description of Improvement</u>
\$ 23,000	2-2017	Improvements to Swimming Pool - 2017
28,200	5-2018	Improvements to Swimming Pool - 2018
44,100	13-2019	Improvements to Swimming Pool - 2019
67,950	29-2021	Improvements to Swimming Pool - 2021
<u>506,750</u>	17-2022	Improvements to Swimming Pool - 2022
<u>\$670,000</u>		

## SECURITY FOR THE NOTES

The Notes are valid and legally binding obligations of the Township and the full faith and credit of the Township are pledged to the payment of the principal of and interest on the Notes, for which payment the Township is obligated to levy *ad valorem* taxes upon all the taxable property within the Township 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 laws 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 whose powers have been vested in the Local Finance Board.

## MARKET PROTECTION

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

## 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 must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. 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 3.50% of its average equalized valuation basis. The average for the last three years, of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as annually determined by the State Director of Taxation, is \$10,509,833,114.00.

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

The Township has not exceeded its statutory debt limit. At December 31, 2024, the statutory net debt as a percentage of average equalized valuation was 1.136%. As noted above, the statutory limit is 3.50%.

### Exceptions to Debt Limits - Extensions of Credit

The Township may exceed its debt limit with the approval of the Local Finance Board. If all or any part of a proposed debt authorization would exceed its debt limit, the Township must apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township without the approval of the Local Finance Board to fund certain notes 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 issue 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 expenditures. A local unit's bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus four (4) months in the next following fiscal year from the date of original issuance. Certain statutory payments are required if the notes are renewed beyond the third anniversary date equal to the minimum amount required for the first year's principal payment for a bond issue.

## **School Debt**

State law permits the school district to authorize school district debt, including debt in excess of its independent debt limit of 4% of the equalized evaluation basis, by using the available borrowing capacity of the Township. If such debt is in excess of the school district debt limit and the remaining borrowing capacity of the Township, the State Commissioner of Education and the Local Finance Board must approve the proposed debt authorization.

## **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 (the "Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

The 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.

## **Limitations on Municipal Appropriations and Tax Levy**

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. 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 in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2007, c.62, effective April 3, 2007, imposed a 4% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for debt service and certain lease payments to county improvement authorities, increases to replace certain lost state aid, increases in certain pension contributions, increases in the reserve for uncollected taxes required for municipalities, and certain increases in health care costs over 4%. The Local Finance Board may approve waivers for certain extraordinary costs identified by the statute, and voters may approve increases above 4% not otherwise permitted by a vote of 60% of the voters voting on a public question.

This legislation was amended by P.L. 2010, c. 44, approved July 13, 2010 and applicable to the next local budget year following enactment to limit tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election. Chapter 44 eliminates the process for obtaining waivers for additional spending under the tax levy limitation.

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.

### **Miscellaneous Revenues**

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

No budget or amendment thereof shall 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.

### **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 which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by December 31, 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 product will at least be equal to the tax levy required to balance the budget. The reserve requirement is calculated as follows:

$$\frac{\text{Levy required to balance budget}}{\text{Prior Year's Percentage of Township's Current Tax Collections or Less}} = \text{Total Taxes to be Levied}$$

## **Deferral of Current Expenses**

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the Township Council. 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, revisions and codification of ordinances, master plan preparations 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**

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three (3) months of the year, to the previous year's budget. Both types of transfers require a 2/3 vote of the full membership of the governing body, however, (a) no transfers may be made to appropriations for contingent expenses, deferred charges, or emergency appropriation, and (b) no transfers may be made from appropriations for contingent expenses, deferred charges, cash deficit of preceding year, reserve for uncollected taxes, down payments, capital improvement fund, interest and redemption charges and emergency appropriations.

## **Operation of Utilities**

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property.

For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities.

Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

## **Capital Budget**

In accordance with the Local Budget Law, the Township 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 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.

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

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

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made, and must be published in a local newspaper within thirty (30) days of its submission. The entire annual audit report for the year ended December 31, 2024 is on file with the Township Clerk and is available for review during business hours.

## **GENERAL INFORMATION ABOUT THE TOWNSHIP OF LIVINGSTON**

The Township, incorporated in the year 1813, is a residential community located in western Essex County, approximately eight miles from the City of Newark, New Jersey, and nineteen miles from New York City. Its area of 13.88 square miles makes it geographically the second largest community in the County, being exceeded only by Newark. Its residents include a substantial number of business and professional people who commute to Newark and New York, as well as people who work in nearby communities. The Township has no passenger train service, but has bus transportation to the surrounding communities and to Newark and New York. Commuters to Newark and New York may also travel by bus or private car to nearby municipalities and take N.J. Transit and there is a shuttle service from Livingston Mall to the South Orange Train Station.

### **Municipal Government**

Livingston Township operates under the Council-Manager form of government. Under this system, a professionally trained manager is responsible to an elected five-member council for the administration of Township affairs. Net taxable value of real estate in the Township was certified by the County Board of Taxation at \$8,702,453,200.00 for 2024. Tax collection in 2024 was 98.42 percent of the tax levy. Township debt is 1.136 percent of statutory valuations as of December 31, 2024.

### **Planning and Zoning**

The Master Plan forms the basis of the Township's zoning ordinances. Livingston's first comprehensive Master Plan was adopted in 1946. It was succeeded by new Plans in 1960, 1977 and 1985, and was supplemented after a full review in 1992. The Master Plan was amended in 1997 by adoption of a new Housing Element and Fair Share Plan Element (HE&FSP); was further amended in 2003 by adoption of a new Conservation Plan, Historic Preservation Plan and Recreation Plan elements; and again in June of 2005 when the HE&FSP was amended. A reexamination of the Master Plan led to adoption of the "July 2005 Master Plan Amendment" that included a new "Statement of Goals, Objectives, Principles, Assumptions, Policies and Standards", and new Land Use Plan, Community Facilities Plan and Economic Plan elements. An Interim Storm Water Management Plan Element was added in August of 2005. A 2007 comprehensive reexamination resulted in the adoption of the 2007 Master Plan. In 2009, a new HE&FSP was adopted. It was replaced in 2011 and again in 2016. In 2016, the Planning Board commenced a lengthy comprehensive review and reexamination that resulted in adoption of the 2018 Master Plan on April 12, 2018.

### **Public Works**

The Township has 109 miles of streets, 162 miles of water mains and 150 miles of sanitary sewers. Continuous improvements are made to the sewer collection system and water pollution control facility to ensure we provide the highest quality services to our residents in the most cost effective and environmentally friendly manner. Sewer maintenance and treatment costs are offset by revenue from sewer rental charges. Water facilities are owned and operated by the Township on a utility basis. Gas and electric services are provided by privately-owned public utility companies.

### **Public Safety**

Livingston is served by an efficient public safety department with outstanding police and fire divisions.

### **Senior, Youth and Leisure Services**

Livingston enjoys an excellent recreation program for all ages, supervised by a professional staff. Over 517 acres of school and park sites, acquired under the Township's Master Plan, are available for recreational use under an agreement with the Board of Education. The Senior, Youth and Leisure Services provide recreational opportunities, operates summer camp programs, one swimming pool, gymnasiums, tennis courts, pickleball courts, a skating pond, playing fields and other facilities. A new Senior/Community Center Building was opened during 2004, and included increased office facilities for the Senior, Youth and Leisure Services.

## **Public Library**

The Livingston Public Library has served the public for over 100 years. It is staffed by 13 full-time professional librarians, 7 full-time support staff and 22 part-time staff. It provides the community with access to over 30 public computers, free high-speed wi-fi, and circulates approximately a half million digital, print, and media items a year. The library also offers a wide variety of educational and recreational programs to residents of all ages.

## **Education**

The Township and School District are coterminous. The District is an independent legal entity operating under Title 18A of the New Jersey Statutes.

The public school system, under the administration of a five-member Board of Education elected by the citizens for three-year terms, includes a senior high school, two middle schools and six elementary schools. Present enrollment in these schools is approximately 6,000. In addition to its public schools, Livingston has private and parochial schools. The school system enjoys an excellent reputation.

## **Capital Budget**

The Township's 2025 capital budget sets forth the anticipated capital requirements and projects. The capital budget is the Township's statement of intent--it does not commit. The monetary commitment is brought about by the adoption of a bond ordinance or an ordinance appropriation of capital surplus or funds in the capital improvement fund or by the inclusion of the project as a line item in the capital section of the Township's annual budget.

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

**POPULATION**

<u>Year</u>	<u>Source</u>	<u>Population</u>
2025*	U.S. Census Bureau	31,429
2024*	U.S. Census Bureau	31,577
2023*	U.S. Census Bureau	31,758
2022*	U.S. Census Bureau	31,000
2021*	U.S. Census Bureau	31,336

\*Estimated

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

PER CAPITA INCOME

<u>Year</u>	<u>Township of Livingston</u>	<u>County of Essex</u>	<u>State of New Jersey</u>
2023	\$ 95,183.00	\$ 48,021.00	\$ 53,118.00
2022	88,882.00	45,946.00	50,995.00
2021	81,298.00	42,028.00	46,691.00
2020	77,371.00	39,695.00	44,153.00
2019	73,641.00	37,141.00	40,895.00

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Source: U.S. Census Bureau

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

**LABOR FORCE ESTIMATES**

<u>Year</u>	<u>Township of Livingston</u>			
	<u>Labor Force</u>	<u>Number Employed</u>	<u>Number Unemployed</u>	<u>Unemployment Rate</u>
2024	15,392	14,858	534	3.5 %
2023	15,290	14,799	491	3.2
2022	14,978	14,574	404	2.7
2021	14,540	13,837	703	4.8
2020	14,571	13,590	981	6.7

<u>Year</u>	<u>County of Essex</u>			
	<u>Labor Force</u>	<u>Number Employed</u>	<u>Number Unemployed</u>	<u>Unemployment Rate</u>
2024	425,042	401,693	23,349	5.5 %
2023	421,561	400,097	21,464	5.1
2022	411,706	393,305	18,401	4.5
2021	408,248	375,634	32,614	8.0
2020	413,130	369,222	43,908	10.6

<u>Year</u>	<u>State of New Jersey</u>			
	<u>Labor Force</u>	<u>Number Employed</u>	<u>Number Unemployed</u>	<u>Unemployment Rate</u>
2024	4,898,008	4,676,064	221,944	4.5 %
2023	4,867,113	4,659,779	207,334	4.3
2022	4,756,002	4,572,879	183,123	3.9
2021	4,654,243	4,342,075	312,168	6.7
2020	4,643,700	4,204,301	439,399	9.5

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

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

**HOUSING CHARACTERISTICS - HOUSING UNITS\***

	<u>Township of Livingston</u>	<u>County of Essex</u>	<u>State of New Jersey</u>
Total Number of Housing Units	<u>10,707</u>	<u>342,140</u>	<u>3,877,913</u>
Median Value Owned	<u>\$837,967</u>	<u>\$591,736</u>	<u>\$513,938</u>

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Source: U.S. Census Bureau

\*As of July 1, 2025

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

**BUILDING PERMITS**

<u>Year</u>	<u>*Total Number</u>	<u>Construction Value</u>
2025**	2,038	\$ 91,660,888
2024	2,264	119,330,180
2023	2,752	337,342,111
2022	2,701	142,281,197
2021	2,839	117,400,694

\*Includes new building, alterations, additions and permit updates.

\*\*As of October 8, 2025

Source: Township of Livingston

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

**FIFTEEN LARGEST TAXPAYERS**

<u>Taxpayer</u>	<u>2025 Assessed Valuation</u>
Livingston Mall Realty Holding LLC.	\$80,000,000
Squiertown Properties, LLC	50,985,500
369 East Mount Pleasant Ave., LLC	40,000,000
KRG Livingston Center, LLC	35,359,400
Livingston Circle Assoc., LP	35,000,000
Livingston Corp. Park Assoc.	34,123,000
Livingston Retirement Care Assoc.	31,260,800
Livingston ALF AMPROP LLC	30,000,000
348 E. Cedar LLC	28,000,000
Formosa Plastics Corp., USA	26,320,000
Sunrise of Livingston Propco, LLC	25,972,000
Care Two, LLC/Re Tax Dept.	22,140,000
East Orange, City of/ C/O EOWR	21,552,300
Singer Enterprises	20,483,100
Azarian - Livingston Town Center	20,388,000

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

**REAL PROPERTY CLASSIFICATION**  
**2021 - 2025 (ASSESSED VALUATION)**

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Farm</u>	<u>Total Real Property</u>	<u>Business Personal Property*</u>	<u>Net Valuation Taxable</u>
2025	\$ 83,087,300	\$7,407,459,900	\$ 936,638,500	\$104,453,300	\$161,264,900	\$ 0	\$8,692,903,900	\$ 9,549,300	\$8,702,453,200
2024	78,222,400	7,319,845,300	1,014,198,900	104,453,300	128,341,900	0	8,645,061,800	10,622,900	8,655,684,700
2023	88,556,600	7,225,360,100	1,083,535,000	109,663,300	124,141,900	0	8,631,256,900	11,342,700	8,642,599,600
2022	99,766,200	7,116,473,400	1,110,213,300	110,270,200	114,115,200	0	8,550,838,300	11,493,011	8,562,331,311
2021	114,749,300	7,061,621,349	1,208,844,800	110,390,500	108,656,900	0	8,604,262,849	11,671,927	8,615,934,776

\*Consists of machinery, implements and equipment of telephone, telegraph and messenger systems companies (Chapter 38, P.L. 1966).

Source: Township of Livingston - Table of Aggregates

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

**ASSESSED VALUATION AND TAX RATES**

<u>Year</u>	<u>Real Property</u>	<u>Net Taxable Value Real and Personal Property*</u>	<u>Tax Rate per \$100.00</u>	<u>Real Property Assessed Valuation as a Percentage of True Value</u>
2025	\$8,692,903,900.00	\$8,702,453,200.00	\$2.531	74.48%
2024	8,645,061,800.00	8,655,684,700.00	2.446	83.55
2023	8,631,256,900.00	8,642,599,600.00	2.372	89.38
2022	8,550,838,300.00	8,562,331,311.00	2.333	97.11
2021	8,604,262,849.00	8,615,934,776.00	2.314	99.17

\*Consists of machinery, implements and equipment of telephone, telegraph and messenger systems companies (Chapter 38, P.L. 1966).

Source: Abstract of Ratables

**COMPARISON OF COMPONENTS OF TAX RATE**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	<u>\$2.531</u>	<u>\$2.446</u>	<u>\$2.372</u>	<u>\$2.333</u>	<u>\$2.314</u>
Apportionment of Tax Rate:					
Municipal	\$0.452	\$0.443	\$0.431	\$0.420	\$0.414
Minimum Library Tax	0.045	0.040	0.037	0.035	0.034
Municipal Open Space	0.020	0.010	0.010	0.005	0.005
County	0.452	0.439	0.454	0.455	0.467
County Open Space	0.020	0.018	0.017	0.015	0.015
Local School	<u>1.542</u>	<u>1.496</u>	<u>1.423</u>	<u>1.403</u>	<u>1.379</u>
	<u>\$2.531</u>	<u>\$2.446</u>	<u>\$2.372</u>	<u>\$2.333</u>	<u>\$2.314</u>

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

**TAX COLLECTION EXPERIENCE**

Year	Tax Levy	Added Taxes	Collections During Year of Levy		Collections to Date Dec. 31		*Uncollected Dec. 31
			Amount	Percentage	Amount	Percentage	
2024	\$ 213,770,701.87	\$ -	\$ 210,399,504.14	98.42 %	\$ -	- %	\$ 3,371,197.73
2023	207,819,302.47	3,919.86	203,240,203.99	97.80	206,638,614.39	99.43	12,201.12
2022	201,546,752.66	3,769.86	199,865,550.77	98.90	201,524,977.40	99.99	-
2021	202,424,630.95	3,750.00	198,885,829.73	97.67	199,673,932.99	98.64	-
2020	195,654,181.45	4,109.59	195,571,820.65	99.58	195,592,119.57	99.97	-
Property Acquired for Taxes at Assessed Valuation (Foreclosed Property)							462,875.00
Tax Title Liens							103,095.64

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

Tax Collection Procedure

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

Tax bills for the second half of the current year's levy and an estimate, based on 50% of the levy for the first half of the following year, are mailed annually in June and are due in quarterly installments on the first day of the months of August, November, February and May. Delinquent payments are subject to an interest penalty at 8% on the first \$1,500.00 of delinquency and 18% on amounts exceeding \$1,500.00. Unpaid taxes are subject to tax sale as of November 1 in the year of levy, in accordance with statutes of the State of New Jersey. Tax liens are subsequently subject to foreclosure proceedings in order to enforce tax collections or acquire title to the property.

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

**DEBT STATEMENT AS OF DECEMBER 31, 2024**

Gross Debt

Local School District:		\$ 48,870,000.00
Bonds Issued and Outstanding		
Municipal Debt:		
General Improvements:		
Serial Bonds	\$ 46,999,000.00	
Refunding Bonds	27,245,000.00	
Downtown Business Improvement Loan Payable	33,335.28	
Bond Anticipation Notes	20,212,000.00	
Bonds and Notes Authorized but Not Issued	<u>25,254,040.37</u>	
		119,743,375.65
Water Utility:		
General Improvements:		
Serial Bonds	26,821,000.00	
Bond Anticipation Notes Issued	7,390,000.00	
Bonds and Notes Authorized but Not Issued	<u>35,033,700.00</u>	
		69,244,700.00
Sewer Utility:		
General Improvements:		
Serial Bonds	18,894,000.00	
Bond Anticipation Notes Issued	4,850,000.00	
Bonds and Notes Authorized but Not Issued	<u>8,850,357.00</u>	
		32,594,357.00
Swimming Pool Utility:		
General Improvements:		
Bonds and Notes Authorized but Not Issued	23,750.00	
Notes Issued	<u>670,900.00</u>	
		694,650.00
		<u>271,147,082.65</u>
<u>Statutory Deductions</u>		
Local School District:		
Maximum (4% of Average Equalized Valuation \$420,393,324.56)	48,870,000.00	
Municipal Debt:		
Reserve for Debt Service	279,999.32	
Reserve for Other Accounts Receivable	107,583.66	
Water Debt:		
Self-Liquidating	69,244,700.00	
Sewer Debt:		
Self-Liquidating	32,594,357.00	
Swimming Pool Debt:		
Self-Liquidating	<u>694,650.00</u>	
Total Statutory Deductions		<u>151,791,289.98</u>
Statutory Net Debt		<u>\$ 119,355,792.67</u>
Average Equalized Valuation of Real Property for 2022 - 2024		<u>\$10,509,833,114.00</u>
Net Debt Percentage (Statutory Debt Limit 3 1/2%)		<u>1.136%</u>

**REMAINING STATUTORY BORROWING POWER**

3 1/2% of Equalized Valuation Basis	\$10,509,833,114.00
Net Debt	119,355,792.67
Remaining Borrowing Power December 31, 2024	<u>\$10,390,477,321.33</u>

Gross Debt is the total financial obligation of the Municipality and its subdivisions. Statutory deductions determine the borrowing power and Statutory Net Debt under the laws of the State of New Jersey.

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

**UNDERLYING DEBT - DECEMBER 31, 2024**

<u>County of Essex</u>	
County of Essex - Gross Debt	<u>\$996,171,720.21</u>
Apportionment to Township of Livingston	<u>\$85,162,720.36</u>
Basis of Debt Apportionment:	
Ratio of Equalized Valuation:	
Township of Livingston - 2024	<u>\$11,700,968,427.00</u>
Total Essex County - 2024	<u>\$136,872,827,519.00</u>
Ratio of Township of Livingston	<u>8.549%</u>

\*Includes both the Essex County Improvement Authority and Essex County Utilities Authority Guarantee of Bonds by the County.

**GROSS DEBT COMPARED WITH TRUE VALUE**

	<u>Municipal Debt</u>	<u>Municipal Debt Including Apportioned Underlying Debt</u>
Gross Debt as of December 31, 2024	<u>\$271,147,082.65</u>	<u>\$356,309,803.01</u>
Aggregate Fair Value for 2024 - All Taxable Property - Assessed Valuation		\$ 8,702,453,200.00
Amount Added for Equalization:		
Real Property Assessed at 74.48% of True Value		<u>2,998,515,227.00</u>
Total - With Real Property at True Value		<u>\$11,700,968,427.00</u>
Gross Debt as a Percentage of True Value	<u>2.317%</u>	<u>3.045%</u>

## TOWNSHIP FINANCIAL SCHEDULES

### Current Fund - Revenues and Expenditures

The Current Fund is used to account for the resources and expenditures for governmental operations of a general nature, including debt service on general purpose bonds and notes. The fund balance in the Current Fund at the end of each fiscal year is comprised of cash, investments and certain receivables. Under State law, only the amount of Current Fund balance held in cash or quick assets may be included as anticipated surplus in the succeeding fiscal year's budget, unless the Director of the Division of Local Government Services gives written consent to an exception.

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budgets of Succeeding Year</u>
2024	\$16,706,465.89	\$6,397,000.00
2023	11,662,797.64	3,425,000.00
2022	10,124,636.16	3,075,000.00
2021	3,751,554.18	3,000,000.00
2020	6,592,010.25	3,350,000.00

### Emergency Appropriations Deferred to Subsequent Years

<u>Year</u>	<u>Amount</u>
2024	\$666,406.55
2023	None
2022	155,000.00
2021	310,000.00
2020	465,000.00

In addition to emergency appropriations there are other classes of expenditures not contemplated in the adopted budget which are treated in the same manner as emergency appropriations.

### Other Expenditures Deferred to the Following Year

<u>Year</u>	<u>Over- expenditure of Appropriations</u>	<u>Over- expenditure of Ordinance Appropriation</u>
2024	\$ None	\$ None
2023	None	None
2022	None	None
2021	None	None
2020	None	None

## TAX MATTERS

### **Exclusion of Interest on the Notes from Gross Income for Federal Income Tax Purposes**

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met on the date of issuance and 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 purposes of Federal income taxation 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 the issuance of the Notes. The Township will make certain representations in its 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 the interest on the Notes to lose the exclusion from gross income under Section 103 of the Code or cause interest on the Notes to be treated as an item of tax preference under Section 57 of the Code. Gibbons P.C., Bond Counsel to the Township, has relied upon the representations of the Township made in its tax certificate and has assumed continuing compliance by the Township with the above covenants in rendering its Federal income tax opinion with respect to the exclusion of interest on the Notes from gross income for Federal income tax purposes and with respect to the treatment of interest on the Notes for purposes of alternative minimum tax.

Assuming the Township observes its covenants with respect to continuing compliance with the Code, Gibbons P.C., Bond Counsel to the Township, is of the opinion that, under existing law, interest on the Notes is excluded from the gross income of the owners of the Notes 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, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code.

### **Tax Treatment of Original Issue Premium**

The initial public offering price of the Notes (the "Premium Notes") is greater than the principal amount of the Notes payable at maturity. An amount equal to the excess of the purchase price of a Premium Note over its stated redemption price at maturity constitutes premium on such Premium Note. A purchaser of a Premium Note must amortize any premium over the Premium Note's term using constant yield principles, based on the Premium Note's yield to maturity. As premium is amortized, the purchaser's basis of such Premium Note and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for Federal income tax purposes on the sale or disposition of the Premium Note prior to its maturity. Even though the purchaser's basis is reduced, no Federal income tax deduction is allowed.

Purchasers of any Premium Notes, whether at the time of initial issuance or subsequent thereto, should consult with their tax advisors with respect to the determination and treatment of premium for Federal income tax purposes, and with respect to state and local tax consequences of owning the Premium Notes.

### **Additional Federal Income Tax Consequences**

Prospective purchasers of the Notes should be aware that ownership of, accrual of, 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 also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Bond Counsel expresses no opinion regarding any Federal tax consequences other than its opinion with regard to the exclusion of interest on the Notes from gross income pursuant to Section 103 of the Code and interest on the Notes not constituting an item of tax preference under Section 57 of the Code, and interest on the Notes being included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code. Prospective purchasers of the Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Notes.

### **State Taxation**

Bond Counsel is of the opinion that, under existing law, interest on the Notes and net gains from the sale of the Notes are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

### **Miscellaneous**

Amendments to federal and state tax laws are proposed from time to time and could be enacted, and court decisions and administrative interpretations may be rendered, in the future. There can be no assurance that any such future amendments or actions will not adversely affect the value of the Notes, the exclusion of interest on the Notes from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Notes or any other date, or that such changes will not result in other adverse federal or state tax consequences.

**THE ABOVE SUMMARY OF POSSIBLE TAX CONSEQUENCES IS NOT EXHAUSTIVE OR COMPLETE. ALL PURCHASERS OF THE NOTES SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE POSSIBLE FEDERAL, STATE AND LOCAL INCOME TAX CONSEQUENCES OF OWNERSHIP OF THE NOTES.**

### **LITIGATION**

To the knowledge of the Township Attorney, Antonelli Kantor, PC, Livingston, New Jersey, 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 or the proceedings for the issuance of the Notes or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the 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's Attorney and delivered to the Underwriter at the closing.

### **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.

## **MUNICIPAL BANKRUPTCY**

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901, et seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, the Bankruptcy Reform Act of 1994, effective October 22, 1994 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.

## **SECONDARY MARKET DISCLOSURE**

The Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Securities Exchange Act") had adopted amendments to its Rule 15c2-12 effective July 3, 1995 which generally prohibits a broker, dealer, or municipal securities dealer ("Participating Underwriter") from purchasing or selling municipal securities, such as the Notes, unless the Participating Underwriter 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 certain annual financial information and event notices to the Municipal Securities Rulemaking Board (the "MSRB") (the "Continuing Disclosure Requirements").

On the date of delivery of the Notes, the Township will enter into a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") containing the Continuing Disclosure Requirements for the benefit of the beneficial holders of the Notes pursuant to which the Township will agree to comply on a continuing basis with the Continuing Disclosure Requirements of Rule 15c2-12. Specifically, the Township will covenant in the Continuing Disclosure Certificate to provide notices of the occurrence of certain enumerated events. The notices of enumerated events will be filed by the Township with the MSRB.

The Township has previously entered into secondary market disclosure undertakings in accordance with Rule 15c2-12. The Township appointed Phoenix Advisors, Hamilton, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information with the MSRB as required under its prior secondary market disclosure undertakings.

## **PREPARATION OF OFFICIAL STATEMENT**

The Township hereby states that the descriptions and statements herein with respect to the Township, including financial statements, are true and correct in all material respects and it will confirm to the Underwriter by a certificate signed by the Chief Financial Officer, that to her knowledge such descriptions and statements, as of the date of this Official Statement and on the date of issuance of the Notes, 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.

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

Samuel Klein and Company, LLP, CPA's, Newark, New Jersey, assisted in the preparation of information contained in this Official Statement and takes responsibility for the audited financial statements to the extent specified in their Independent Auditor's Report.

Gibbons P.C. has not verified the accuracy, completeness or fairness of the information contained herein, except under the heading "TAX MATTERS" and, accordingly, assumes no responsibility therefor and will express no opinion with respect thereto.

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

#### **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.

#### **RATING**

Moody's Ratings (the "Rating Agency") has assigned its rating of "MIG 1" to the Notes. The rating reflects only the view of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Township furnished to the Rating Agency certain information and materials concerning the Notes and the Township. There can be no assurance that the rating will be maintained for any given period of time or that the rating may not be raised, lowered or withdrawn entirely, if in the Rating Agency's judgment, circumstances so warrant. Any downward change in, or withdrawal of such rating, may have an adverse effect on the marketability or market price of the Notes.

#### **UNDERWRITING**

The Notes have been purchased from the Township at a public sale by \_\_\_\_\_ (the "Underwriter"), at a purchase price of \$ \_\_\_\_\_ (representing the par amount of the Notes plus bid premium in the amount of \$ \_\_\_\_\_). The Underwriter of the Notes has purchased the Notes in accordance with the Notice of Sale.

## **INFECTIOUS DISEASE OUTBREAK - COVID-19**

On January 31, 2020, then United States Secretary of Health and Human Services declared a national public health emergency in response to the outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 11, 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19. On March 13, 2020, then President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy (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. The pandemic and certain mitigation measures, which altered the behaviors of businesses and people, have had and may continue to have negative impacts on regional, state and local economies. The national public health emergency, the national 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 in effect.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 12, 2021, comprises \$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.

Generally, according to the Plan, the allowable use of the funds provided to the Township include the following categories: (a) to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (b) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the Township that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (c) for the provision of government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the Township, prior to the emergency; (d) to make necessary investments in water, sewer or broadband infrastructure.

Based on available information as of the date hereof, the Township has received \$3,171,771.20 from the Plan. The Township received its first installment under the Plan in the amount of \$1,585,885.60 on June 25, 2021, and its second installment under the Plan in the amount of \$1,585,885.60 on July 8, 2022. It utilized some of the funding to continue with COVID-19 testing, vaccinations, food distributions and assisting small businesses. The deadline to commit the funds was December 31, 2024 which was satisfied and to spend the funds is December 31, 2026.

To date, the overall finances and operations of the Township have not been materially adversely affected due to the COVID-19 outbreak. 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 governmental entities, including the Township. The Township cannot quantify any such potential impacts at this time.

## **CYBER SECURITY**

The Township relies on a 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.

## **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement may be directed to Ann M. Cucci, Chief Financial Officer, Township of Livingston, 357 South Livingston Avenue, Livingston, New Jersey 07039, Telephone (973) 535-7980, or to the Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey, telephone (609) 291-0130.

## **MISCELLANEOUS**

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or 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.

## **TOWNSHIP OF LIVINGSTON**

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**Ann M. Cucci**  
**Chief Financial Officer**

**Dated: November \_\_, 2025**

**APPENDIX A**  
**TOWNSHIP OF LIVINGSTON**  
**AUDITOR'S REPORT AND FINANCIAL STATEMENTS**

***SAMUEL KLEIN AND COMPANY, LLP***  
***CERTIFIED PUBLIC ACCOUNTANTS***

*550 Broad Street  
Newark, New Jersey 07102-4517  
Phone (973) 624-6100  
Fax (973) 624-6101*

*36 West Main Street, Suite 301  
Freehold, New Jersey 07728-2291  
Phone (732) 780-2600  
Fax (732) 780-1030*

**INDEPENDENT AUDITOR'S REPORT**

To the Mayor and Members of the Township Council  
Township of Livingston  
Livingston, New Jersey 07039

The accompanying summary financial statements - regulatory basis, and the related notes, are derived from the audited basic financial statements of the Township of Livingston, State of New Jersey, as of and for the years ended December 31, 2024, 2023, 2022, 2021 and 2020. We expressed unmodified audit opinions on those audited financial statements - regulatory basis in our report dated October 24, 2025. The audited financial statements - regulatory basis, and the summary financial statements - regulatory basis derived therefrom, do not reflect the effects of events, if any, that occurred subsequent to the date of our report on the audited financial statements - regulatory basis.

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

**Management's Responsibility for the Summary Financial Statements**

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

**Auditor's Responsibility**

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

## Opinion

In our opinion, the summary financial statements - regulatory basis of the Township of Livingston, State of New Jersey as of and for the years then ended December 31, 2024, 2023, 2022, 2021 and 2020 referred to above are consistent, in all material respects, with the audited financial statements - regulatory basis from which they have been derived, on the basis described in Note 1.

## Emphasis-of-Matter

These summary financial statements - regulatory basis were prepared for the purpose of inclusion in an official statement for the issuance of Bond Anticipation Notes, Series 2025 consisting of General Improvement Notes, Series 2025, Open Space Notes, Series 2025, Water Utility Notes, Series 2025, Sewer Utility Notes, Series 2025, and Swimming Pool Utility Notes, Series 2025 of the Township of Livingston, State of New Jersey and were abstracted from audit reports issued under the periods referred to above as dated October 24, 2025, September 4, 2024, October 27, 2021, July 27, 2020 and August 13, 2019, respectively.

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

*Joseph J. Faccone*

JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey  
October 24, 2025

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEETS - CURRENT FUND - REGULATORY BASIS

Sheet #1

	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
<u>ASSETS AND DEFERRED CHARGES</u>					
<u>Regular Fund</u>					
Cash - Checking - Treasurer	\$14,493,209.72	\$13,404,056.97	\$16,665,906.27	\$10,848,163.54	\$12,192,848.80
Cash - Checking - Collector	631,289.70	719,055.80	1,534,234.86		
Cash - Certificates of Deposit	8,319,000.17	5,099,085.65			
Change Funds	950.00	950.00	950.00	950.00	950.00
	<u>23,444,449.59</u>	<u>19,223,148.42</u>	<u>18,201,091.13</u>	<u>10,849,113.54</u>	<u>12,193,798.80</u>
Due from State of New Jersey per Chapter 129, P.L. 1976	73,004.90	73,306.95	71,306.95	74,306.95	74,306.95
	<u>23,517,454.49</u>	<u>19,296,455.37</u>	<u>18,272,398.08</u>	<u>10,923,420.49</u>	<u>12,268,105.75</u>
<u>Receivables and Other Assets with Full Reserves:</u>					
Delinquent Taxes	3,383,398.85	3,413,200.62	4,469,091.89	3,580,274.34	68,938.42
Tax Title Liens	103,095.64	98,521.63	94,085.99	114,541.05	146,844.56
Property Acquired for Taxes at Assessed Valuation	462,875.00	462,875.00	462,875.00	259,675.00	260,275.00
Sales Contracts Receivable				343,350.00	
Revenue Accounts Receivable	288,117.36	459,056.90	296,405.23		
Other Accounts Receivable	79,547.59	24,705.75	1,786.03	317,753.78	532,028.71
Interfunds Receivable	17,427.52	334,231.31	29,447.36	2,451,396.14	1,076,257.30
	<u>4,334,461.96</u>	<u>4,792,591.21</u>	<u>5,353,691.50</u>	<u>7,066,990.31</u>	<u>2,084,343.99</u>
<u>Deferred Charges:</u>					
Special Emergency Authorization (N.J.S. 40A:4-53)	666,406.55		155,000.00	310,000.00	465,000.00
	<u>28,518,323.00</u>	<u>24,089,046.58</u>	<u>23,781,089.58</u>	<u>18,300,410.80</u>	<u>14,817,449.74</u>
<u>Federal and State Grant Fund</u>					
Cash - Checking	1,308,372.26	1,314,083.05	103,199.46	323,158.51	347,676.57
Grants Receivable	1,199,815.99	822,733.52	871,258.00	673,516.00	75,911.25
Interfunds Receivable	326,329.57	739,195.17	739,195.17		
	<u>2,834,517.82</u>	<u>2,136,816.57</u>	<u>1,713,652.63</u>	<u>996,674.51</u>	<u>423,587.82</u>
	<u>\$31,352,840.82</u>	<u>\$26,225,863.15</u>	<u>\$25,494,742.21</u>	<u>\$19,297,085.31</u>	<u>\$15,241,037.56</u>

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TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEETS - CURRENT FUND - REGULATORY BASIS

Sheet #2

	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>					
Regular Fund					
Appropriation Reserves and Encumbrances	\$ 4,038,853.46	\$ 4,587,345.41	\$ 4,330,703.78	\$ 3,075,999.43	\$ 2,385,971.97
Reserve for Municipal Relief Fund	308,290.64	331,922.96	105,241.45	47,755.69	77,624.97
Accounts Payable	24,390.00	24,390.00	24,390.00	24,390.00	24,390.00
Reserve for Revaluation					
Due to State of New Jersey:					
Construction Training Fees	17,144.00	462.00	27,434.00	16,585.00	20,193.00
Marriage License Fees	525.00	625.00		600.00	1,075.00
Burial Permit Fees	80.00	65.00	85.00	100.00	
Tax Overpayments	387,259.23	121,224.76	362,345.46	498,115.19	310,131.58
Interfunds Payable	833,736.76	466,656.35	1,645,060.24	686,808.23	1,267,808.62
County Taxes Payable	360,966.93	484,952.63	394,036.60	811,194.57	166,053.89
School Tax Payable	9.00				
Due to Special Improvement District	1,662,253.33	3,794.84	33,713.65	57,614.71	66,260.33
Prepaid Taxes	1,654.11	1,476,570.02	1,379,751.74	1,895,879.74	1,807,826.14
Prepaid Revenue					13,760.00
Reserve for Tax Arrears				366,823.75	
Reserve for Receivables and Other Assets	7,483,642.52	7,806,299.61	8,302,761.92	7,481,866.31	6,141,095.50
Fund Balance	4,334,461.96	4,792,591.21	5,353,691.50	7,066,990.31	2,084,343.99
	16,700,218.52	11,490,155.76	10,124,636.16	3,751,554.18	6,592,010.25
	28,518,323.00	24,089,046.58	23,781,089.58	18,300,410.80	14,817,449.74
<u>Federal and State Grant Fund</u>					
Interfunds Payable	502,969.52	578,274.66			
Unappropriated Federal and State Grants	177,499.75	187,059.41	463,199.53	125,000.00	29,851.10
Appropriated Reserves for Federal and State Grants	2,154,048.55	1,371,482.50	1,250,453.10	871,674.51	393,736.72
	2,834,517.82	2,136,816.57	1,713,652.63	996,674.51	423,587.82
	\$31,352,840.82	\$26,225,863.15	\$25,494,742.21	\$19,297,085.31	\$15,241,037.56

See accompanying notes to financial statements.

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - CURRENT FUND - REGULATORY BASIS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income</u>					
Fund Balance Utilized	\$ 3,300,000.00	\$ 3,075,000.00	\$ 3,000,000.00	\$ 3,350,000.00	\$ 2,050,000.00
Miscellaneous Revenue Anticipated	13,960,070.84	13,929,563.48	13,502,699.81	12,003,684.31	9,125,458.24
Receipts from Delinquent Taxes	3,398,410.40	1,661,326.59	786,953.30	63,004.50	11,858.63
Receipts from Current Taxes	210,394,930.13	203,240,203.99	199,865,550.77	198,885,829.73	195,571,820.65
Nonbudget Revenue	286,822.68	1,798,130.61	2,129,662.16	365,623.03	209,026.49
Other Credits to Income	6,627,879.04	2,939,473.52	5,091,514.80	1,037,320.34	2,347,725.69
	<u>237,968,113.09</u>	<u>226,643,698.19</u>	<u>224,376,380.84</u>	<u>215,705,461.91</u>	<u>209,315,889.70</u>
<u>Expenditures</u>					
Budget and Emergency Appropriations	59,168,535.81	55,982,084.97	53,242,049.48	51,843,465.52	47,327,299.17
Interfund Charges		304,783.95		1,375,138.84	
Reserve for Other Accounts Receivable	54,841.84	24,495.79		23,408.17	21,538.82
Senior Citizen Deductions Disallowed by Tax Collector	3,919.86	4,519.86	3,750.00	3,609.59	3,000.00
Prior Year Paid Taxes Cancelled	255,665.35	494,100.78	196,428.19		283,243.79
Other Accounts Receivable Cancelled		26,951.04	1,543.75		
Municipal Open Space Tax	873,457.45	874,402.13	432,303.81	439,245.21	431,474.85
Local School District Tax	129,526,282.00	122,959,836.00	120,097,687.00	118,769,161.00	117,587,404.00
County Taxes	39,880,404.66	41,155,678.48	40,645,561.14	42,351,259.35	41,207,642.53
Special Improvement District Taxes	361,349.91	375,625.59	383,975.49	365,775.78	379,158.73
Other Debits to Income				18,688.23	
Refund of Prior Year Revenue		700.00		6,166.29	21,764.21
	<u>230,124,456.88</u>	<u>222,203,178.59</u>	<u>215,003,298.86</u>	<u>215,195,917.98</u>	<u>207,262,526.10</u>
Excess in Revenue	7,843,656.21	4,440,519.60	9,373,081.98	509,543.93	2,053,363.60
Adjustment to Income before Surplus: Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Year	<u>666,406.55</u>				
Statutory Excess to Surplus	8,510,062.76	4,440,519.60	9,373,081.98	509,543.93	2,053,363.60
<u>Fund Balance</u>					
Balance January 1	<u>11,490,155.76</u>	<u>10,124,636.16</u>	<u>3,751,554.18</u>	<u>6,592,010.25</u>	<u>6,588,646.65</u>
	20,000,218.52	14,565,155.76	13,124,636.16	7,101,554.18	8,642,010.25
Decreased by: Utilized as Anticipated Revenue	<u>3,300,000.00</u>	<u>3,075,000.00</u>	<u>3,000,000.00</u>	<u>3,350,000.00</u>	<u>2,050,000.00</u>
Balance December 31	<u>\$ 16,700,218.52</u>	<u>\$ 11,490,155.76</u>	<u>\$ 10,124,636.16</u>	<u>\$ 3,751,554.18</u>	<u>\$ 6,592,010.25</u>

See accompanying notes to financial statements.

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENTS OF MISCELLANEOUS REVENUE - CURRENT FUND - REGULATORY BASIS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Miscellaneous Revenue</u>					
Licenses:					
Alcoholic Beverages	\$ 40,700.00	\$ 40,700.00	\$ 40,300.00	\$ 40,800.00	\$ 40,800.00
Other	52,732.63	57,130.79	47,505.19	40,508.00	39,963.00
Fees and Permits	1,707,256.15	1,704,359.03	1,837,997.29	1,734,987.46	1,496,561.27
Fines and Costs:					
Municipal Court	181,927.79	151,520.49	153,913.63	131,380.27	112,895.48
Interest and Costs on Taxes	905,059.89	650,610.50	303,180.23	150,892.28	279,352.31
Interest on Investments and Deposits	980,582.98	736,437.70	154,184.01	2,878.27	84,490.29
Uniform Fire Safety Act: Local Fees	65,075.00	66,510.00	98,385.00	108,015.00	105,170.00
Municipal Occupancy Tax	93,308.26	123,991.83	126,283.11	90,412.58	91,444.85
Energy Receipts Tax	2,990,893.86	2,976,080.48	2,955,650.00	2,955,650.00	2,955,649.99
Consolidated Municipal Property Tax Relief Aid			154,178.18		
Watershed Moratorium Offset Aid	10,810.00	10,810.00	10,810.00	10,810.00	10,810.00
Uniform Construction Code Fees	1,808,271.00	2,807,515.00	2,579,036.00	1,643,174.00	1,477,099.00
Interlocal Municipal Service Agreement:					
Township of Millburn - Health Services	123,750.00	121,332.00	118,953.00	148,125.00	296,950.00
Township of Millburn - Human Services Administration	29,756.00	29,163.00	29,755.44		
Special Items:					
State and Federal Revenue Off-Set with Appropriations	1,044,265.83	1,111,477.91	1,670,868.17	1,946,912.39	345,530.58
Other Special Items:					
Water Utility Operating Surplus of Prior Year					200,000.00
Sewer Utility Operating Surplus of Prior Year					250,000.00
General Capital Fund Balance	500,000.00	340,000.00	125,000.00	125,000.00	125,000.00
Livingston Board of Education - Reimbursement	137,684.89	140,742.04	142,780.14	144,818.23	293,453.33
Sale of Solar Renewable Energy Credits	17,977.00	18,576.00	23,489.00	22,462.00	38,357.00
Cable Franchise Fee	122,019.27	121,805.91	127,683.62	135,750.09	142,617.51
Verizon Franchise Fee	258,277.54	259,350.46	270,880.39	281,482.65	293,138.85
Payment in Lieu of Taxes	888,070.52	959,628.85	95,032.15	151,744.45	73,041.58
Off-Duty Police Officer Administrative Fee	219,103.75	154,525.00	140,482.50	132,238.75	141,692.50
Rental of Office Space	58,000.00				
Sale of Recyclables	65,682.16	14,943.14	82,332.63	60,982.40	95,700.70
Reserve to Pay Debt Service	35,000.00	35,000.00	34,000.00	34,044.76	31,932.00
Livingston Community Partners	140,000.00	134,859.60	134,859.60	269,719.20	
St. Barnabas Medical Center:					
Community Service Contribution	659,041.20	1,062,493.75	1,041,660.53	621,029.25	
St. Barnabas Ambulatory Care Center			503,500.00		
LT Tax Exemption	88,632.08				
Settlement Agreements	424,702.40				
American Rescue Plan		100,000.00	500,000.00	1,019,867.28	
Reserve for Municipal Relief	308,290.64				
Livingston Board of Education - Fiber Network	3,200.00				
Water Utility Debt Service Reimbursement					41,673.00
Sewer Utility Debt Service Reimbursement					32,002.00
Swimming Pool Utility Debt Service Reimbursement					30,133.00
	<u>\$ 13,960,070.84</u>	<u>\$ 13,929,563.48</u>	<u>\$ 13,502,699.81</u>	<u>\$ 12,003,684.31</u>	<u>\$ 9,125,458.24</u>

See accompanying notes to financial statements.

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENTS OF BUDGET APPROPRIATIONS - CURRENT FUND - REGULATORY BASIS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Budget Appropriations</u>					
General Government	\$ 3,482,722.79	\$ 2,909,551.00	\$ 2,847,700.00	\$ 2,712,000.00	\$ 2,396,951.28
Engineering, Public Works and Land Use	6,280,176.08	5,794,923.00	5,533,200.00	4,998,132.00	4,429,920.14
Public Safety	12,922,143.82	13,084,429.00	12,522,600.00	12,139,500.00	12,361,356.83
Health and Human Services	560,540.36	426,792.00	590,800.00	747,700.00	339,587.39
Senior, Youth and Leisure Services	870,719.83	781,112.89	759,500.00	661,500.00	674,322.03
Committees	106,753.22	91,200.00	89,200.00	89,230.00	200,000.00
Risk Management and Insurance	5,633,474.40	4,845,400.76	4,274,600.00	3,723,049.00	3,830,016.96
Solid Waste Collection and Disposal	3,260,448.00	3,102,596.00	2,992,200.00	2,888,000.00	2,815,000.00
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)	1,318,895.14	1,221,260.00	1,067,500.00	985,000.00	972,868.47
Unclassified and Contingent	2,066,350.00	2,110,000.00	2,070,000.00	1,600,000.00	1,290,000.00
Statutory Expenditures - Social Security and Pensions	5,752,781.61	5,186,811.00	5,002,716.00	5,091,868.00	4,410,979.36
Maintenance of Free Public Library	3,496,421.77	3,359,813.51	3,805,860.00	3,943,592.94	3,866,267.59
Other Operations	1,788,161.00	2,478,639.00	1,134,960.00	1,104,836.78	854,836.46
Interlocal Municipal Services Agreements	188,513.64	186,087.00	183,125.00	183,125.00	243,061.72
Public and Private Programs	1,056,602.15	1,157,052.54	1,710,783.05	1,962,435.39	380,530.58
Capital Improvements	2,276,406.55	400,000.00	400,000.00	400,000.00	400,000.00
Debt Service	8,107,425.45	8,691,417.27	8,102,305.43	8,458,496.41	7,706,600.36
Deferred Charges		155,000.00	155,000.00	155,000.00	155,000.00
	<u>\$ 59,168,535.81</u>	<u>\$ 55,982,084.97</u>	<u>\$ 53,242,049.48</u>	<u>\$ 51,843,465.52</u>	<u>\$ 47,327,299.17</u>

See accompanying notes to financial statements.

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEETS - TRUST FUND - REGULATORY BASIS

Sheet #1

<u>ASSETS</u>	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
<u>Animal Control Trust Fund</u>					
Cash - Checking	\$ 35,644.76	\$ 51,000.68	\$ 60,504.81	\$ 23,600.02	\$ 7,820.27
Due from State of New Jersey		973.10		79.83	3.00
Interfunds Receivable	<u>35,644.76</u>	<u>51,973.78</u>	<u>60,504.81</u>	<u>23,679.85</u>	<u>1,415.72</u>
					<u>9,238.99</u>
<u>General Trust Fund</u>					
Cash - Checking	15,814,380.03	12,549,128.86	11,961,987.27	11,111,790.17	14,637,312.37
Change Fund	150.00	150.00	150.00	150.00	150.00
Accounts Receivable	43,974.17	39,331.87	67,798.72	45,833.14	37,824.07
Due from Library					72,296.02
Due from Municipal Court	154.00	38.00	16.00	16.00	
Interfunds Receivable	55,679.66	496,474.42	316,155.33	1,290.00	250.00
	<u>15,914,337.86</u>	<u>13,085,123.15</u>	<u>12,346,107.32</u>	<u>11,159,079.31</u>	<u>14,747,832.46</u>
<u>Community Development Block Grant Trust Fund</u>					
Community Development Block Grant Funds Receivable	<u>39,125.00</u>	<u>37,500.00</u>	<u>7,700.00</u>		<u>57,200.00</u>
<u>Municipal Open Space Trust Fund</u>					
Cash - Checking	865,114.89	591,661.13	279,778.66	14,056.05	608,490.29
Interfunds Receivable	7,888.98	71,842.97	71,842.97	485,288.46	11,887.41
	<u>873,003.87</u>	<u>663,504.10</u>	<u>351,621.63</u>	<u>499,344.51</u>	<u>620,377.70</u>
	<u>\$ 16,862,111.49</u>	<u>\$ 13,838,101.03</u>	<u>\$ 12,758,233.76</u>	<u>\$ 11,689,803.67</u>	<u>\$ 15,434,649.15</u>

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEETS - TRUST FUND - REGULATORY BASIS

Sheet #2

	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>					
<u>Animal Control Trust Fund</u>					
Due to State of New Jersey	\$ 7,829.55	\$ 12.00	\$ 31.20	\$ 1,290.00	\$ 250.00
Interfunds Payable	27,815.21	3,440.00	31,374.01	22,389.85	8,988.99
Reserve for Animal Control Trust Fund Expenditures	<u>35,644.76</u>	<u>48,521.78</u>	<u>29,099.60</u>	<u>23,679.85</u>	<u>9,238.99</u>
<u>General Trust Fund</u>					
Premiums on Tax Sale	851,600.00	825,900.00	929,300.00	942,800.00	4,553,400.00
Special Deposits	14,476,702.07	11,592,086.36	10,761,028.04	8,504,291.25	8,592,892.53
Payroll Deductions Payable	276,851.29	352,195.40	315,249.37	341,312.91	351,193.25
Security Deposits	43,348.68	62,348.68	62,348.68	62,348.68	62,348.68
Accounts Payable		1,369.33			
Interfunds Payable		71,842.97	71,842.97	1,179,156.75	1,021,020.67
Reserves for:					
Self-Insurance Trust Fund Expenditures	54,220.92	5,997.66	40,972.08	2,133.90	67,385.92
State Unemployment Trust Fund Expenditures	211,614.90	174,752.08	163,996.85	127,035.82	99,591.41
	<u>15,914,337.86</u>	<u>13,085,123.15</u>	<u>12,346,107.32</u>	<u>11,159,079.31</u>	<u>14,747,832.46</u>
<u>Community Development Block Grant Trust Fund</u>					
Reserve for Community Development Block Grant Expenditures	<u>39,125.00</u>	<u>37,500.00</u>		<u>7,700.00</u>	<u>57,200.00</u>
<u>Municipal Open Space Trust Fund</u>					
Municipal Open Space Trust Fund	873,003.87	596,361.55	351,058.28	469,344.51	490,377.70
Interfunds Payable		67,142.55	563.35	30,000.00	130,000.00
	<u>873,003.87</u>	<u>663,504.10</u>	<u>351,621.63</u>	<u>499,344.51</u>	<u>620,377.70</u>
	<u>\$ 16,862,111.49</u>	<u>\$ 13,838,101.03</u>	<u>\$ 12,758,233.76</u>	<u>\$ 11,689,803.67</u>	<u>\$ 15,434,649.15</u>

See accompanying notes to financial statements.

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEETS - GENERAL CAPITAL FUND - REGULATORY BASIS

ASSETS AND DEFERRED CHARGES

	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Cash - Checking	\$ 19,772,544.50	\$ 7,071,324.03	\$ 16,775,926.69	\$ 7,562,935.51	\$ 26,913,742.86
Other Accounts Receivable		1,333.66	2,543.60	2,543.60	2,543.60
Grants Receivable	93,885.00	608,040.00	246,058.61	234,299.32	183,193.83
Interfunds Receivable	947,790.77	311,185.48		304,712.37	141,503.06
Deferred Charges to Future Taxation:					
Funded	74,277,335.28	65,698,012.05	71,115,145.20	76,812,072.02	87,588,796.68
Unfunded	45,359,790.37	28,742,968.03	20,788,426.03	14,916,982.90	8,382,611.37
	<u>\$ 140,451,345.92</u>	<u>\$ 102,432,863.25</u>	<u>\$ 108,928,100.13</u>	<u>\$ 99,833,545.72</u>	<u>\$ 123,212,391.40</u>

LIABILITIES, RESERVES AND FUND BALANCE

Serial Bonds	\$ 46,999,000.00	\$ 36,799,000.00	\$ 40,249,000.00	\$ 76,714,000.00	\$ 83,179,000.00
Refunding Bonds	27,245,000.00	28,855,000.00	30,795,000.00	4,285,000.00	4,285,000.00
Lake and Stream Restoration Loan Payable	33,335.28	44,012.05	54,478.44	98,072.02	74,796.60
Downtown Business Improvement Loan Payable	20,212,000.00	15,784,000.00	17,550,000.00	6,000,000.00	50,000.08
Bond Anticipation Notes					20,610,700.00
Improvement Authorizations:					
Funded	7,283,164.62	669,508.96	722,404.48	1,085,456.80	1,152,011.95
Unfunded	37,773,534.42	18,840,279.12	18,034,169.25	14,619,952.83	12,517,321.45
Accounts Payable		1,438.92	1,438.92	1,438.92	1,438.92
Capital Improvement Fund	620,501.43	96,563.45	132,731.45	52,448.45	17,306.45
Interfunds Payable	4,810.85				20,434.36
Reserve for:					
Debt Service	279,999.32	314,956.98	348,747.12	382,747.12	272,183.58
Grants Receivable and Other Receivables		107,583.66	2,543.60	75,383.47	147,151.90
Fund Balance		920,520.11	1,020,920.11	804,046.11	885,046.11
	<u>\$ 140,451,345.92</u>	<u>\$ 102,432,863.25</u>	<u>\$ 108,928,100.13</u>	<u>\$ 99,833,545.72</u>	<u>\$ 123,212,391.40</u>
Bonds and Notes Authorized but Not Issued	<u>\$ 25,253,648.37</u>	<u>\$ 12,959,010.37</u>	<u>\$ 4,704,468.37</u>	<u>\$ 8,916,982.90</u>	<u>\$ 5,911,911.37</u>

See accompanying notes to financial statements.

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEETS - WATER UTILITY - REGULATORY BASIS

Sheet #1

<u>ASSETS</u>	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
<u>Operating Fund</u>					
Cash - Checking	\$ 2,167,539.95	\$ 2,974,145.71	\$ 2,292,826.75	\$ 2,459,778.54	\$ 2,130,404.94
Interfunds Receivable	<u>2,167,539.95</u>	<u>2,974,145.71</u>	<u>300,526.58</u> <u>2,593,353.33</u>	<u>4,543.78</u> <u>2,464,322.32</u>	<u>56,923.47</u> <u>2,187,328.41</u>
<u>Assets with Full Reserves:</u>					
Consumer Accounts Receivable	1,036,593.01	889,226.54	1,036,366.63	700,734.77	490,858.83
Other Accounts Receivable	286,581.56	326,202.31	278,081.56	649.14	549.14
Inventory - Materials and Supplies	<u>1,323,174.57</u>	<u>1,215,428.85</u>	<u>1,314,448.19</u>	<u>907,122.72</u>	<u>124,899.84</u> <u>616,307.81</u>
	<u>3,490,714.52</u>	<u>4,189,574.56</u>	<u>3,907,801.52</u>	<u>3,371,445.04</u>	<u>2,803,636.22</u>
<u>Capital Fund</u>					
Cash - Checking	7,110,593.49	3,533,723.12	10,589,608.81	3,888,424.01	16,218,726.35
Due from State of New Jersey	29,201,613.00				
Interfunds Receivable	2,133.45				
Fixed Capital	38,867,274.84	27,076,274.84	27,076,274.84	113,850.00	1,022,609.00
Fixed Capital Authorized and Uncompleted	54,305,000.00	63,346,000.00	54,691,000.00	23,501,274.84	18,091,318.02
	<u>129,486,614.78</u>	<u>93,955,997.96</u>	<u>92,356,883.65</u>	<u>56,779,548.85</u>	<u>64,618,610.19</u>
	<u>\$ 132,977,329.30</u>	<u>\$ 98,145,572.52</u>	<u>\$ 96,264,685.17</u>	<u>\$ 60,150,993.89</u>	<u>\$ 67,422,246.41</u>

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEETS - WATER UTILITY - REGULATORY BASIS

Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Operating Fund					
Appropriation Reserves and Encumbrances	\$ 274,755.72	\$ 603,224.20	\$ 732,437.27	\$ 693,286.59	\$ 954,679.72
Accounts Payable		5,032.99	5,032.99	5,032.99	
Accrued Interest on Notes	15,224.87	14,513.89	2,094.79	1,869.79	118,412.04
Accrued Interest on Bonds	195,847.99	196,151.00	208,105.18	232,012.55	230,813.65
Accrued Interest on Loans					6,921.07
Water Rent Overpayments	90,875.24	53,305.81	49,895.44	41,158.50	35,337.17
Interfunds Payable	45,133.43	55,657.77	25,386.84	635,994.64	30,351.90
	<u>621,837.25</u>	<u>927,885.66</u>	<u>1,022,952.51</u>	<u>1,609,355.06</u>	<u>1,376,515.55</u>
Reserve for Receivables and Inventory	1,323,174.57	1,215,428.85	1,314,448.19	907,122.72	616,307.81
Fund Balance	1,545,702.70	2,046,260.05	1,570,400.82	854,967.26	810,812.86
	<u>3,490,714.52</u>	<u>4,189,574.56</u>	<u>3,907,801.52</u>	<u>3,371,445.04</u>	<u>2,803,636.22</u>
<u>Capital Fund</u>					
Serial Bonds	26,821,000.00	22,891,000.00	24,126,000.00	25,391,000.00	26,936,000.00
Bond Anticipation Notes	7,390,000.00	5,500,000.00	11,272,000.00	3,000,000.00	12,038,700.00
Loans Payable	32,100,000.00				
Improvement Authorizations:					
Funded	28,872,295.06	885,225.88	951,490.71	6,694,458.39	64,725.00
Unfunded	10,277,786.80	42,199,013.55	34,645,118.41	1,760,785.49	6,767,094.22
Capital Improvement Fund	424.50	424.50	424.50	424.50	424.50
Interfunds Payable				22,609.00	
Reserve for Debt Service	19,696.29	19,696.29	19,696.29	19,696.29	19,696.29
Amortization Fund	19,156,970.84	18,212,690.84	17,586,724.84	16,426,535.84	14,245,831.38
Deferred Amortization Fund	4,770,604.00	4,144,884.00	3,535,850.00	3,431,039.00	4,066,743.46
Fund Balance	77,837.29	103,062.90	219,578.90	33,000.34	479,395.34
	<u>129,486,614.78</u>	<u>93,955,997.96</u>	<u>92,356,883.65</u>	<u>56,779,548.85</u>	<u>64,618,610.19</u>
	<u>\$ 132,977,329.30</u>	<u>\$ 98,145,572.52</u>	<u>\$ 96,264,685.17</u>	<u>\$ 60,150,993.89</u>	<u>\$ 67,422,246.41</u>
Bonds and Notes Authorized but Not Issued	<u>\$ 2,933,700.00</u>	<u>\$ 39,673,700.00</u>	<u>\$ 31,018,700.00</u>	<u>\$ 4,528,700.00</u>	<u>\$ 2,128,000.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - WATER UTILITY - REGULATORY BASIS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income Realized</u>					
Fund Balance Utilized	\$ 1,000,000.00	\$ 700,000.00	\$ 700,000.00	\$ 625,595.00	\$ 755,113.31
Water Rents	6,874,409.47	7,044,604.06	6,876,565.71	5,454,129.30	5,241,876.89
Miscellaneous Revenue Anticipated	428,416.78	686,588.63	585,685.67	350,024.58	183,346.25
Water Utility Capital Surplus	100,000.00	200,000.00	33,000.00	479,395.00	50,000.00
Nonbudget Revenue	195,305.91	389,445.49	63,452.47	33,350.38	38,618.29
Other Credits to Income	119,355.49	305,985.00	267,300.96	502,044.57	212,448.45
	<u>8,717,487.65</u>	<u>9,326,623.18</u>	<u>8,526,004.81</u>	<u>7,444,538.83</u>	<u>6,481,403.19</u>
<u>Expenditures</u>					
Budget Appropriations	8,218,045.00	8,150,763.95	7,109,400.00	6,774,789.43	6,058,136.65
Cash Refund - Prior Year	<u>8,218,045.00</u>	<u>8,150,763.95</u>	<u>1,171.25</u>	<u>6,774,789.43</u>	<u>6,058,136.65</u>
Excess in Revenue	499,442.65	1,175,859.23	1,415,433.56	669,749.40	423,266.54
<u>Fund Balance</u>					
Balance January 1	2,046,260.05	1,570,400.82	854,967.26	810,812.86	1,342,659.63
	<u>2,545,702.70</u>	<u>2,746,260.05</u>	<u>2,270,400.82</u>	<u>1,480,562.26</u>	<u>1,765,926.17</u>
Decreased by:					
Utilized as Anticipated Revenue:					
Water Operating Fund Budget	1,000,000.00	700,000.00	700,000.00	625,595.00	755,113.31
Current Fund Budget	<u>1,000,000.00</u>	<u>700,000.00</u>	<u>700,000.00</u>	<u>625,595.00</u>	<u>200,000.00</u>
Balance December 31	<u>\$ 1,545,702.70</u>	<u>\$ 2,046,260.05</u>	<u>\$ 1,570,400.82</u>	<u>\$ 854,967.26</u>	<u>\$ 810,812.86</u>

See accompanying notes to financial statements.

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

Sheet #1

COMPARATIVE BALANCE SHEETS - SEWER UTILITY - REGULATORY BASIS

<u>ASSETS</u>	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
<u>Operating Fund</u>					
Cash - Checking	\$ 717,341.58	\$ 1,903,849.40	\$ 1,373,404.37	\$ 1,148,063.60	\$ 341,536.68
Interfunds Receivable	70,333.42	39,216.63	316,730.97	1,148,063.60	241,582.27
	<u>787,675.00</u>	<u>1,943,066.03</u>	<u>1,690,135.34</u>	<u>1,148,063.60</u>	<u>583,118.95</u>
<u>Assets with Full Reserves:</u>					
Sewer Rents Receivable	675,135.87	732,381.73	677,155.86	407,864.56	291,870.84
Other Receivables				54.10	54.10
Inventory - Materials and Supplies	<u>675,135.87</u>	<u>732,381.73</u>	<u>677,155.86</u>	<u>3,059.00</u>	<u>1,400.00</u>
	<u>1,462,810.87</u>	<u>2,675,447.76</u>	<u>2,367,291.20</u>	<u>410,977.66</u>	<u>293,324.94</u>
				<u>1,559,041.26</u>	<u>876,443.89</u>
<u>Capital Fund</u>					
Cash - Checking	8,561,473.17	4,754,223.00	10,297,959.12	2,564,624.63	9,624,420.44
Interfunds Receivable	2,677.40		53,327.79	53,327.79	8,191.23
Fixed Capital	6,862,491.87	4,022,491.87	4,022,491.87	1,778,347.51	1,778,347.51
Fixed Capital Authorized and Uncompleted	26,987,677.51	25,827,677.51	21,602,677.51	20,096,821.87	18,041,821.87
	<u>42,414,319.95</u>	<u>34,604,392.38</u>	<u>35,976,456.29</u>	<u>24,493,121.80</u>	<u>29,452,781.05</u>
	<u>\$43,877,130.82</u>	<u>\$37,279,840.14</u>	<u>\$38,343,747.49</u>	<u>\$26,052,163.06</u>	<u>\$30,329,224.94</u>

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

Sheet #2

COMPARATIVE BALANCE SHEETS - SEWER UTILITY - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
<u>Operating Fund</u>					
Appropriation Reserves and Encumbrances	\$ 137,672.10	\$ 522,929.28	\$ 395,875.03	\$ 65,720.88	\$ 147,039.29
Accrued Interest on Bonds	108,123.54	115,801.43	124,977.47	130,135.36	123,897.92
Accrued Interest on Notes	11,316.67	19,370.50	1,412.97		60,216.42
Sewer Rent Overpayments	1,474.21	2,422.77	4,515.04		
Interfunds Payable		16,571.00	53,327.79	731,743.16	
	<u>258,586.52</u>	<u>677,094.98</u>	<u>580,108.30</u>	<u>927,599.40</u>	<u>331,153.63</u>
Reserve for Receivables and Inventory	675,135.87	732,381.73	677,155.86	410,977.66	293,324.94
Fund Balance	529,088.48	1,265,971.05	1,110,027.04	220,464.20	251,965.32
	<u>1,462,810.87</u>	<u>2,675,447.76</u>	<u>2,367,291.20</u>	<u>1,559,041.26</u>	<u>876,443.89</u>
<u>Capital Fund</u>					
Serial Bonds	18,894,000.00	12,664,000.00	13,314,000.00	13,974,000.00	14,727,000.00
Bond Anticipation Notes	4,850,000.00	7,340,400.00	11,330,000.00	2,000,000.00	6,499,100.00
Improvement Authorizations:					
Funded	3,473,291.06	170,478.39	994,796.68	2,321,358.02	28,248.72
Unfunded	8,705,597.00	8,907,989.38	5,567,999.33	2,370,866.78	5,014,673.77
Interfunds Payable	25,199.99				
Amortization Fund	2,881,116.87	1,890,824.87	1,679,008.87	750,809.51	528,917.51
Deferred Amortization Fund	3,224,695.51	3,104,587.51	2,666,403.51	2,925,275.27	2,296,309.27
Reserve for Sewer Study/Interfunds				122,041.23	53,326.79
Reserve for Future Improvements	226,860.55	226,807.74	72,668.05		
Reserve for Offsite Improvements	83,214.01	56,308.64			
Reserve for Debt Service		130,870.86	130,870.86	6,770.40	6,770.40
Fund Balance	50,344.96	112,124.99	220,708.99	22,000.59	298,434.59
	<u>42,414,319.95</u>	<u>34,604,392.38</u>	<u>35,976,456.29</u>	<u>24,493,121.80</u>	<u>29,452,781.05</u>
	<u>\$43,877,130.82</u>	<u>\$37,279,840.14</u>	<u>\$38,343,747.49</u>	<u>\$26,052,163.06</u>	<u>\$30,329,224.94</u>
Bonds and Notes Authorized but Not Issued	<u>\$ 4,000,357.00</u>	<u>\$ 4,850,357.00</u>	<u>\$ 1,652,242.00</u>	<u>\$ 2,225,084.60</u>	<u>\$ 2,267,842.60</u>

See accompanying notes to financial statements.

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - SEWER UTILITY - REGULATORY BASIS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income</u>					
Fund Balance Utilized	\$ 1,200,000.00	\$ 783,103.00	\$ 220,000.00	\$ 250,000.00	\$ 454,051.37
Sewer Rents	4,564,341.75	4,547,318.85	4,363,091.76	3,397,970.95	3,183,081.79
Connection Fees	317,009.04	974,263.76	797,626.02	605,286.00	208,315.80
Sewer Utility Capital Surplus	112,124.99	220,000.00	22,000.00	298,434.00	
Reserve for Debt Service	130,870.86				
Nonbudget Revenue	201,278.11	299,697.88	45,399.76	24,134.45	28,419.52
Other Credits to Income	129,991.35	178,353.23	645,635.10	266,490.65	55,608.08
	<u>6,655,616.10</u>	<u>7,002,736.72</u>	<u>6,093,752.64</u>	<u>4,842,316.05</u>	<u>3,929,476.56</u>
<u>Expenditures</u>					
Budget Appropriations	<u>6,192,498.67</u>	<u>6,063,689.71</u>	<u>4,984,189.80</u>	<u>4,623,817.17</u>	<u>3,875,142.78</u>
Excess in Revenue	463,117.43	939,047.01	1,109,562.84	218,498.88	54,333.78
<u>Fund Balance</u>					
Balance January 1	<u>1,265,971.05</u>	<u>1,110,027.04</u>	<u>220,464.20</u>	<u>251,965.32</u>	<u>901,682.91</u>
	<u>1,729,088.48</u>	<u>2,049,074.05</u>	<u>1,330,027.04</u>	<u>470,464.20</u>	<u>956,016.69</u>
Decreased by:					
Utilized as Anticipated Revenue	1,200,000.00	783,103.00	220,000.00	250,000.00	454,051.37
Utilized as Anticipated Revenue - Current					250,000.00
	<u>1,200,000.00</u>	<u>783,103.00</u>	<u>220,000.00</u>	<u>250,000.00</u>	<u>704,051.37</u>
Balance December 31	<u>\$ 529,088.48</u>	<u>\$ 1,265,971.05</u>	<u>\$ 1,110,027.04</u>	<u>\$ 220,464.20</u>	<u>\$ 251,965.32</u>

See accompanying notes to financial statements.

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEETS - SWIMMING POOL UTILITY - REGULATORY BASIS

ASSETS AND DEFERRED CHARGES

	Balance Dec. 31, 2024	Balance Dec. 31, 2023	Balance Dec. 31, 2022	Balance Dec. 31, 2021	Balance Dec. 31, 2020
<u>Operating Fund</u>					
Cash - Checking	\$ 80,971.37	\$ 110,472.63	\$ 92,234.96	\$ 30,382.72	\$ 9,332.17
Change Funds	600.00	600.00	600.00	600.00	600.00
Interfunds Receivable			329.03	6,270.54	36,802.50
Deferred Charges:					
Deficit in Operations					6,445.70
Special Emergency	46,000.00	69,000.00	92,000.00	115,000.00	115,000.00
	<u>127,571.37</u>	<u>180,072.63</u>	<u>185,163.99</u>	<u>152,253.26</u>	<u>168,180.37</u>
<u>Capital Fund</u>					
Cash - Checking	513,642.91	509,593.88	600,514.74	76,355.14	33,602.46
Interfunds Receivable		14,461.39			40,385.79
Fixed Capital	2,750,869.06	2,700,869.06	2,667,869.06	2,557,869.06	2,557,869.06
Fixed Capital Authorized and Uncompleted	700,000.00	750,000.00	783,000.00	368,000.00	293,000.00
	<u>3,964,511.97</u>	<u>3,974,924.33</u>	<u>4,051,383.80</u>	<u>3,002,224.20</u>	<u>2,924,857.31</u>
	<u>\$ 4,092,083.34</u>	<u>\$ 4,154,996.96</u>	<u>\$ 4,236,547.79</u>	<u>\$ 3,154,477.46</u>	<u>\$ 3,093,037.68</u>

LIABILITIES, RESERVES AND FUND BALANCE

<u>Operating Fund</u>					
Appropriation Reserves	\$ 1,799.82	\$ 16,069.21	\$ 3,498.95	\$ 18,171.31	\$ 20,087.52
Encumbrances Payable	3,240.00	7,804.88	1,336.85	999.80	7,461.30
Sales Tax Payable	2,500.00				
Accrued Interest on Notes	1,565.44	1,689.79	88.75	23.34	431.67
Interfunds Payable	10,565.97	8,800.00			139,715.41
Fund Balance	107,900.14	145,708.75	180,239.44	133,058.81	484.47
	<u>127,571.37</u>	<u>180,072.63</u>	<u>185,163.99</u>	<u>152,253.26</u>	<u>168,180.37</u>
<u>Capital Fund</u>					
Bond Anticipation Notes	670,900.00	675,600.00	680,000.00	130,000.00	120,000.00
Improvement Authorizations:					
Funded	18.33	18.33	18.33	1,637.33	9,587.03
Unfunded	530,232.81	537,254.81	607,988.28	111,340.18	50,319.49
Capital Improvement Fund	198.39	198.39	198.39	198.39	198.39
Amortization Fund	2,650,669.06	2,645,269.06	2,530,869.06	2,530,869.06	2,530,869.06
Deferred Amortization Fund	105,550.00	106,250.00	216,250.00	216,250.00	212,500.00
Interfunds Payable	14.70			9,115.90	
Fund Balance	6,928.68	10,333.74	16,059.74	2,813.34	1,383.34
	<u>3,964,511.97</u>	<u>3,974,924.33</u>	<u>4,051,383.80</u>	<u>3,002,224.20</u>	<u>2,924,857.31</u>
	<u>\$ 4,092,083.34</u>	<u>\$ 4,154,996.96</u>	<u>\$ 4,236,547.79</u>	<u>\$ 3,154,477.46</u>	<u>\$ 3,093,037.68</u>
	<u>\$ 23,750.00</u>	<u>\$ 23,750.00</u>	<u>\$ 23,750.00</u>	<u>\$ 48,750.00</u>	<u>\$ 47,500.00</u>
Bonds and Notes Authorized but Not Issued					

TOWNSHIP OF LIVINGSTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - SWIMMING POOL UTILITY - REGULATORY BASIS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income</u>					
Fund Balance Utilized	\$ 76,708.75	\$ 88,000.00	\$ 12,200.00	\$	\$
Membership and Guest Fees	323,865.85	344,940.90	385,810.50	347,917.50	242,180.02
Refectory Fees	34,934.00	31,506.36	40,314.06	36,864.00	28,278.00
American Rescue Plan - Loss Revenues	138,707.61	210,178.00	130,000.00		
Camp	46,000.00	46,000.00	46,000.00		
Swim Lessons	26,000.00	26,000.00			
Sports Clinic	61,229.64				
Interest on Investments	18,116.73	11,310.24			
Swimming Pool Utility Capital Surplus	10,000.00	16,000.00			
Nonbudget Revenue		984.57			
Other Credits to Income	16,859.21	4,535.81	18,071.50	281,542.84	1,773.24
	<u>752,421.79</u>	<u>778,471.31</u>	<u>633,380.63</u>	<u>666,324.34</u>	<u>272,231.26</u>
<u>Expenditures</u>					
Budget Appropriations	713,521.65	725,002.00	574,000.00	533,750.00	393,676.96
Excess in Revenue	38,900.14	53,469.31	59,380.63	132,574.34	
Deficit in Revenue					\$ (121,445.70)
Adjustment to Income - Special Emergency					<u>115,000.00</u>
Operating Deficit to be Raised in Budget of Succeeding Year					<u>\$ (6,445.70)</u>
<u>Fund Balance</u>					
Balance January 1	145,708.75	180,239.44	133,058.81	484.47	484.47
	<u>184,608.89</u>	<u>233,708.75</u>	<u>192,439.44</u>	<u>133,058.81</u>	<u>484.47</u>
Decreased by:					
Utilized as Anticipated Revenue:					
Swimming Pool Operating Fund Budget	76,708.75	88,000.00	12,200.00		
Balance December 31	<u>\$107,900.14</u>	<u>\$145,708.75</u>	<u>\$180,239.44</u>	<u>\$133,058.81</u>	<u>\$ 484.47</u>

See accompanying notes to financial statements.

***NOTES TO FINANCIAL STATEMENTS***

**TOWNSHIP OF LIVINGSTON**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Township of Livingston is organized as a Council-Manager municipality under the provisions of N.J.S. 40:69A-81 et seq. The Township is “governed by an elected Council and by an appointed Municipal Manager, and by such other officers and employees as may be duly appointed. The Council shall consist of five members elected at large by voters of the municipality and shall serve for a term of four years beginning on the first day of January next following their election and that the Mayor shall be elected by the members of the Council”.

Each member of the Council carries a legislative vote.

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

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

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

**Description of Funds**

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

The accounting policies of the Township of Livingston conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. These principles are a “Modified Accrual Basis of Accounting” which differs from accounting principles generally accepted in the United States of America (GAAP) for governmental entities. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Livingston accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

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

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Description of Funds (Continued)**

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

**Utilities Funds** - Water, Sewer and Swimming Pool Utilities are treated as separate entities. Each maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

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

**Capital Fixed Assets Account** - This account reflects estimated valuations of land, buildings and certain movable fixed assets of the Township as discussed under the caption of "Basis of Accounting".

**Basis of Accounting**

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

**Property Taxes and Other Revenue**

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

**Grant Revenue**

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

**Expenditures**

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Basis of Accounting (Continued)**

**Expenditures (Continued)**

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

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

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

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

**Encumbrances**

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

**Appropriation Reserves**

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

**Compensated Absences**

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

**Property Acquired for Taxes**

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

**Self-Insurance Contributions**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Basis of Accounting (Continued)**

**Interfunds Receivable**

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

**Inventories of Supplies**

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

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

**Capital Fixed Assets**

General:

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

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

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

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

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

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

Utilities:

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Basis of Accounting (Continued)**

**Capital Fixed Assets (Continued)**

Utilities: (Continued)

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

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

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

**C. Basic Financial Statements**

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

**D. Recent Accounting Pronouncements Not Yet Effective**

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

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

In September 2024, the Governmental Accounting Standards Board issued GASB Statement No. 104, "Disclosure of Certain Capital Assets". The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

## 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

### A. Cash and Cash Equivalents

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

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

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

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

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

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

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

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

The Township of Livingston has the following cash, cash equivalents and investments at December 31, 2024:

	<u>2024</u>
Valley Bank - Checking Accounts	\$68,453,569.34
Citizens Bank - Checking Accounts	1,962,235.56
Bank of America - Checking Account	1,751,407.40
Somerset Regal Bank - Certificates of Deposit	5,319,000.17
ConnectOne Bank - Certificates of Deposit	3,000,000.00
Change Funds	<u>1,700.00</u>
	<u>\$80,487,912.47</u>

*Custodial Credit Risk* - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute, which requires cash be deposited only in New Jersey based bank institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. As of December 31, 2024, of the cash balance in the bank, \$1,250,000.00 was covered by Federal Depository Insurance and \$79,932,427.53 was covered under the provisions of NJGUDPA.

## **2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

### **A. Cash and Cash Equivalents (Continued)**

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

As of December 31, 2024, the Township had funds on deposit in checking accounts and certificates of deposit. The amount on deposit of the Township's Cash, Cash Equivalents and Investments as of December 31, 2024 was \$81,182,427.53. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40.

As of December 31, 2024, the Township had investments in certificates of deposit. The carrying amount of the investments at December 31, 2024 was \$8,319,000.17.

### **B. Investments**

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

## **3. TAXES AND TAX TITLE LIENS RECEIVABLE**

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

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

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

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

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

**3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)**

**Comparative Schedule of Tax Rates**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020*</u>
Tax Rate	<u>\$2.446</u>	<u>\$2.372</u>	<u>\$2.333</u>	<u>\$2.314</u>	<u>\$2.271</u>
Apportionment of Tax Rate:					
Municipal	\$0.443	\$0.431	\$0.420	\$0.414	\$0.388
Municipal Open Space	0.010	0.010	0.005	0.005	0.005
County	0.439	0.454	0.455	0.467	0.462
County Open Space	0.018	0.017	0.015	0.015	0.015
School	1.496	1.423	1.403	1.379	1.368
Library	0.040	0.037	0.035	0.034	0.033

\*Revaluation

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2024	\$8,655,684,700.00
2023	8,642,599,600.00
2022	8,562,331,311.00
2021	8,615,934,776.00
2020*	8,596,630,438.00

\*Revaluation

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2024	\$214,006,648.37	\$210,394,930.13	98.31 %
2023	207,819,302.47	203,240,203.99	97.80
2022	202,096,028.37	199,865,550.77	98.90
2021	203,620,662.32	198,885,829.73	97.67
2020	196,388,380.45	195,571,820.65	99.58

**Delinquent Taxes and Tax Liens**

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2024	\$103,095.64	\$3,383,398.85	\$3,486,494.49	1.63%
2023	98,521.63	3,413,200.62	3,511,722.25	1.69
2022	94,085.99	4,469,091.89	4,563,177.88	2.26
2021	114,541.05	3,580,274.34	3,694,815.39	1.81
2020	146,844.56	68,938.42	215,782.98	0.11

**4. SPECIAL IMPROVEMENT DISTRICT ASSESSMENTS**

A Special Improvement District was established by ordinance of the Township of Livingston, adopted on September 8, 1998, in accordance with the provisions of N.J.S.A. 40:56-65 et seq. for the purposes of improvements for the safety and attractiveness of Township District businesses.

Commercial properties within the geographic boundaries of the District subject to assessment are designated as either Tier I or Tier II properties and are assessed at rates based on property location. Tier I properties are those commercial properties within the District that are in the core business areas along Livingston Avenue, Mt. Pleasant Avenue and Northfield Road. Tier II properties are all other properties in the District.

Assessments for the year ending December 31, 2024 were \$361,349.91.

**5. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens, on the basis of the last assessed valuation of such properties in the year of acquisition, was as follows:

<u>Year</u>	<u>Amount</u>
2024	\$462,875.00
2023	462,875.00
2022	462,875.00
2021	259,675.00
2020	260,275.00

**6. WATER CONSUMER ACCOUNTS RECEIVABLE**

The Township of Livingston maintains a utility fund for the billing and collection of water rents. The Township is divided into six sections for the purposes of billings which are done on a quarterly basis.

A comparison of Water Utility billings and collections for the past five years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collections*</u>
2024	\$7,021,775.94	\$6,874,409.47
2023	6,897,463.97	7,044,604.06
2022	7,332,771.76	6,876,565.71
2021	5,664,005.24	5,454,129.30
2020	5,370,833.52	5,241,876.89

\*Includes amounts received for prior years' receivables.

**7. SEWER RENTS RECEIVABLE**

The Township of Livingston established a utility fund in the year 2007 for the billing and collection of sewer rents. The Township is divided into six sections for the purposes of billings which are done on a quarterly basis.

**7. SEWER RENTS RECEIVABLE (Continued)**

A comparison of Sewer Utility billings and collections for the past five years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collections*</u>
2024	\$4,507,095.89	\$4,564,341.75
2023	4,602,544.72	4,547,318.85
2022	4,734,616.31	4,363,091.76
2021	3,513,964.67	3,397,970.95
2020	3,287,191.85	3,183,081.79

\*Includes amounts received for prior years' receivables.

**8. SWIMMING POOL UTILITY**

Comparison of Swimming Pool Membership and Guest Fees collected for the past five years are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$323,865.85
2023	344,940.90
2022	385,810.50
2021	347,917.50
2020	242,180.92

**9. FUND BALANCES APPROPRIATED**

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budgets of Succeeding Year</u>
Current Fund:	2024	\$16,700,218.52	\$6,397,000.00
	2023	11,662,797.64	3,300,000.00
	2022	10,124,636.16	3,075,000.00
	2021	3,751,554.18	3,000,000.00
	2020	6,592,010.25	3,350,000.00
Water Utility Operating Fund:	2024	1,545,702.70	812,059.46
	2023	2,046,260.05	1,000,000.00
	2022	1,570,400.82	700,000.00
	2021	854,967.26	700,000.00
	2020	810,812.86	625,595.00

**9. FUND BALANCES APPROPRIATED (Continued)**

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budgets of Succeeding Year</u>
Sewer Utility Operating Fund:	2024	\$ 529,088.48	\$ 529,000.00
	2023	1,265,971.05	1,200,000.00
	2022	1,110,027.04	783,103.00
	2021	220,464.20	220,000.00
	2020	251,965.32	250,000.00
Swimming Pool Utility Operating Fund:	2024	107,900.14	64,400.00
	2023	145,708.75	145,000.00
	2022	180,239.44	88,000.00
	2021	133,058.81	12,200.00
	2020	484.47	-

**10. PENSION PLANS**

**Description of Systems**

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

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

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

	<u>PERS</u>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Covered Employee Payroll	\$11,971,738	\$11,035,764	\$10,433,338
Total Payroll	28,313,590	25,776,144	24,118,327
Actuarial Contribution			
Requirements	2,181,289	2,052,347	2,020,771
Total Contributions	3,090,933	2,893,870	2,818,850
Employer Share	2,181,289	2,052,347	2,020,771
% of Covered Payroll	18.22%	18.60%	19.37%
Employee's Share	909,644	841,523	798,079
% of Covered Payroll	7.60%	7.63%	7.65%

## 10. PENSION PLANS (Continued)

### Description of Systems (Continued)

	PFRS		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Covered Employee Payroll	\$ 9,317,552	\$ 9,662,604	\$ 9,178,366
Total Payroll	28,313,590	25,776,144	24,118,327
Actuarial Contribution			
Requirements	3,643,366	3,347,055	3,300,418
Total Contributions	4,588,605	4,315,657	4,221,673
Employer Share	3,643,366	3,347,055	3,300,418
% of Covered Payroll	39.10%	34.64%	35.96%
Employee's Share	945,239	968,602	921,255
% of Covered Payroll	10.14%	10.02%	10.04%

### **Assumptions**

The collective total PERS pension liability for June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 using an actuarial experience study for the period July 1, 2018 to June 30, 2021 for PERS. The pension liability was rolled forward to June 30, 2024. The actuarial valuation used an inflation rate of 2.75% for price and 3.25% for wage, projected salary increases of 2.75% to 6.55% for PERS based on years of service and an investment rate of return of 7.00%.

The collective total PFRS pension liability for June 30, 2024 measurement data was determined by an actuarial valuation as of July 1, 2023 using an actuarial experience study for the period July 1, 2018 to June 30, 2021 for PFRS. The pension liability was rolled forward to June 30, 2024. The actuarial valuation used an inflation rate of 2.75% for price and 3.25% for wage, projected salary increases through all future years 3.25% to 16.25% for PFRS based on years of service and an investment rate of return of 7.00%.

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

For PFRS, 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.

The discount rate used to measure the total pension liability was 7.00% for PERS and 7.00% for PFRS 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 will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability. More information on mortality rates and other assumptions, and investment policies, can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**10. PENSION PLANS (Continued)**

**Description of Systems (Continued)**

**Public Employees' Retirement System:**

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

**Significant Legislation**

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

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2013, the member contribution rates increased in July 2013. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

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

The following presents the Township's proportionate share of the Collective PERS net pension liability calculated using the discount rate of 7.00% and 7.00% as of June 30, 2024 and 2023, respectively, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

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

	At 1% Decrease <u>(6.00%)</u>	At Current Discount Rate <u>(7.00%)</u>	At 1% Increase <u>(8.00%)</u>
2024	<u>\$ 29,186,789</u>	<u>\$ 21,965,530</u>	<u>\$ 15,820,279</u>
	At 1% Decrease <u>(6.00%)</u>	At Current Discount Rate <u>(7.00%)</u>	At 1% Increase <u>(8.00%)</u>
2023	<u>\$ 29,198,384</u>	<u>\$ 22,429,459</u>	<u>\$ 16,668,210</u>

**10. PENSION PLANS (Continued)**

**Public Employees' Retirement System: (Continued)**

**Special Funding Situation**

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. Below is the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employers:

	<u>2024</u>	<u>2023</u>
Employer Net Pension Liability	\$ 21,782,177.00	\$ 22,241,942.00
Nonemployer Proportional Share of the Net Pension Liability	<u>183,353.00</u>	<u>187,517.00</u>
	<u><u>\$ 21,965,530.00</u></u>	<u><u>\$ 22,429,459.00</u></u>

**Police and Firemen's Retirement System:**

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

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

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

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

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

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

**10. PENSION PLANS (Continued)**

**Police and Firemen’s Retirement System: (Continued)**

The following presents the Township’s proportionate share of the Collective PFRS net pension liability calculated using the discount rate of 7.00% and 7.00% as of June 30, 2024 and 2023, respectively, as well as what the PFRS net pension liability would be if it were calculated using a discount rate of one percentage point lower or one percentage point higher than the assumed rate.

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

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2024	<u>\$ 46,523,800</u>	<u>\$ 32,561,963</u>	<u>\$ 20,934,812</u>
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2023	<u>\$ 45,838,846</u>	<u>\$ 32,898,893</u>	<u>\$ 22,123,003</u>

**Special Funding Situation**

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

	<u>2024</u>	<u>2023</u>
Employer Net Pension Liability	\$27,199,617.00	\$27,780,088.00
Nonemployer Proportional Share of the Net Pension Liability	<u>5,362,346.00</u>	<u>5,118,805.00</u>
	<u>\$32,561,963.00</u>	<u>\$32,898,893.00</u>

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

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

**10. PENSION PLANS (Continued)**

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amount by employer. The allocation percentages for each group as of June 30, 2024 and 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2024 and 2023, respectively.

Following is the total of the Township's portion of the PERS and PFRS net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and the pension expense and expenditures for the fiscal year ended June 30, 2024:

	<u>PERS</u>	<u>PFRS</u>
Net Pension Liabilities	\$21,782,177	\$27,199,617
Deferred Outflow of Resources	1,511,958	3,632,999
Deferred Inflow of Resources	2,105,315	2,403,444
Pension Expense	(1,518,953)	(1,782,064)
Contributions Made After Measurement Date	2,181,289	3,643,366

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the PERS schedule of employer allocations and applied to amounts presented in the PERS schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the years ended June 30, 2024 and 2023. The Township's proportionate share of the collective net pension liability as of June 30, 2024 and 2023 was .1603% and .1536% for PERS and .2634% and .2514% for PFRS, respectively.

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

At June 30, 2024, the amount determined as the Township's proportionate share of the PERS net pension liability was \$21,782,177. For the year ended June 30, 2024, the Township would have recognized PERS pension expense of \$(1,518,953). At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 436,337	\$ 57,990
Change of Assumptions	27,060	247,831
Net Difference Between Projected and Actual Investment Earnings		1,009,980
Net Change in Proportions	1,048,561	789,514
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>2,181,289</u>	<u>3,643,366</u>
	<u>\$3,693,247</u>	<u>\$2,105,315</u>

## 10. PENSION PLANS (Continued)

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

At June 30, 2024, the amount determined as the Township's proportionate share of the PFRS net pension liability was \$27,199,617. For the year ended June 30, 2024, the Township would have recognized PFRS pension expense of \$(1,782,064). At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to the PFRS pension are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$1,713,555	\$ 931,163
Change of Assumptions	42,997	798,808
Net Difference Between Projected and Actual Investment Earnings		212,886
Net Change in Proportions	1,876,447	460,587
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>3,643,366</u>	<u>                    </u>
	<u>\$7,276,365</u>	<u>\$2,403,444</u>

### **Long-Term Expected Rate of Return**

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

<u>PERS</u>		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets 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%

**10. PENSION PLANS (Continued)**

**Long-Term Expected Rate of Return (Continued)**

<u>Asset Class</u>	<u>PFRS</u>		<u>Long-Term Expected Real Rate of Return</u>
		<u>Target Allocation</u>	
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%	

**Contributions Required and Made**

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

<u>Year</u>	<u>PERS</u>		<u>PFRS</u>	
	<u>Township</u>	<u>Employees</u>	<u>Township</u>	<u>Employees</u>
2024	\$2,052,349.00	\$909,644.16	\$3,347,055.00	\$945,238.70
2023	2,020,771.00	841,522.90	3,300,419.00	968,602.40
2022	1,846,089.00	798,079.17	2,982,071.00	921,254.50

**11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

In addition to the pension described in Note 10, the Township provides postemployment health care benefits as part of the State Health Benefits Local Government Retired Employees Plan.

**General Information about the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (the Plan) 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 Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

## **11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

### **General Information about the OPEB Plan (Continued)**

The Plan provides medical and prescription drugs to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide 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 providing 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.

Full-time non-union employees of the Township hired on or before December 31, 2009, who retire under the Public Employees' Retirement System that have completed certain eligibility requirements are eligible to continue participation with the SHBP for medical benefits coverage. Those retired employees that opt to continue under the SHBP are responsible for the monthly premiums and will be reimbursed by the Township under a premium reimbursement program. This program will reimburse the retiree 60%, 70% or 80% of the insurance premium contingent upon years of service with the New Jersey PERS and consecutive years of full-time service with the Township. The percentage of insurance reimbursement remains the same during the entire retirement period and does not increase with age. Retiree benefits under this program will cover the employee and any eligible spouse or dependents.

Non-union employees hired on or after January 1, 2010 are not eligible for the Premium Reimbursement Program.

As of December 31, 2024, there were twenty-two (22) retirees in the Premium Reimbursement Program.

The Township of Livingston paid retirees in the Premium Reimbursement Program \$226,704.98 for the year ended December 31, 2024.

In the year 2005, however under the early retirement incentive program, the Township offered certain employees postemployment health benefits, the cost of which would be paid directly by the Township to the SHBP. Four (4) employees accepted the early retirement program and the Township is responsible for their health benefits coverage. As of December 31, 2024, there were two (2) retirees in the program.

**11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**Total OPEB Liability**

At June 30, 2024, the Township had a liability of \$376,910 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Township’s proportion of the net OPEB liability was based on a projection of the Township’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers in the plan. At June 30, 2024, the Township’s proportion was .002105% which was a decrease of .000087% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the Township would have recognized OPEB expense of \$(33,985). At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 19,088	\$ 63,861
Changes of Assumptions	63,012	62,565
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments		171
Changes in Proportion	<u>51,332</u>	<u>95,219</u>
 Total	 <u><u>\$133,432</u></u>	 <u><u>\$221,816</u></u>

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2025	\$(23,659.69)
2026	(10,186.16)
2027	(1,750.44)
2028	(9,332.20)
2029	(5,945.52)
Thereafter	6,377.30

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 7.89, 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2024, 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Actual Assumptions and Other Inputs**

The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

## 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

### Actual Assumptions and Other Inputs (Continued)

#### Salary Increases\*:

Public Employees' Retirement System  
(PERS):

Rate for All Future Years

2.75% to 6.55%  
Based on Years of Service.

Police and Firemen's Retirement System

(PFRS):

Rate for All Future Years

3.25% to 16.25%  
Based on Years of Service.

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

### **Pre-Retirement Healthy Mortality**

Pre-retirement mortality rates for PERS were based on the Pub-2010 General Classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Preretirement mortality rates for PFRS were based on the Pub-2010 Safety Classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

### **Post-Retirement Healthy Mortality**

Post-retirement mortality rates for Chapter 330 retirees were based on the Pub-2010 Safety Classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates for other retirees is based on the Pub-2010 General Classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

### **Disabled Retiree Mortality**

Disabled retiree mortality rates for PERS future disabled retirees were based on the Pub-2010 General Classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for PFRS future disabled retirees were based on the Pub-2010 Safety Classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled retiree mortality rates for Chapter 330 current retirees were based on the Pub-2010 Safety Classification headcount-weighted disability mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for other current retirees were based on the Pub-2010 General Classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

### **Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 7.5% and decreases to a 4.50% loan-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**Discount Rate**

The discount rate for June 30, 2024 and 2023 was 3.93% and 3.65%, respectively. 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.

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

The following presents the Township's proportionate share of the net OPEB liability as of June 30, as well as what the Township's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2024		
	1%	At Current	1%
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>2.93%</u>	<u>3.93%</u>	<u>4.93%</u>
Township's Proportionate Share of Net OPEB Liability	\$439,059	\$ 376,910	\$ 327,133
	June 30, 2023		
	1%	At Current	1%
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>2.65%</u>	<u>3.65%</u>	<u>4.65%</u>
Township's Proportionate Share of Net OPEB Liability	\$381,021	\$ 328,943	\$ 287,055

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

The following presents the Township's proportionate share of the net OPEB liability as of June 30, as well as what the Township's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2024		
	1%	Healthcare Cost	1%
	<u>Decrease</u>	<u>Trend Rate</u>	<u>Increase</u>
Township's Proportionate Share of Net OPEB Liability	\$318,789	\$376,910	\$451,637
	June 30, 2023		
	1%	Healthcare Cost	1%
	<u>Decrease</u>	<u>Trend Rate</u>	<u>Increase</u>
Township's Proportionate Share of Net OPEB Liability	\$279,563	\$328,943	\$392,165

**Special Funding Situation**

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

## **11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

### **Special Funding Situation (Continued)**

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.

The Township as of June 30, 2024 had 111 members under the Special Funding Situation. The State proportionate share of the net OPEB liability attributed to the Township is \$26,335,882.

## **12. DEFINED CONTRIBUTION RETIREMENT PROGRAM**

### **Description of System**

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

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

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

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

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

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

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

**12. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)**

**Contributions Required and Made**

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

<u>Year</u>	<u>Township</u>	<u>Employees</u>
2024	\$16,615.07	\$22,748.53
2023	14,004.61	19,018.59
2022	11,162.38	15,158.77

**13. MUNICIPAL DEBT**

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

13. MUNICIPAL DEBT (Continued)

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 94,456,000.00	\$ 81,438,000.00	\$ 88,594,000.00
Loans Payable	33,335.28	44,012.05	71,145.20
Water Utility:			
Bonds and Notes	34,211,000.00	28,391,000.00	35,398,000.00
Loans Payable	32,100,000.00		
Sewer Utility:			
Bonds and Notes	23,744,000.00	20,004,400.00	24,644,000.00
Swimming Pool Utility:			
Notes	670,900.00	675,600.00	680,000.00
	<u>185,215,235.28</u>	<u>130,553,012.05</u>	<u>149,387,145.20</u>
 <u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	25,253,648.37	12,959,010.37	4,704,468.37
Water Utility:			
Bonds and Notes	2,933,700.00	39,673,700.00	31,018,700.00
Sewer Utility:			
Bonds and Notes	4,000,357.00	4,850,357.00	1,652,242.00
Swimming Pool Utility:			
Bonds and Notes	23,750.00	23,750.00	23,750.00
	<u>32,211,455.37</u>	<u>57,506,817.37</u>	<u>37,399,160.37</u>
 Total Debt	 <u>217,426,690.65</u>	 <u>188,059,829.42</u>	 <u>186,786,305.57</u>
 Less: Cash on Hand:			
General	105,858.00	42.34	1,466,042.34
Water Utility			5,772,000.00
Sewer Utility			5,016,485.00
Reserve for Debt Service	279,999.32	314,956.98	348,747.12
Other Accounts Receivable		1,333.66	2,543.60
	<u>385,857.32</u>	<u>316,332.98</u>	<u>12,605,818.06</u>
 Net Bonds and Notes Issued and Authorized but Not Issued	 <u>\$ 217,040,833.33</u>	 <u>\$ 187,743,496.44</u>	 <u>\$ 174,180,487.51</u>

**13. MUNICIPAL DEBT (Continued)**

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.136%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 48,870,000.00	\$ 48,870,000.00	\$
Water Utility	69,244,700.00	69,244,700.00	
Sewer Utility	27,744,357.00	27,744,357.00	
Swimming Pool Utility	694,650.00	694,650.00	
General	<u>119,742,983.65</u>	<u>385,857.32</u>	<u>119,357,126.33</u>
	<u>\$266,296,690.65</u>	<u>\$146,939,564.32</u>	<u>\$119,357,126.33</u>

Net debt, \$119,357,126.33, divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$10,509,833,114.00 equals 1.136%.

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

3 1/2% of Equalized Valuation Basis	\$ 367,844,158.99
Net Debt	<u>119,357,126.33</u>
Remaining Borrowing Power	<u>\$ 248,487,032.66</u>

**School Debt Deductions**

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

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

Fund Balance, Cash Receipts from Fees, Rents or Other Charges for Year		\$8,598,132.16
Deductions:		
Operating and Maintenance Costs	\$6,027,605.13	
Debt Service per Water Utility Operating Fund	<u>2,190,439.87</u>	
		<u>8,218,045.00</u>
Excess in Revenue		<u>\$ 380,087.16</u>

There being an excess in revenue, all Water Utility Debt is deductible for Debt Statement purposes.

**13. MUNICIPAL DEBT (Continued)**

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

Fund Balance, Cash Receipts from Fees, Rents or Other Charges for Year		\$6,525,624.75
Deductions:		
Operating and Maintenance Costs	\$4,798,980.53	
Debt Service per Sewer Utility Operating Fund	<u>1,393,518.14</u>	
		<u>6,192,498.67</u>
Excess in Revenue		<u>\$ 333,126.08</u>

There being an excess in revenue, all Sewer Utility Debt is deductible for Debt Statement purposes.

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

Fund Balance, Cash Receipts from Fees, Rents or Other Charges for Year		\$735,562.58
Deductions:		
Operating and Maintenance Costs	\$652,072.95	
Debt Service per Swimming Pool Utility Operating Fund	<u>38,448.70</u>	
		<u>690,521.65</u>
Excess in Revenue		<u>\$ 45,040.93</u>

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

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

As of December 31, 2024, the Township's long-term debt is as follows:

**General Obligation Bonds**

\$6,500,000, 2013 Bonds due in annual installments of \$500,000 through January 2028, interest at 2.25% to 2.75%	\$ 2,000,000.00
\$3,838,000, 2014 Bonds due in annual installments of \$285,000 to \$298,000 through January 2029, interest at 3.00% to 3.50%	1,438,000.00
\$11,845,000, 2015 Bonds due in annual installments of \$840,000 to \$850,000 through January 2030, interest at 2.125% to 3.00%	5,090,000.00
\$2,210,000, 2016 Bonds due in annual installments of \$160,000 to \$170,000 through January 2031, interest at 2.00% to 3.00%	1,170,000.00
\$3,910,000, 2017 Refunding Bonds due in annual installments of \$255,000 to \$350,000 through August 2031, interest at 2.125% to 5.00%	2,120,000.00
\$9,251,000, 2018 Bonds due in annual installments of \$425,000 to \$850,000 through July 2034, interest at 2.50% to 5.00%	6,701,000.00

**13. MUNICIPAL DEBT (Continued)**

**General Obligation Bonds (Continued)**

\$21,525,000, 2020 Bonds due in annual installments of \$1,330,000 to \$1,950,000 through November 2034, interest at 2.00% to 4.00%	\$16,925,000.00
\$27,825,000, 2021 Refunding Bonds due in annual installments of \$625,000 to \$1,480,000 through January 2042, interest at 4.00% to 5.00%	25,125,000.00
\$13,675,000, 2024 Bonds due in annual installments of \$585,000 to \$1,165,000 through December 2039, interest at 4.00% to 5.00%	<u>13,675,000.00</u>
	<u><u>\$74,244,000.00</u></u>

**Water Utility Bonds**

\$2,040,000, 2013 Bonds due in annual installments of \$120,000 through January 2033, interest at 2.25% to 3.00%	\$ 1,080,000.00
\$6,050,000, 2016 Bonds due in annual installments of \$325,000 to \$355,000 through January 2036, interest at 2.00% to 3.00%	4,050,000.00
\$3,506,000, 2018 Bonds due in annual installments of \$150,000 to \$250,000 through July 2038, interest at 2.50% to 5.00%	2,731,000.00
\$14,230,000, 2020 Bonds due in annual installments of \$505,000 to \$870,000 through November 2040, interest at 2.00% to 4.00%	12,220,000.00
\$1,970,000, 2021 Refunding Bonds due in annual installments of \$215,000 to \$230,000 through January 2031, interest at 4.00% to 5.00%	1,550,000.00
\$5,190,000, 2024 Bonds due in annual installments of \$160,000 to \$320,000 through December 2044, interest at 4.00% to 5.00%	<u>5,190,000.00</u>
	<u><u>\$26,821,000.00</u></u>

**Sewer Utility Bonds**

\$490,000, 2013 Bonds due in annual installments of \$40,000 through January 2028, interest at 2.25% to 2.75%	\$ 160,000.00
\$1,550,000, 2016 Bonds due in annual installments of \$75,000 to \$100,000 through January 2036, interest at 2.00% to 3.00%	1,075,000.00
\$4,059,000, 2018 Bonds due in annual installments of \$140,000 to \$280,000 through July 2038, interest at 2.50% to 5.00%	3,219,000.00
\$7,995,000, 2020 Bonds due in annual installments of \$315,000 to \$495,000 through November 2040, interest at 2.25% to 4.00%	6,895,000.00
\$895,000, 2021 Refunding Bonds due in annual installments of \$115,000 to \$135,000 through January 2029, interest at 4.00% to 5.00%	640,000.00
\$6,905,000, 2024 Bonds due in annual installments of \$190,000 to \$375,000 through December 2044, interest at 4.00% to 5.00%	<u>6,905,000.00</u>
	<u><u>\$18,894,000.00</u></u>

13. **MUNICIPAL DEBT (Continued)**

A schedule of annual debt service for principal and interest for bonded debt is as follows:

Calendar Year	Total	General		Water Utility		Sewer Utility	
		Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 12,226,926.97	\$ 5,735,000.00	\$ 2,669,349.87	\$ 1,475,000.00	\$ 825,559.32	\$ 890,000.00	\$ 632,017.78
2026	12,226,210.64	5,875,000.00	2,461,231.88	1,560,000.00	774,143.76	955,000.00	600,835.00
2027	12,148,121.27	5,990,000.00	2,237,147.50	1,610,000.00	717,805.64	1,030,000.00	563,168.13
2028	12,101,328.78	6,200,000.00	2,002,310.00	1,655,000.00	658,136.27	1,065,000.00	520,882.51
2029	11,624,507.52	5,979,000.00	1,771,563.75	1,711,000.00	595,945.64	1,089,000.00	477,998.13
2030	11,468,343.76	6,040,000.00	1,557,100.00	1,770,000.00	536,981.26	1,125,000.00	439,262.50
2031	10,869,318.76	5,650,000.00	1,345,850.00	1,830,000.00	474,756.26	1,170,000.00	398,712.50
2032	10,191,568.76	5,300,000.00	1,139,000.00	1,785,000.00	415,956.26	1,195,000.00	356,612.50
2033	10,044,818.76	5,350,000.00	974,400.00	1,795,000.00	368,706.26	1,235,000.00	321,712.50
2034	9,821,518.76	5,430,000.00	807,900.00	1,725,000.00	322,906.26	1,250,000.00	285,712.50
2035	6,794,868.76	2,645,000.00	638,200.00	1,735,000.00	277,256.26	1,250,000.00	249,412.50
2036	6,601,056.26	2,645,000.00	532,400.00	1,745,000.00	230,893.76	1,235,000.00	212,762.50
2037	5,973,968.76	2,645,000.00	426,600.00	1,400,000.00	189,456.26	1,135,000.00	177,912.50
2038	5,802,643.76	2,645,000.00	320,800.00	1,405,000.00	152,631.26	1,135,000.00	144,212.50
2039	5,079,437.50	2,645,000.00	215,000.00	1,165,000.00	114,525.00	830,000.00	109,912.50
2040	3,736,937.50	1,480,000.00	109,200.00	1,175,000.00	83,062.50	805,000.00	84,675.00
2041	2,223,500.00	1,365,000.00	52,300.00	320,000.00	51,200.00	375,000.00	60,000.00
2042	1,415,900.00	625,000.00	12,500.00	320,000.00	38,400.00	375,000.00	45,000.00
2043	750,600.00			320,000.00	25,600.00	375,000.00	30,000.00
2044	722,800.00			320,000.00	12,800.00	375,000.00	15,000.00
	<u>\$ 151,824,376.52</u>	<u>\$ 74,244,000.00</u>	<u>\$ 19,272,853.00</u>	<u>\$ 26,821,000.00</u>	<u>\$ 6,866,721.97</u>	<u>\$ 18,894,000.00</u>	<u>\$ 5,725,801.55</u>

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

**13. MUNICIPAL DEBT (Continued)**

**Lake and Stream Restoration Loan Payable**

A loan agreement was entered into by the Township of Livingston with the New Jersey Department of Environmental Protection for the purpose of improvements to Littell's Pond at an interest rate of 2.0%.

The following is a Schedule of Annual Principal and Interest Payments for the Lake and Stream Restoration Loan Payable as of December 31, 2024:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2025	\$11,503.89	\$10,891.37	\$ 612.52
2026	11,503.89	11,110.30	393.59
2027	<u>11,503.90</u>	<u>11,333.61</u>	<u>170.29</u>
	<u>\$34,511.68</u>	<u>\$33,335.28</u>	<u>\$1,176.40</u>

**New Jersey Infrastructure Bank Loan Payable**

Loan agreements were entered into by the Township of Livingston with the New Jersey Infrastructure Bank for the purpose of the Well Remediation Project. Loans outstanding at December 31, 2024 are detailed as follows:

\*Loan Amounts \$32,100,000.00

\*Interim loan Disbursements have been made to the Township. No payments are made until the loan is fully disbursed. The final loan repayment schedule was not received.

**Bond Anticipation Notes**

Outstanding Bond Anticipation Notes are summarized as follows:

<u>Notes</u>	<u>Interest Rate</u>	<u>Amount</u>
General Capital	4.00%	<u>\$20,212,000.00</u>
Water Capital	4.00%	<u>\$ 7,390,000.00</u>
Sewer Capital	4.00%	<u>\$ 4,850,000.00</u>
Swimming Pool Capital	4.00%	<u>\$ 670,900.00</u>

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

<u>Original Note Issued</u>	<u>Legal Installments Due</u>	<u>Permanent Funding Required as of May 1</u>
2019	2022 - 2029	2030
2020	2023 - 2030	2031
2021	2024 - 2031	2032
2022	2025 - 2032	2033
2024	2027 - 2034	2035

**13. MUNICIPAL DEBT (Continued)**

**Bonds and Notes Authorized but Not Issued**

There were Bonds and Notes Authorized but Not Issued in the following amounts:

	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
General Capital Fund:		
General Improvements	\$25,253,648.37	\$12,959,010.37
Water Capital Fund:		
General Improvements	2,933,700.00	39,673,700.00
Sewer Capital Fund:		
General Improvements	4,000,357.00	4,850,357.00
Swimming Pool Capital Fund:		
General Improvements	23,750.00	23,750.00

**14. LEASES**

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

The Township has commitments to lease vehicles under operating leases. Future minimum lease payments are as follows:

<u>Year</u>	<u>Operating</u> <u>Leases</u>
2025	\$ 544,659.24
2026	544,659.24
2027	534,638.68
2028	287,380.38
2029	<u>90,094.06</u>
Total Future Minimum Lease Payments	<u><u>\$2,001,431.60</u></u>

The Township is also the lessor to several lease agreements involving cell towers and office space. The Township also has interlocal agreements for health services, human services and shared fiber optic network under operating leases. Future minimum lease receivables are as follows:

<u>Year</u>	<u>Operating</u> <u>Leases</u>
2025	\$ 755,425.64
2026	616,394.36
2027	477,002.95
2028	319,724.50
2029	289,589.52
Later	<u>293,192.45</u>
Total Future Minimum Lease Receivables	<u><u>\$2,751,329.42</u></u>

**15. SUBSCRIPTION LEASES**

In June 2022, GASB No. 96, Subscription-Based Information Technology Arrangements was implemented providing municipalities guidance on the accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) for government end users. Under this new guidance, the Township must disclose and report any SBITAs in excess of one year. The Township of Livingston has reviewed all their SBITAs and determined that they are all considered short-term except for four multi-year agreements.

<u>Year</u>	<u>Amount</u>
2025	\$ 28,677.05
2026	24,510.35
2027	<u>12,346.41</u>
Total Future Minimum Lease Payments	<u><u>\$ 65,533.81</u></u>

**16. CAPITAL ASSETS**

Capital asset activity for the years ended December 31, 2024 and 2023 was as follows:

<u>Governmental Activities</u>	<u>Balance Dec. 31, 2023</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance Dec. 31, 2024</u>
Land	\$ 100,488,000.00	\$	\$	\$ 100,488,000.00
Buildings and Improvements	61,052,900.00			61,052,900.00
Vehicles and Other Equipment	<u>17,250,026.70</u>	<u>893,429.09</u>	<u>                    </u>	<u>18,143,455.79</u>
	<u>\$ 178,790,926.70</u>	<u>\$ 893,429.09</u>	<u>\$ -</u>	<u>\$ 179,684,355.79</u>

<u>Governmental Activities</u>	<u>Balance Dec. 31, 2022</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance Dec. 31, 2023</u>
Land	\$ 100,488,000.00	\$	\$	\$ 100,488,000.00
Buildings and Improvements	61,052,900.00			61,052,900.00
Vehicles and Other Equipment	<u>16,686,911.13</u>	<u>563,115.57</u>	<u>                    </u>	<u>17,250,026.70</u>
	<u>\$ 178,227,811.13</u>	<u>\$ 563,115.57</u>	<u>\$ -</u>	<u>\$ 178,790,926.70</u>

**17. INTERFUNDS RECEIVABLE AND PAYABLE**

As of December 31, 2024, interfunds receivable and payable that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 17,427.52	\$ 833,736.76
Federal and State Grant Fund	326,329.57	502,969.52
Animal Control Trust Fund		7,829.55
General Trust Fund	55,679.66	
Municipal Open Space Trust Fund	7,888.98	
General Capital Fund	947,790.77	4,810.85
Water Utility Operating Fund		45,133.43
Water Utility Capital Fund	2,133.45	
Sewer Utility Operating Fund	70,333.42	
Sewer Utility Capital Fund	2,677.40	25,199.99
Swimming Pool Operating Fund		10,565.97
Swimming Pool Capital Fund		14.70
	<u>\$1,430,260.77</u>	<u>\$1,430,260.77</u>

**18. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS' BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2024, the following deferred charges are shown on the balance sheets of the Current Fund and the Swimming Pool Operating Fund:

	<u>Balance Dec. 31, 2024</u>	<u>2025 Budget Appropriation</u>	<u>To be Raised in Subsequent Budget</u>
Current Fund:			
Emergency Authorization	\$666,406.55	\$666,406.55	\$
Swimming Pool Operating Fund:			
Special Emergency Appropriation	46,000.00	23,000.00	23,000.00

**19. DEFERRED COMPENSATION PLAN**

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

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

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

**19. DEFERRED COMPENSATION PLAN (Continued)**

The Township of Livingston authorized such modifications to their plan by resolution of the Township Council adopted August 10, 1998.

The Administrator for the Township of Livingston’s Deferred Compensation Plan is the Great-West Life Assurance Company and the ICMA Retirement Corporation.

The Plan was subject to a review only as defined by the New Jersey Division of Local Government Services and the American Institute of Certified Public Accountants. A review consists principally of inquiries of Township officials and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards. The audit of the program lies within the scope of the audit of the independent accountants of the Great-West Life Assurance Company and the ICMA Retirement Corporation.

**20. DEFERRED SCHOOL TAX**

The Local School District Tax was raised on the school year basis and liability deferred by statute, resulting in school tax payable set forth in liabilities computed as follows:

	<u>Balance Dec. 31, 2024</u>	<u>Balance Dec. 31, 2023</u>	<u>Increase</u>
*Balance of Tax	\$64,763,150.00	\$60,959,595.52	\$3,803,554.48
Amount Deferred	<u>64,763,141.00</u>	<u>60,959,595.52</u>	<u>3,803,545.48</u>
Total Payable (Cash Liability)	<u>\$ 9.00</u>	<u>\$ -</u>	<u>\$ 9.00</u>

\*Required for school operations for the six month period following December 31<sup>st</sup>.

**21. RISK MANAGEMENT**

The Township of Livingston is a member of the Garden State Municipal Joint Insurance Fund which provides coverage for general liability, property insurance, automobile coverage and workers’ compensation.

**22. CONTINGENT LIABILITIES**

**a. Compensated Absences**

The Township of Livingston has a Terminal Leave Policy whereby eligible employees hired on or prior to December 31, 2009, except police officers, upon retirement, will receive one-half of accumulated sick time not to exceed fifty-five days.

Employees, except police officers, hired on or after January 1, 2010 are not eligible for Terminal Leave on retirement.

For police officers, the Township has a collective bargaining agreement whereby eligible employees, upon retirement, separation due to disability, or death, will receive seventy percent of accumulated sick time with a limit of one hundred five days. Superior officers will receive seventy-five percent of accumulated sick time with a limit of 1,550 hours.

For police officers and superior officers, the Township has a collective bargaining agreement whereby the employee at the time of retirement, any separation, or death shall be paid for any remaining time in an employee’s FLSA Comp. Time Bank and Time Due Bank.

## **22. CONTINGENT LIABILITIES (Continued)**

### **a. Compensated Absences (Continued)**

It is estimated that the sum of \$8,442,493.14 computed internally at the 2024 salary rates would be payable to officials and employees of the Township of Livingston as of December 31, 2024 for accumulated sick and vacation days, and compensatory time. This amount was not verified by audit.

Benefits paid in any future years will be charged to that year's budget.

Provisions for the above are not reflected on the Financial Statements of the Township, however, the Township has established a reserve of \$244,166.61 as of December 31, 2024.

### **b. Tax Appeals**

As of September 16, 2025, there were 184 appeals pending before the New Jersey Tax Court with assessed valuations of \$684,630,358.00. Potential liability was undeterminable.

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

### **c. Federal and State Awards**

The Township participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore to the extent that the Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2024 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

### **d. Arbitrage Rebate Calculation**

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

### **e. Payments in Lieu of Taxes (PILOT)**

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

### **f. Litigation**

There is no significant litigation or any contingent liabilities, unasserted claims or assessments or statutory violations which would affect the financial position or results of operations of the Township.

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

**23. SECONDARY MARKET DISCLOSURE**

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

**24. SUBSEQUENT EVENTS**

The Township of Livingston has evaluated subsequent events that occurred after the balance sheet date, but before October 24, 2025. No items were determined to require disclosure.

**APPENDIX B**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

## **CONTINUING DISCLOSURE UNDERTAKING**

This Continuing Disclosure Undertaking (the “Undertaking”) dated as of December 1, 2025 by the Township of Livingston, in the County of Essex, New Jersey, a public body corporate and politic of the State of New Jersey (the “Issuer”) is executed and delivered in connection with the issuance of the Issuer’s \$48,135,000 aggregate principal amount of Bond Anticipation Notes, Series 2025, consisting of \$25,475,000 General Improvement Notes, Series 2025, \$2,000,000 Open Space Notes, Series 2025, \$11,140,000 Water Utility Notes, Series 2025, \$8,850,000 Sewer Utility Notes, Series 2025, and \$670,000 Swimming Pool Utility Notes, Series 2025 (collectively, the “Notes”). Capitalized terms used in this Undertaking shall have the respective meanings specified above or in Article IV hereof.

### **ARTICLE I**

#### **THE UNDERTAKING**

Section 1.1. Purpose. This Undertaking shall constitute a written undertaking for the benefit of the holders of the Notes, and is being executed and delivered solely to assist the successful bidder in complying with subsection (b)(5) of the Rule.

Section 1.2. Disclosure Event Notices. If a Disclosure Event occurs, the Issuer shall provide, in a timely manner not in excess of ten business days following the occurrence of any Disclosure Event, a Disclosure Event Notice to the MSRB.

Section 1.3. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that under some circumstances compliance with this Undertaking, without additional disclosures or other action, may not fully discharge all duties and obligations of the Issuer under such laws.

Section 1.4. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Disclosure Event Notice, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Disclosure Event Notice in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Disclosure Event Notice.

### **ARTICLE II**

#### **OPERATING RULES**

Section 2.1. Disclosure Event Notices. Each Disclosure Event Notice shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Notes.

Section 2.2. Transmission of Notices. (a) Unless otherwise required by law and, in the Issuer’s sole determination, subject to technical and economic feasibility, the Issuer shall employ

such methods of notice transmission as shall be requested or recommended by the herein-designated recipients of the Issuer's notices.

### ARTICLE III

#### TERMINATION, AMENDMENT AND ENFORCEMENT

Section 3.1. Termination. (a) The Issuer's obligations under this Undertaking shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Notes.

(b) This Undertaking, or any provision hereof, shall be null and void in the event that the Issuer (1) receives an opinion of Counsel, addressed to the Issuer, to the effect that those portions of the Rule which require this Undertaking, or any of the provisions hereof, do not or no longer apply to the Notes, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion and (2) delivers copies of such opinion to the MSRB.

Section 3.2. Amendment. (a) This Undertaking may be amended, in writing, without the consent of the holders of the Notes (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby, (2) this Undertaking as so amended would have complied with the requirements of the Rule as of the date of this Undertaking, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Issuer shall have received an opinion of Counsel, addressed to the Issuer, to the same effect as set forth in clause (2) above, (4) either (i) the Issuer shall have received an opinion of Counsel or a determination by a person, in each case unaffiliated with the Issuer (such as bond counsel) and acceptable to the Issuer, addressed to the Issuer, to the effect that the amendment does not materially impair the interests of the holders of the Notes or (ii) the holders of the Notes consent to the amendment to this Undertaking and (5) the Issuer shall have delivered copies of such opinion(s) and amendment to the MSRB.

(b) In addition to subsection (a) above, this Undertaking may be amended and any provision of this Undertaking may be waived, in writing, without the consent of the holders of the Notes, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Undertaking which is applicable to this Undertaking, (2) the Issuer shall have received an opinion of Counsel, addressed to the Issuer, to the effect that performance by the Issuer under this Undertaking as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule and (3) the Issuer shall have delivered copies of such opinion and amendment to the MSRB.

Section 3.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Undertaking shall inure solely to the benefit of the holders from time to time of the Notes, except that beneficial owners of Notes shall be third-party beneficiaries of this Undertaking.

(b) Except as provided in this subsection (b), the provisions of this Undertaking shall create no rights in any person or entity. The obligations of the Issuer to comply with the provisions of this Undertaking shall be enforceable (i) in the case of enforcement of obligations to provide notices, by any holder of outstanding Notes, or (ii) in the case of challenges to the adequacy of the notices so provided, by the holders of not less than a majority in aggregate principal amount of the Notes at the time outstanding. The holders' rights to enforce the provisions of this Undertaking shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Issuer's obligations under this Undertaking. In consideration of the third-party beneficiary status of beneficial owners of Notes pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Notes for purposes of this subsection (b).

(c) Any failure by the Issuer to perform in accordance with this Undertaking shall not constitute a default with respect to the Notes.

(d) This Undertaking shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Undertaking shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Undertaking addresses matters of federal securities laws, including the Rule, this Undertaking shall be construed in accordance with such federal securities laws and official interpretations thereof.

## **ARTICLE IV**

### **DEFINITIONS**

Section 4.1. Definitions. The following terms used in this Undertaking shall have the following respective meanings:

(1) "Counsel" means Gibbons P.C. or other nationally recognized bond counsel or counsel expert in federal securities laws.

(2) "Disclosure Event" means any of the following events with respect to the Notes, whether relating to the Issuer or otherwise:

- (i) principal and interest 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 of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;

- (vii) modifications to 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 event of the Issuer;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (xv) incurrence of a “financial obligation” (as defined in the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(3) “MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. MSRB filings to be made at <http://emma.msrb.org/>.

(4) “Disclosure Event Notice” means notice of a Disclosure Event.

(5) “Official Statement” means the “final official statement”, as defined in paragraph (f)(3) of the Rule.

(6) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this undertaking and as may be amended from time to time, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

(7) “SEC” means the United States Securities and Exchange Commission.

(8) "State" means the State of New Jersey.

**IN WITNESS WHEREOF**, the Issuer has caused this Undertaking to be executed by its Chief Financial Officer as of the date first above written.

**TOWNSHIP OF LIVINGSTON, NEW JERSEY**

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

Name: Ann M. Cucci

Title: Chief Financial Officer

**APPENDIX C**

**PROPOSED FORM OF BOND COUNSEL OPINION**

December \_\_, 2025

Mayor and Township Council  
Township of Livingston  
357 South Livingston Avenue  
Livingston, New Jersey 07039

Dear Mayor and Township Council:

We have examined certified copies of the proceedings of the Township Council of the Township of Livingston, in the County of Essex, State of New Jersey (the “Township”), including ordinances, affidavits and certificates delivered by officials of the Township, and other proofs submitted to us relative to the issuance and sale of \$48,135,000 aggregate principal amount of the Township’s Bond Anticipation Notes, Series 2025, consisting of \$25,475,000 General Improvement Notes, Series 2025, \$2,000,000 Open Space Notes, Series 2025, \$11,140,000 Water Utility Notes, Series 2025, \$8,850,000 Sewer Utility Notes, Series 2025, and \$670,000 Swimming Pool Utility Notes, Series 2025 (collectively, the “Notes”). The Notes are issued in registered form, are dated December 4, 2025, bear interest at the rate of \_\_\_\_\_ and \_\_\_\_\_ Hundredths Percent (\_\_\_\_\_%) per annum and are payable at maturity on December 3, 2026.

The Notes are issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the “Local Bond Law”), and the bond ordinances of the Township, in all respects duly adopted by the Mayor and Council of the Township. The Notes are temporary obligations issued in anticipation of the issuance of bonds.

We have examined the Local Bond Law and such other laws and originals (or copies certified or otherwise identified to our satisfaction) of such instruments, certificates and documents as we deem necessary to render the opinions set forth herein. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Notes pursuant to the Local Bond Law, and other applicable provisions of law, and that

the Notes have been duly authorized, executed and delivered and are a valid and legally binding obligation of the Township.

2. The Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

3. Under existing law, interest on the Notes is excluded from the gross income of the owners of the Notes for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code. We express no opinion regarding any other Federal income tax consequences arising with respect to the Notes.

4. Under existing law, interest on the Notes and net gains from the sale of the Notes are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

With respect to our federal income tax opinion, we note that the Code imposes certain requirements that must be met on the date of issuance and on a continuing basis subsequent to the issuance of the Notes in order for interest on the Notes to be excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code. The Township has made certain representations and covenants in its tax certificate, which is executed on the date of issuance of the Notes, as to various tax requirements. In addition, 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 to be taken which would cause the interest on the Notes to lose the exclusion from gross income for Federal income tax purposes under Section 103 of the Code or cause interest on the Notes to be treated as an item of tax preference under Section 57 of the Code. With your permission, we have relied upon the representations made in the tax certificate and have assumed continuing compliance by the Township with the above covenants in rendering our federal tax opinion with respect to the exclusion of interest on the Notes from gross income for Federal income tax purposes and with respect to interest on the Notes not constituting an item of tax preference.

Attention is called to the fact that for purposes of this letter we have not been requested to examine and have not examined any documents or information relating to the Township other than the certified copies of the proceedings and proofs referred to hereinabove, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of said Notes.

Our opinion concerning the enforceability of the Notes is subject to federal and state laws regarding bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and remedies generally (including, without limitation, laws relating to fraudulent conveyance, and by general principles of law and equity (regardless of whether enforcement is considered or sought in proceedings at law or in equity) and by limitation on remedial rights under

applicable law). Their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The opinions expressed herein are based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions, or laws or judicial decisions hereafter enacted or rendered. Our engagement by the Township with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of laws or judicial decisions hereafter enacted or rendered which impact on this opinion letter.

This opinion letter is rendered to you in connection with the above described transaction. This opinion letter may not be relied upon by you for any other purpose, or relied upon by, or furnished to, any other person, firm or corporation without our prior written consent. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

Very truly yours,

Gibbons P.C.