

**PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 24, 2026**

**NEW ISSUE**  
**BOOK-ENTRY ONLY**

**Rating: S&P: “AA-”**  
**(See “RATING” herein)**

*In the opinion of Dilworth Paxson LLP, Freehold, New Jersey (“Bond Counsel”), assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”) applicable to the Bonds (as defined herein) and subject to certain provisions of the Code which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Bonds, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. In the further opinion of Bond Counsel, interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed by the Code; however, interest on the Bonds is included in “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Under the laws of the State of New Jersey, as enacted and construed on the date of the original delivery of the Bonds, interest on the Bonds and gain from the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See “TAX MATTERS” herein.*

**\$13,195,000\***  
**TOWNSHIP OF BERKELEY**  
**IN THE COUNTY OF OCEAN, NEW JERSEY**  
**GENERAL OBLIGATION BONDS, SERIES 2026**  
**(Book-Entry-Only) (Non-Callable)**

**Dated: Date of Delivery**

**Due: March 15, as shown on the inside front cover**

The \$13,195,000\* General Obligation Bonds, Series 2026 (the “Bonds”) are general obligations of the Township of Berkeley, in the County of Ocean, New Jersey (the “Township”) for which the full faith and credit of the Township are pledged. The Township is authorized and required by law to levy ad valorem taxes on all taxable property within the Township without limitation as to rate or amount for the payment of the principal thereof and interest thereon.

The Bonds will be issued in fully registered book-entry-only form and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York (“DTC”). DTC, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry-only form in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof.

The Bonds shall bear interest from the date of delivery thereof, payable semi-annually on March 15 and September 15 of each year, commencing March 15, 2027, at such rates of interest, as shown on the inside front cover page hereof until maturity. The Bonds will be payable as to principal upon presentation and surrender thereof at the offices of the Township or a duly designated paying agent. Interest on the Bonds will be paid by check, draft or wire transfer mailed, delivered or transmitted by the Township to the registered owner thereof as of the Record Dates (as defined herein). The Bonds are not subject to redemption prior to maturity as provided herein.

Proceeds of the Bonds will be used to: (i) refund, on a current basis, the Township’s \$10,682,000 bond anticipation notes, dated March 19, 2025 and maturing March 18, 2026 (the “Prior Notes”); (ii) permanently finance \$2,513,000 for the acquisition of various equipment for the Township; and (iii) pay the costs of issuing the Bonds.

**THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.**

The Bonds are offered when, as and if received by the Underwriter (as defined herein) and subject to prior sale, withdrawal or modification of the offer without notice, and to approval of legality by Dilworth Paxson LLP, Freehold, New Jersey, Bond Counsel, and certain other conditions described herein. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, serves as Municipal Advisor to the Township in connection with the issuance of the Bonds. It is expected that the Bonds, in definitive form, will be available for delivery on or about March 17, 2026.

**BIDS FOR THE BONDS, IN ACCORDANCE WITH THE NOTICE OF SALE, WILL BE RECEIVED ON MARCH 3, 2026.**

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\* Preliminary, subject to change.

**TOWNSHIP OF BERKELEY  
IN THE COUNTY OF OCEAN, NEW JERSEY**

**\$13,195,000\* GENERAL OBLIGATION BONDS, SERIES 2026  
(Book-Entry-Only) (Non-Callable)**

**MATURITIES, PRINCIPAL AMOUNTS\*, INTEREST RATES, YIELDS AND CUSIPS\*\***

<u>Maturity (March 15)</u>	<u>Principal Amounts*</u>	<u>Interest Rates</u>	<u>Yields</u>	<u>CUSIP**</u>
2027	\$775,000	%	%	
2028	775,000			
2029	1,000,000			
2030	1,500,000			
2031	1,500,000			
2032	1,500,000			
2033	1,500,000			
2034	1,545,000			
2035	1,550,000			
2036	1,550,000			

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\* Preliminary, subject to change.

\*\* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Township does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**TOWNSHIP OF BERKELEY  
IN THE COUNTY OF OCEAN, NEW JERSEY  
627 PINEWALD-KESWICK ROAD  
BAYVILLE, NEW JERSEY 08721-0287  
(732) 244-7400**

**MAYOR**

John A. Bacchione

**TOWNSHIP COUNCIL**

Michael Signorile, President  
James J. Byrnes, Vice President  
Douglas Bowens  
Angelo Guadagno  
Sophia Gingrich  
L. Thomas Grosse, Jr.  
Keith A. Buscio

**CHIEF FINANCIAL OFFICER**

Paul Bodine

**TOWNSHIP CLERK**

Karen Stallings

**TOWNSHIP ATTORNEY**

Dasti & Staiger  
Forked River, New Jersey

**INDEPENDENT AUDITORS**

Holman Frenia Allison, P.C.  
Lakewood, New Jersey

**BOND COUNSEL**

Dilworth Paxson LLP  
Freehold, New Jersey

**MUNICIPAL ADVISOR**

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

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

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

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

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APPENDIX B: FINANCIAL INFORMATION REGARDING THE TOWNSHIP

APPENDIX C: FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX D: FORM OF BOND COUNSEL’S OPINION

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**OFFICIAL STATEMENT  
OF  
TOWNSHIP OF BERKELEY  
IN THE COUNTY OF OCEAN, NEW JERSEY  
\$13,195,000\* GENERAL OBLIGATION BONDS, SERIES 2026  
(Book-Entry-Only) (Non-Callable)**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Berkeley (the “Township”), in the County of Ocean (the “County”), New Jersey (the “State”) in connection with the sale and issuance of \$13,195,000\* General Obligation Bonds, Series 2026 (the “Bonds”) by the Township.

**THE BONDS**

**General Description**

The Bonds will be dated the date of delivery and will mature on March 15 in each of the years and in the principal amounts as shown on the inside front cover page hereof. The interest on the Bonds will be payable semi-annually on each March 15 and September 15, beginning March 15, 2027. The record dates for the Bonds are each preceding March 1 and September 1, respectively (the “Record Dates”). The Bonds will be issued in book-entry form only.

The Bonds are general obligations of the Township and are secured by a pledge of the full faith and credit of the Township for the payment of the principal thereof and interest thereon. The Township is obligated to levy ad valorem taxes upon all of the taxable property within the Township for the payment of principal of and interest on the Bonds without limitation as to rate or amount.

**Denominations and Place of Payment**

The Bonds are issuable only as fully-registered bonds without coupons, and when issued will be in the form of one certificate per maturity and will be registered in the name of Cede & Co., as registered owner and nominee for DTC. DTC will act as Securities Depository for the Bonds. Purchases of the Bonds will be made in book entry form, in the denomination of \$5,000 or any integral multiple of \$1,000 in excess thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as Cede & Co. is the registered owner, as nominee of DTC, references herein to the registered owners shall mean Cede & Co. (hereinafter defined) and shall not mean the Beneficial Owners of the Bonds. See “Book-Entry-Only System” herein.

**Book-Entry-Only System**

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, and other payments on the Bonds to DTC Participants or Beneficial Owners defined below, confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations concerning these matters.

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\* Preliminary, subject to change.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such 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, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each of the Bonds ("Beneficial Owner") is in turn to be recorded on the Direct Participants' 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 Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry system for the Bonds is discontinued.

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

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

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

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

Redemption proceeds, distributions, and dividend payments on the Bonds, if any, will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and 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 in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, if any, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments 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 will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds 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 depository is not obtained, Bond certificates are required to be printed and delivered. The Township may decide to discontinue use of the system of book entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

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

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

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

### **Optional Redemption**

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

### **AUTHORIZATION AND USE OF PROCEEDS**

The Bonds are authorized by, and being issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), and are authorized by various bond ordinances duly adopted by the Township Council on the dates set forth in the chart below and published

and approved as required by law, and by a resolution duly adopted by the Township Council on February 17, 2026.

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

Proceeds of the Bonds will be used to: (i) refund, on a current basis, the Township’s \$10,682,000 bond anticipation notes, dated March 19, 2025 and maturing March 18, 2026 (the “Prior Notes”); (ii) permanently finance \$2,513,000 for the acquisition of various equipment for the Township; and (iii) pay the costs of issuing the Bonds. The Bonds and the improvements or for which the Bonds are to be issued have been authorized by bond ordinances duly adopted by the Township, which bond ordinances are described in the following table by Ordinance Number, Description and Date of Final Adoption, the Amount of Prior Notes Being Refunded and New Money to be issued for such purposes. The bond ordinances are as follows:

<b><u>Ordinance No.</u></b>	<b><u>Description and Date of Final Adoption</u></b>	<b><u>Amount of Prior Notes Being Refunded</u></b>	<b><u>New Money</u></b>	<b><u>Total Bond Proceeds</u></b>
22-01-OAB	Various Capital Improvements and Acquisition of Various Capital Equipment, finally adopted January 24, 2022.	\$10,682,000	\$0	\$10,682,000
2025-06-OAB	Acquisition of Robo-Cans, finally adopted August 18, 2025.	0	1,438,000	1,438,000
2025-47-OAB	Acquisition of a Fire Apparatus and Equipment, finally adopted November 17, 2025.	<u>0</u>	<u>1,075,000</u>	<u>1,075,000</u>
<b>Total:</b>		<b><u>\$10,682,000</u></b>	<b><u>\$2,513,000</u></b>	<b><u>\$13,195,000</u></b>

### SECURITY FOR THE BONDS

The Bonds are general obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal, redemption premium, if any, and the interest on the Bonds. The Township is required by law to levy ad valorem taxes on all taxable real property in the Township for the payment of the principal, redemption premium, if any, of and the interest on the Bonds, without limitation as to rate or amount.

#### The Township

The Township, primarily a residential community, is located in the central part of the County along the coast. See Appendix “A” for general information regarding the Township.

## **CERTAIN RISK FACTORS**

### **Cyber Security**

The Township relies on a complex technology environment to conduct its various operations. As a result, the Township faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Township has invested in multiple forms of cybersecurity and operational safeguards. In addition, the Township maintains insurance coverage for cyberattacks and related events.

### **Climate**

As a coastal community, the Township is susceptible to the effects of extreme weather events and natural disasters, including coastal storms and flooding, which could result in negative economic impacts. These effects may be amplified by a prolonged global temperature increase over the next several decades (referred to as “climate change”), which scientific studies indicate may be occurring. Scientific studies on climate change predict that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events like Superstorm Sandy (which impacted the Township in 2012) will become more frequent. Coastal areas like the Township are at risk of substantial flood damage over time, potentially affecting private development and public infrastructure. The economic impacts resulting from such extreme weather events could include a loss of ad valorem tax revenue, interruption of municipal services, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the Township.

## **MUNICIPAL FINANCE – FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES**

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

The Local Bond Law governs the issuance of bonds 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, with no annual principal payment greater than 100% of the smallest amount of any prior year’s principal amount. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds issued by the Township are general full faith and credit obligations.

### **Debt Limits**

The authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis over the past three years. The equalized valuation basis of a municipality is set by statute as the average for the last three preceding years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as determined annually by the State Director of Taxation. Certain categories of debt, which include the portion of school debt within a school district’s debt limitation and the self-liquidating portion of a utility’s debt, are permitted by statute to be deducted for purposes of computing the statutory debt limit. As shown in Appendix “A”, the Township has not exceeded its statutory debt limit as of December 31, 2025.

## **Exceptions to Debt Limits - Extensions of Credit**

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

## **Short Term Financing**

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

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

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

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

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

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

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

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

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

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget. When such appropriations exceed 3% of the adopted operating budget, consent of the Director must be obtained.

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

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

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

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the index rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years' tax levy in years when the Index Rate is 2.4% or less.

Additionally, legislation constituting P.L. 2010, c. 44, effective July 13, 2010, imposes a two percent (2%) 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 capital expenditures, including debt service, increases in pension contributions in excess of 2%, certain increases in health care over 2%, and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above 2% not otherwise permitted under the law by an affirmative vote of 50%.

The Division has advised that counties and municipalities must comply with both budget "CAP" and the tax levy limitation. Neither the tax levy limitation nor the "CAP" law, however, limits the obligation of the Township to levy *ad valorem* taxes upon all taxable property within the boundaries of the Township to pay debt service on bonds and notes.

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

### **Tax Appeals**

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

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

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

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

### **School Debt Subject to Voter Approval**

State law permits local school districts, upon approval of the voters in a Type II school district, to authorize school district debt, including debt in excess of its independent debt limitation by using the available borrowing capacity of the constituent municipality. If such debt is in excess of the school district's debt limit and the

remaining borrowing capacity of the constituent municipality, the State Commissioner of Education and the Local Finance Board must approve the proposed debt authorization before it is submitted to the voters for approval.

## **TAX MATTERS**

### **Federal Income Taxes**

The Internal Revenue Code of 1986, as amended (the “Code”) imposes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income of the owners thereof for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Township has covenanted to comply with the provisions of the Code applicable to the Bonds, and has covenanted not to take any action or permit any action that would cause the interest on the Bonds to be included in gross income under Section 103 of the Code or cause interest on the Bonds to be treated as an item of tax preference for purposes of the alternative minimum tax imposed by the Code on individuals. Dilworth Paxson LLP, Freehold, New Jersey (“Bond Counsel”), will not independently verify the accuracy of those certifications and representations.

Assuming the Township observes its covenants with respect to compliance with the Code, Bond Counsel is of the opinion that, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of Bonds, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. Bond Counsel is further of the opinion that interest on the Bonds is not treated as a preference item for purposes of calculating the alternative minimum tax imposed by the Code, however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. See “Certain Federal Tax Considerations” below.

### **State Taxes**

In the opinion of Bond Counsel, under the laws of the State of New Jersey as enacted and construed on the date of original delivery of the Bonds, interest on the Bonds and any gains from the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

### **Original Issue Discount**

The initial public offering price of certain Bonds may be less than the stated redemption price thereof at maturity (each a “Discount Bond”). The difference between the initial public offering price for any such Discount Bond and the stated redemption price at maturity is “original issue discount.” For federal income tax purposes, original issue discount accrues to the original holder of the Discount Bond over the period of its maturity based on the constant yield method compounded annually as interest with the same tax exemption and alternative minimum tax status (if applicable) as regular interest. The accrual of original issue discount increases the holder’s tax basis in the Discount Bond for determining taxable gain or loss on the maturity, redemption, prior sale or other disposition of a Discount Bond. Purchases of the Bonds should consult their tax advisors for an explanation of the accrual rules for original issue discount and any other federal, state or local tax consequences of the purchase of Bonds with original issue discount.

### **Original Issue Premium**

The initial public offering price of certain Bonds may be greater than the stated redemption price thereof at maturity (each a “Premium Bond”). The difference between the initial public offering price for any such Premium Bond and the stated redemption price at maturity is “original issue premium.” For federal income tax purposes original issue premium is amortizable periodically over the term of the Premium Bond through reductions in the

holder's tax basis for the Premium Bond or Note for determining gain or loss from sale or redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the Premium Bond rather than creating a deductible expense or loss. Purchasers of the Bonds should consult their tax advisors for an explanation of the accrual rules for original issue premium and any other federal, state or local tax consequences of the purchase of the Premium Bonds.

### **Certain Federal Tax Considerations**

Ownership of the Bonds may result in collateral federal tax consequences to certain taxpayers, including, without limitation, financial institutions, S corporations with excess net passive income, property and casualty companies, individual recipients of social security or railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, foreign corporations that may be subject to the foreign branch profits tax, and taxpayers who may be deemed to have incurred indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion with respect to these or any other collateral tax consequences of the ownership of the Bonds. The nature and extent of the tax benefit to a taxpayer of ownership of the Bonds will generally depend upon the particular nature of such taxpayer or such taxpayer's own particular circumstances, including other items of income or deduction. Accordingly, prospective purchasers of the Bonds should consult their own tax advisors with respect to these and other collateral federal tax consequences resulting from ownership of the Bonds.

Bond Counsel is not rendering any opinion on any federal tax matters other than those described under the caption "TAX MATTERS." Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

### **Backup Withholding**

Commencing with interest paid in 2006, interest paid on tax-exempt obligations such as the Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

### **Changes in Law and Post-Issuance Events**

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for federal or state income tax purposes, and thus on the value or marketability of the Bonds. This impact could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of interest on the Bonds from gross income of the owners thereof for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Bonds may occur. Prospective purchasers of the Bonds should consult their own tax advisors regarding such matters.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Bonds may affect the tax status of interest on the Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of counsel other than Bond Counsel.

## **Section 265 Qualification**

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

The Township is not designating the Bonds as qualified for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations under Section 265 of the Code.

**ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.**

## **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 bonds or notes of the Township including the Bonds, and such Bonds are authorized security for any and all public deposits.

## **CONTINUING DISCLOSURE**

Pursuant to the requirements of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, the Township will deliver concurrently with the delivery of the Bonds, a Continuing Disclosure Certificate in substantially the form annexed hereto as Appendix "C" (the "Continuing Disclosure Certificate"). The Township has covenanted for the benefit of the Bondholders in accordance with the provisions of the Continuing Disclosure Certificate, to provide or cause to be provided notices of certain enumerated events to the Municipal Securities Rulemaking Board ("MSRB") through the Electronic Municipal Market Access Dataport ("EMMA").

The Township has previously entered into secondary market disclosure undertakings in accordance with the Rule with respect to its own obligations and obligations of the Berkeley Township Municipal Utilities Authority for which the Township is an obligated person. The Township appointed Phoenix Advisors, Hamilton, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

## **LITIGATION**

Upon delivery of the Bonds, the Township shall furnish a certificate of Dasti & Staiger, Forked River, New Jersey (the "Township Attorney"), dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending or, to her knowledge, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the Township wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Township or adversely affect the power of the Township to levy, collect and enforce the collection

of taxes or other revenues for the payment of its bonds or notes, which has not been disclosed in this Official Statement. The Township Attorney does note, however, that should de-annexation proceed, the Township's overall financial picture changes but it should not cause a substantial impact to its financial well-being. De-annexation was declared by three separate courts as not creating a financial hardship to the Township and the Township will receive monetary reimbursement for its infrastructure and land lost as part of the de-annexation process.

### **DE-ANNEXATION PETITION**

For several years, a group of homeowners in the South Seaside Park neighborhood ("SSP") of the Township have been seeking the de-annexation of their neighborhood from the Township and its annexation into the adjoining Borough of Seaside Park (the "Borough"). SSP is located on a barrier island across Barnegat Bay from most of the Township. Approximately 10% of the assessed value of the Township is located in SSP.

Under New Jersey law, upon filing of a petition signed by 60% of the legal voters residing in the land to be annexed, the planning board of the municipality in which such land is located (the "current municipality") is required to report to the governing body on the impact of the proposed annexation upon the current municipality. For the annexation to be successful, it must thereafter be authorized by a resolution of the current municipality (approved by a 2/3 vote of the governing body's full membership), followed by an ordinance of the annexing municipality (approved by a 2/3 vote).

In August 2020, the Township's planning board concluded a series of hearings regarding the SSP annexation, prepared its report, and unanimously voted to not recommend SSP be permitted to secede from the Township. Said report and recommendation was submitted to the Township Council, and in September 2020 the Township Council voted unanimously to deny the petition. The petitioners then filed a complaint in lieu of prerogative writs in the Law Division of the Superior Court.

In any judicial review of the refusal of a governing body to consent to an annexation, the petitioners have the burden of establishing that the refusal of the governing body to consent to the petition was arbitrary or unreasonable, that refusal to consent to the annexation is detrimental to the economic and social well-being of a majority of residents of the affected land, and that the annexation will not cause a significant injury to the well-being of the current municipality. In July 2022, the Law Division entered an order authorizing SSP's de-annexation from the Township, finding that the Township Council's resolution was arbitrary or unreasonable because the petitioners were denied due process by the planning board, that the Township's refusal to consent to de-annexation is detrimental to the well-being of the majority of residents of SSP, and that de-annexation would not cause social detriment to the Township. On July 25, 2022, the Township Council voted unanimously to appeal that decision.

On June 17, 2024, the Appellate Division of the Superior Court affirmed the Law Division's decision, finding that the Law Division's determinations were not arbitrary or unreasonable and were supported by credible evidence on the record. The Township filed a petition for certification with the New Jersey Supreme Court, for which petition was granted. The matter was briefed and ultimately argued before the Supreme Court on April 29, 2025. The Supreme Court rendered its decision on July 10, 2025, upholding the lower courts' rulings.

Even though the Township's appeal was unsuccessful, the annexation of SSP into the Borough still requires approval by the Borough's governing body as described above. To date, the Borough has not indicated its position on this matter. If the Borough were to approve such annexation, the Borough shall be liable to pay a proportion of the bonded and other indebtedness of the Township. The proportion would be determined by a joint committee appointed by both governing bodies, or in the absence of agreement, by commissioners appointed by the New Jersey Superior Court. Such committee would be charged with preparing an account of all the property, real and personal, all debts, dues and demands, all judgments, recognizances and claims and all liens, actions and rights of action belonging to the Township, and of all the debts outstanding of the Township, and the proper

proportion or share to be borne or paid by the Borough, and the methods in and times at which payment thereof should be made.

Should the Borough approve annexation of the SSP, the Township intends to vigorously assert its claims and rights under the apportionment process, including with respect to Township property located within the SSP (including the Ocean and Bay beaches). However, in as much as the outcome of any such apportionment is not known at this time, the de-annexation of the SSP could have a material adverse effect on the financial condition of the Township.

### **MUNICIPAL BANKRUPTCY**

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 401, et seq., as amended by Public Law 95-598, approved November 6, 1978, and as further amended on November 3, 1988, by an Act to Amend the Bankruptcy Law to Provide for Special Revenue Bonds, and for Other Purposes, and on October 22, 1994, by the Bankruptcy Reform Act of 1994, and by other bankruptcy laws affecting creditors' rights and municipalities in general. Chapter IX permits a state or any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts to file a petition in a bankruptcy court for the ultimate purpose of effecting a plan to adjust its debts. Chapter IX directs such a petitioner to file with the Bankruptcy Court a list of the 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, with the exception that such petition does not operate as a stay of application of pledged special revenues to the payment of indebtedness secured by such revenues; grants priority to administrative and operational expenses and to debts owed for services or material, up to \$4,000 per individual or corporation, actually provided within ninety (90) days of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; provides that any securities issued under a reorganization plan will be exempt from the securities laws and, therefore, exempt from registration requirements; permits the petitioner, during bankruptcy proceedings, to continue to pay pre-petition debt without prior court approval; and provides that the plan must be accepted by a class of creditors, in writing, by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors. A plan shall not be approved by the Bankruptcy Court unless it is in the best interests of creditors and is feasible.

Reference should also be made to N.J.S.A. 52:27-40 through 52:27-45.11, which provides that any county, municipality, or other political subdivision of this State has the power to file a petition with any Bankruptcy Court, provided the approval of the municipal finance commission has been obtained, and such petition has been authorized by ordinance of the governing body of the political subdivision. 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. However, the Bankruptcy Act does provide that a municipality must obtain any regulatory or electoral approval necessary under constitutional, statutory, or charter provisions, for actions taken under the reorganization plan.

### **CERTAIN REFERENCES**

The foregoing statements and descriptions of provisions of the New Jersey Constitution, the Local Bond Law and other laws of the State of New Jersey, the Federal Bankruptcy Code, the Ordinances of the Township and the Bonds and all references to other material not purported to be quoted in full are only brief, generalized descriptions thereof, do not purport to be complete, and are in all respects subject to and qualified in their entireties by express reference to the complete provisions thereof. Copies of the Ordinances will be furnished by the Township on request.

All estimates and assumptions herein are believed to be reasonable, but no warranty, guaranty or other representation is made that such estimates or assumptions will be realized or are correct. So far as any statements herein involve matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

### **CERTIFICATION OF OFFICIAL STATEMENT**

The Township hereby states that the descriptions and statements herein relating to the Township are true and correct in all material respects and, upon request, it will confirm to the purchasers of the Bonds, by certificates signed by an official of the Township, that to their knowledge such descriptions and statements, as of the date hereof, and as of closing, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

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

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

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

### **RATING**

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

An explanation of the significance of such rating may be obtained from the Rating Agency at 55 Water Street, New York, New York 10041. The rating is not a recommendation to buy, sell or hold the Bonds and there is no assurance that such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the Rating Agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating by the Rating Agency may have an adverse effect on the market price of the Bonds.

### **UNDERWRITER**

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

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

### **MUNICIPAL ADVISOR**

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Bonds (the “Municipal Advisor”) and has assisted in matters related to the planning, structuring and terms of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

### **APPROVAL OF LEGAL PROCEEDINGS**

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

### **FINANCIAL STATEMENTS**

Appendix “B” contains certain unaudited financial data of the Township for the Township’s fiscal year ending December 31, 2025 and certain audited financial data of the Township for the Township’s fiscal year ending December 31, 2024. The audited financial data was extracted from the report prepared by Holman Frenia Allison, P.C., Lakewood, New Jersey (the “Auditor”) to the extent and for the period set forth in their report appearing in Appendix “B”. The Auditor has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein (except for the financial statements appearing in Appendix “B” hereto) and, accordingly, we will express no opinion with respect to thereto.

### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to the Township’s Chief Financial Officer, 627 Pinewald-Keswick Road, Bayville, New Jersey 08721-0287, telephone (732) 244-7400, or the Township’s Municipal Advisor, 2000 Waterview Drive, Suite 101, Hamilton, New Jersey 08691, 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 Bonds. 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 Bonds 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 BERKELEY, IN THE  
COUNTY OF OCEAN, NEW JERSEY**

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Paul Bodine  
Chief Financial Officer

Dated: March \_\_, 2026

**APPENDIX A**  
**GENERAL INFORMATION REGARDING THE TOWNSHIP**

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

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

### **General Information**

The Township was incorporated in 1875 from portions of Dover Township (now known as Toms River Township). In the 19<sup>th</sup> and 20<sup>th</sup> century, after incorporation, portions of the Township were taken to form several neighboring communities in the County. It currently consists of approximately 54 square miles of total area and is one of the largest municipalities in the County, both in terms of total area and population. It is located in the central part of the County along the Atlantic Ocean and Barnegat Bay, which bay is part of the inland waterway running along the eastern seaboard of the continental United States. Approximately 72% of the Township's land area is the federally designated Pinelands National Reserve and approximately 38% of the Pinelands National Reserve is within the State's Pinelands Reserve Area. See "Environment and Growth Information" herein. The Township of Toms River, the County seat, forms the northern border of the Township, the Townships of Cedar Creek and Lacey form the southern border, and the barrier island, on which South Seaside Park and Island Beach State Park are situated, form the eastern border.

Primarily characterized as a residential community, the Township offers the wide beaches of Island Beach State Park on the Atlantic Ocean and the vast expanses of the Barnegat Bay and the Toms River for sailing and water sports.

Within the Township are the unincorporated areas known as South Seaside Park, Bayville, Pinewald, Manitou Park and Pelican Island in the Barnegat Bay.

Prior to 1950, the portion of the Township to the west of State Highway Route 9 was undeveloped. Residential and commercial development was concentrated in the areas of the Township known as Pinewald and Bayville along the coastline. With the opening of the Garden State Parkway and improvements to Federal, State and County highways and roadways after 1950, residential development increased and commercial development soon thereafter. For several decades, the County's population and development have increased the fastest of all counties in the State. The Township has experienced a growth in its ratables as a result of the increase in residential and commercial development. The Township is located south of the New York-Northern New Jersey metropolitan area and to the east of the Greater Philadelphia metropolitan area, each respectively being approximately 68 miles and 60 miles from the Township.

The Township is located along or near major transportation corridors to the south of the New York-Northern New Jersey metropolitan area and to the east of the Greater Philadelphia metropolitan area. The primary north to south roadways in the Township are the Garden State Parkway, with three (3) access and egress ramps in or near the Township, and State Highway

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

Route 9. The Garden State Parkway proceeds north to the New York-Northern New Jersey metropolitan area and south to Atlantic City and Cape May. State Highway Route 37 runs westerly from the barrier island to State Highway Route 70, the primary State artery leading to the Greater Philadelphia metropolitan area.

The Township is located south of Interstate 195 and north of the Atlantic City Expressway. Interstate 195 proceeds westerly to Interstate 95 which is a major beltway serving the eastern seaboard of the United States. The Atlantic City Expressway connects Atlantic City with the Greater Philadelphia metropolitan area.

### **Form of Government**

Under the Optional Municipal Charter Law, N.J.S.A. 40:69a-1 et seq., as amended and supplemented, the Township is governed by the Mayor-Council Plan form of government. The governing body consists of the Mayor and a seven (7) member Township Council. The Mayor is elected to a four (4) year term and the Council members are each elected to terms of four (4) years on a staggered basis.

### **Environmental and Growth Information**

A portion of the Township is subject to the Pinelands Protection Act, the purpose of which is to limit the impact of development on the Pinelands ecosystem, which contains a vast reservoir of potable water. The Pinelands Protection Act defines the Pinelands Area in the Township to include all lands in the Township west of the Garden State Parkway (the "Pinelands Area"). The Pinelands Protection Act further delineates a portion of the Pinelands Area into a Preservation Area, which portion contains the lands west of the Garden State Parkway and within the Cedar Creek Drainage Basin. The remaining lands within the Pinelands Area have been designated a Protection Area.

A large portion of the Township lies within the federally designated Pinelands National Reserve. Said land includes all areas east and west of the Garden State Parkway, specifically all lands south of State Highway Route 37 extending out to the barrier island known as Island Beach State Park. These lands fall within the oversight of the Pinelands Commission (the "Pinelands Commission"). Presently, all proposed development plans in the Pinelands Area are reviewed by the Pinelands Commission. The Pinelands Commission retains development oversight responsibility and authority over the Pinelands Area.

As per the 2020 Census, the population in the Township is 43,754 for the year 2020. Projection of population directly depend upon the Pinelands Commission's continued agreement to define housing needs in the western portion of the Township as previously accepted by the Pinelands Commission, the County, and the Township.

### **Education**

Township students attend the Berkeley Township School District (the "Local School District") for grades Pre-K to 6. The School District is coterminous with the boundaries of the

Township and operates four (4) school facilities. Students in grades 7 to 12 attend the Central Regional School District (the “Regional School District”), along with public school students from the Boroughs of Island Heights, Ocean Gate, Seaside Heights, and Seaside Park. Seats on the Regional School District’s board are assigned based on the population of the constituent municipalities. As the most populous constituent municipality in the Regional School District, the Township allocates five (5) of the nine (9) seats on the board.

### **Pension and Retirement Systems**

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

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

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

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

**Employment and Unemployment Comparisons**

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

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>Township</u></b>				
2024	17,748	16,722	1,026	5.8%
2023	17,699	16,714	985	5.6%
2022	17,356	16,492	864	5.0%
2021	17,045	15,654	1,391	8.2%
2020	16,953	14,973	1,980	11.7%
<b><u>County</u></b>				
2024	293,284	280,025	13,259	4.5%
2023	292,457	279,888	12,569	4.3%
2022	287,161	275,556	11,605	4.0%
2021	279,507	260,912	18,595	6.7%
2020	274,842	248,481	26,361	9.6%
<b><u>State</u></b>				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

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

**Income (as of 2024)**

	<b><u>Township</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Median Household Income	\$66,008	\$89,863	\$103,556
Median Family Income	97,008	112,175	127,025
Per Capita Income	48,539	44,947	54,253

Source: US Bureau of the Census, 2024 American Community Survey 5-Year Estimates

**Population**

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

<b><u>Year</u></b>	<b><u>Township</u></b>		<b><u>County</u></b>		<b><u>State</u></b>	
	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>
2024 est.	45,211	3.33%	666,434	4.58%	9,500,851	2.28%
2020	43,754	6.06	637,229	10.52	9,288,994	5.65
2010	41,255	3.16	576,567	12.85	8,791,894	4.49
2000	39,991	7.16	510,916	17.94	8,414,350	8.85
1990	37,319	61.20	433,203	25.19	7,730,188	4.96

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

**Largest Taxpayers**

The ten (10) largest taxpayers in the Township and their assessed valuations are listed below:

<b><u>Taxpayers</u></b>	<b><u>2025 Assessed Valuation</u></b>	<b><u>% of Total Assessed Valuation</u></b>
Plainfield Properties	\$28,289,800	0.52%
Quaker Malls LLP	17,721,200	0.33%
Ocean County Equities	15,557,000	0.29%
Bayville Commons	13,000,000	0.24%
Berkeley Healthcare Assoc.	11,500,000	0.21%
River Bay Gardens	10,321,200	0.19%
Holiday Propco.	10,000,000	0.18%
Millers Camp. Inc.	8,449,000	0.16%
Bayhousing Assoc.	8,160,000	0.15%
Crystal Care Realty	<u>8,000,000</u>	<u>0.15%</u>
<b>Total</b>	<b><u>\$130,998,200</u></b>	<b><u>2.41%</u></b>

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

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2025U	\$141,811,273	\$141,043,923	99.46%
2024	130,808,048	130,323,540	99.63%
2023	124,771,556	124,128,421	99.48%
2022	121,519,507	120,965,209	99.54%
2021	117,873,919	117,304,748	99.52%

Source: 2025 Annual Financial Statement and Annual Audit Reports of the Township

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2025U	\$120,449	\$562,629	\$683,078	0.48%
2024	229,275	420,943	650,218	0.50%
2023	207,887	583,025	790,912	0.63%
2022	193,726	442,008	635,734	0.52%
2021	537,674	464,287	1,001,962	0.85%

Source: 2025 Annual Financial Statement and Annual Audit Reports of the Township

**Property Acquired by Tax Lien Liquidation**

<u>Year</u>	<u>Amount</u>
2025U	\$9,666,429
2024	9,538,500
2023	9,529,240
2022	9,529,240
2021	9,209,500

Source: 2025 Annual Financial Statement and Annual Audit Reports of the Township

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

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

<b><u>Year</u></b>	<b><u>Municipal</u></b>	<b><u>Municipal Open Space</u></b>	<b><u>Local School</u></b>	<b><u>Regional School</u></b>	<b><u>County</u></b>	<b><u>Total</u></b>
2025	\$0.785	\$0.010	\$0.656	\$0.557	\$0.582	\$2.590
2024	0.740	0.010	0.603	0.516	0.542	2.411
2023	0.705	0.010	0.591	0.499	0.515	2.320
2022	0.705	0.010	0.618	0.477	0.467	2.277
2021	0.686	0.010	0.609	0.478	0.446	2.229

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

## **Valuation of Property**

<b><u>Year</u></b>	<b><u>Aggregate Assessed Valuation of Real Property</u></b>	<b><u>Aggregate True Value of Real Property</u></b>	<b><u>Ratio of Assessed to True Value</u></b>	<b><u>Assessed Value of Personal Property</u></b>	<b><u>Equalized Valuation</u></b>
2025	\$5,442,518,700	\$10,278,600,000	52.95%	\$0	\$10,278,600,000
2024	5,394,444,800	9,321,660,273	57.87	0	9,321,660,273
2023	5,343,345,000	8,530,244,253	62.64	5,408,700	8,535,652,953
2022	5,286,144,700	7,578,702,079	69.75	6,159,513	7,584,861,592
2021	5,258,959,630	6,476,551,268	81.20	6,590,839	6,483,142,107

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

## **Classification of Ratables**

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

<b><u>Year</u></b>	<b><u>Vacant Land</u></b>	<b><u>Residential</u></b>	<b><u>Farm</u></b>	<b><u>Commercial</u></b>	<b><u>Industrial</u></b>	<b><u>Apartments</u></b>	<b><u>Total</u></b>
2025	\$113,613,300	\$4,957,497,500	\$11,600	\$278,366,200	\$27,480,300	\$65,549,800	\$5,442,518,700
2024	107,158,500	4,920,162,100	11,600	275,145,900	26,416,900	65,549,800	5,394,444,800
2023	104,959,100	4,877,889,600	10,700	276,368,700	18,567,100	65,549,800	5,343,345,000
2022	115,570,100	4,817,670,600	10,700	268,776,400	18,567,100	65,549,800	5,286,144,700
2021	112,784,400	4,784,475,400	10,700	277,366,630	18,772,700	65,549,800	5,258,959,630

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

**Financial Operations**

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

**Summary of Current Fund Budget**

<b><u>Anticipated Revenues</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Fund Balance Utilized	\$0	\$3,525,000	\$6,650,000	\$7,600,153	\$7,500,000
Miscellaneous Revenues	14,578,868	11,862,064	11,552,570	13,471,206	12,187,575
Receipts from Delinquent Taxes	795,000	605,000	450,000	475,000	420,000
Amount to be Raised by Taxation	<u>36,121,858</u>	<u>37,336,249</u>	<u>37,710,593</u>	<u>39,904,100</u>	<u>42,707,197</u>
Total Revenue:	<u>\$51,495,726</u>	<u>\$53,328,313</u>	<u>\$56,363,163</u>	<u>\$61,450,458</u>	<u>\$62,814,771</u>
<b><u>Appropriations</u></b>					
General Appropriations	\$38,630,212	\$40,496,713	\$41,918,702	\$45,809,043	\$47,052,496
Operations (Excluded from CAPS)	2,284,828	2,174,967	2,743,702	3,782,873	3,890,235
Deferred Charges	52,144	40,000	180,000	220,000	643,825
Capital Improvement Fund	500,000	575,000	600,000	300,000	200,000
Municipal Debt Service	7,352,577	7,294,605	8,154,241	9,513,000	9,103,890
Reserve for Uncollected Taxes	<u>2,675,965</u>	<u>2,747,027</u>	<u>2,766,519</u>	<u>1,825,543</u>	<u>1,924,325</u>
Total Appropriations:	<u>\$51,495,726</u>	<u>\$53,328,313</u>	<u>\$56,363,163</u>	<u>\$61,450,458</u>	<u>\$62,814,771</u>

Source: Annual Adopted Budgets

**Fund Balance**

**Current Fund**

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

<b><u>Year</u></b>	<b><u>Fund Balance - Current Fund</u></b>	
	<b><u>Balance 12/31</u></b>	<b><u>Utilized in Budget of Succeeding Year</u></b>
2025U	\$10,575,076	N/A
2024	10,506,136	7,500,000
2023	11,119,119	7,600,153
2022	12,224,165	6,650,000
2021	9,088,905	3,525,000

Source: 2025 Annual Financial Statement and Annual Audit Reports of the Township

**Township Indebtedness as of December 31, 2025**

**General Purpose Debt**

Serial Bonds	\$41,149,000
Bond Anticipation Notes	37,231,000
Bonds and Notes Authorized but Not Issued	7,448,673
Other Bonds, Notes and Loans	1,021,516
Total:	<u>\$86,850,189</u>

**Local School District Debt**

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

**Regional School District Debt**

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

**Self-Liquidating Debt**

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

**TOTAL GROSS DEBT**

**\$86,850,189**

Less: Statutory Deductions

General Purpose Debt	\$1,549,872
Local School District Debt	0
Regional School District Debt	0
Self-Liquidating Debt	0
Total:	<u>\$1,549,872</u>

**TOTAL NET DEBT**

**\$85,300,316**

Source: Annual Debt Statement of the Township

**Overlapping Debt (as of December 31, 2024)<sup>2</sup>**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Township Percentage</u></b>	<b><u>Township Share</u></b>
Local School District	\$0	100.00%	\$0
Regional School District	0	69.45%	0
Berkeley Township Sewerage Authority (2024)	3,797,217	100.00%	3,797,217
Berkeley Township Municipal Utilities Authority (2024)	3,497,428	100.00%	3,497,428
Ocean County Utilities Authority (2024)	57,899,776	5.37%	3,110,474
County	591,152,854	5.37%	<u>31,757,733</u>
Net Indirect Debt			\$42,162,852
Net Direct Debt			<u>85,300,316</u>
Total Net Direct and Indirect Debt			<b><u>\$127,463,168</u></b>

**Debt Limit**

Average Equalized Valuation Basis (2023, 2024, 2025)	\$9,376,834,842
Permitted Debt Limitation (3 1/2%)	328,189,219
Less: Net Debt	<u>85,300,316</u>
Remaining Borrowing Power	<u>\$242,888,903</u>
Percentage of Net Debt to Average Equalized Valuation	0.910%
Gross Debt Per Capita based on 2020 population of 43,754	\$1,985
Net Debt Per Capita based on 2020 population of 43,754	\$1,950

Source: Annual Debt Statement of the Township

<sup>2</sup> Township percentage of County debt is based on the Township's share of total equalized valuation in the County. The Township's share of utilities authority debt is based on the Township's portion of total flow from each respective authority.

**APPENDIX B**  
**FINANCIAL INFORMATION REGARDING THE TOWNSHIP**

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**TOWNSHIP OF BERKELEY  
COUNTY OF OCEAN**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**(With Independent Accountant's Compilation Report Theron)**

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**TOWNSHIP OF BERKELEY  
COUNTY OF OCEAN**

**PART I**

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

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## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Members  
of the Township Committee  
Township of Berkeley  
County of Ocean  
Berkeley Township, New Jersey

Management is responsible for the accompanying financial statements of the Township of Berkeley, County of Ocean, State of New Jersey, which comprise the statement of assets, liabilities reserves and fund balance—regulatory basis as of December 31, 2025 and 2024, and the related statement of operations and changes in fund balance—regulatory basis for the years then ended and the related statement of revenues-regulatory basis, statement of expenditures-regulatory basis for the year ended December 31, 2025 and the related notes to the financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements were prepared in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. As a result, the financial statements may not be suitable for another purpose.

Management has elected to omit certain disclosures related to pensions and other post-employment benefits because updated information has not been provided by the New Jersey Division of Pension and Benefits. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Township's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**



Jerry W. Conaty  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 581

February 24, 2026  
Lakewood, New Jersey

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**BASIC FINANCIAL STATEMENTS**

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**TOWNSHIP OF BERKELEY**  
**CURRENT FUND**  
**STATEMENTS OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b><u>Assets</u></b>		
Cash	\$ 22,111,700.00	\$ 19,845,319.30
Cash - Change Fund	3,225.00	2,725.00
	22,114,925.00	19,848,044.30
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	562,628.87	420,943.39
Tax Title Liens Receivable	120,449.01	229,275.05
Property Acquired for Taxes	9,666,429.15	9,538,500.32
Revenue Accounts Receivable	420,714.30	10,322.30
Due From Municipal Utility Authority	259.71	259.71
Trailer Fees Receivable	890.00	890.00
Interfunds:		
Trust Other Fund	126.09	-
	10,771,497.13	10,200,190.77
Deferred Charges:		
Special Emergency Authorizations (40A:4-55)	3,090,000.00	660,000.00
	3,090,000.00	660,000.00
	35,976,422.13	30,708,235.07
<b><u>Grant Fund</u></b>		
Interfund - Current Fund	1,382,978.46	1,221,994.79
Grants Receivable	4,373,546.63	1,260,733.56
	5,756,525.09	2,482,728.35
	\$ 41,732,947.22	\$ 33,190,963.42

**TOWNSHIP OF BERKELEY**  
**CURRENT FUND**  
**STATEMENTS OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b><u>Liabilities, Reserves and Fund Balance</u></b>		
Appropriation Reserves	\$ 5,671,013.64	\$ 3,961,675.82
Reserve for Encumbrances	655,723.89	1,934,096.22
Prepaid Taxes	1,879,722.57	1,686,004.54
Accounts Payable	1,461,588.44	204,312.89
County Taxes Payable	191,015.74	168,076.88
Tax Overpayments	-	2,671.17
Reserve for Garden State Trust Fund	-	42,590.00
Reserve for Police Found Money	1,816.28	1,816.28
Reserve for COVID-19	-	111,596.06
Reserve for Legal Settlement	17,217.50	256,824.09
Reserve for Contractually Required Severance	-	200,000.00
Reserve for Special Emergency - Tax Map	17,128.17	17,128.17
Reserve for Special Emergency - 2025 Revaluation	2,415,345.00	-
Reserve for Contractual - Manitou Schoolhouse	460,000.00	-
Local District School Taxes Payable	400,003.51	4.01
Regional School Taxes Payable	400,000.16	0.12
State of New Jersey (P.L. 1971, Ch. 20)	66,350.44	43,128.95
Interfunds:		
Payroll Fund	54,813.70	123,720.08
Trust Other	-	26,268.57
Open Space Trust Fun	544,251.87	-
Grant Fund	1,382,978.46	1,221,994.79
	<u>15,618,969.37</u>	<u>10,001,908.64</u>
Reserve for Receivables and Other Assets	10,771,497.13	10,200,190.77
Fund Balance	<u>9,585,955.63</u>	<u>10,506,135.66</u>
	<u>35,976,422.13</u>	<u>30,708,235.07</u>
<b><u>Grant Fund</u></b>		
Reserve for Encumbrances	2,565,585.76	495,371.38
Appropriated Reserves	3,186,253.42	1,861,732.27
Unappropriated Reserves	4,685.91	125,624.70
	<u>5,756,525.09</u>	<u>2,482,728.35</u>
	<u>\$ 41,732,947.22</u>	<u>\$ 33,190,963.42</u>

There were deferred school taxes on December 31, 2025 and 2024 of \$30,169,509.00 and \$27,356,812.39, respectively.

**TOWNSHIP OF BERKELEY  
CURRENT FUND  
STATEMENTS OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<b>Year 2025</b>	<b>Year 2024</b>
<b><u>Revenue and Other Income Realized</u></b>		
Fund Balance Utilized	\$ 7,500,000.00	\$ 7,600,152.64
Miscellaneous Revenue Anticipated	15,502,357.47	15,400,207.80
Receipts from Delinquent Taxes	460,127.50	580,668.72
Receipts from Current Taxes	141,043,922.59	130,323,539.95
Non-Budget Revenues	407,727.27	433,498.08
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	3,202,896.39	513,652.98
Cancellation of Balance Sheet Reserves	311,596.06	-
Cancellation of Grants	5,045.50	17,221.06
Total Income	168,433,672.78	154,868,941.23
<b><u>Expenditures</u></b>		
Budget Appropriations within Caps:		
Operations:		
Salaries and Wages	19,977,800.00	19,575,700.00
Other Expenses	20,802,343.29	19,810,291.94
Deferred Charges and Statutory Expenditures	6,777,677.60	6,423,050.87
Budget Appropriations excluded from Caps:		
Operations:		
Salaries and Wages	1,607,603.00	1,443,497.44
Other Expenses	5,768,238.93	2,974,271.48
Capital Improvements	200,000.00	300,000.00
Municipal Debt Service	9,093,394.22	9,512,180.06
Deferred Charges	220,000.00	220,000.00
	64,447,057.04	60,258,991.79
Local District School Taxes	34,512,139.50	31,396,845.01
Regional School Taxes	29,463,706.00	26,129,476.38
County Taxes	31,875,436.38	29,392,778.25
Local Open Space Tax	544,251.87	540,222.74
Special Emergency Appropriation - 2025 Revalutaion	2,650,000.00	235.73
Increase to Reserve for Accounts Receivable	410,518.09	-
Tax Overpayments returned	200,743.93	135,554.62
Establish Reserve for Contractual Obligation - Manitou Schoolhouse	400,000.00	27,667.15
Total Expenditures	164,503,852.81	147,881,771.67

**TOWNSHIP OF BERKELEY  
CURRENT FUND  
STATEMENTS OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>Year 2025</u>	<u>Year 2024</u>
Excess/(Deficit) in Revenue	<u>3,929,819.97</u>	<u>6,987,169.56</u>
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute Deferred Charges to Budgets of Succeeding Years	<u>2,650,000.00</u>	<u>-</u>
Statutory Excess to Fund Balance	<u>6,579,819.97</u>	<u>6,987,169.56</u>
Deficit in Operations to be Raised in Budget of Succeeding Year		
Fund Balance January 1	<u>10,506,135.66</u>	<u>11,119,118.74</u>
	17,085,955.63	18,106,288.30
Decreased by:		
Utilization as Anticipated Revenue	<u>7,500,000.00</u>	<u>7,600,152.64</u>
Fund Balance December 31	<u><u>\$ 9,585,955.63</u></u>	<u><u>\$ 10,506,135.66</u></u>

**TOWNSHIP OF BERKELEY**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 7,500,000.00	\$ -	\$ 7,500,000.00	\$ -
<b><u>Miscellaneous Revenues</u></b>				
<b><u>Licenses:</u></b>				
Alcoholic Beverages	45,000.00	-	47,586.00	2,586.00
Other	6,000.00	-	12,816.00	6,816.00
Fees and Permits	710,000.00	-	794,636.20	84,636.20
<b><u>Fines and Costs:</u></b>				
Municipal Court	108,000.00	-	114,880.85	6,880.85
Interest and Costs on Taxes	210,000.00	-	232,422.62	22,422.62
Interest on Investments and Deposits	1,160,780.00	-	1,148,109.18	(12,670.82)
Beach Admission Fees	150,000.00	-	188,588.00	38,588.00
Municipal Golf Course	245,000.00	-	160,550.32	(84,449.68)
<b><u>State Aid:</u></b>				
Energy Receipts Tax	4,264,123.00	-	4,264,123.15	0.15
Garden State Trust Fund	52,477.00	-	52,447.00	(30.00)
Garden State Trust Fund (Anticipated Reserve)	42,590.00	-	42,590.00	-
<b>Special Items of Revenue:</b>				
<b><u>Interlocal Services Agreements:</u></b>				
Animal Control Services	17,603.00	-	19,333.51	1,730.51
Ocean Gate Borough - Fuel Services	15,000.00	-	12,705.47	(2,294.53)
Berkeley Board of Education - Fuel Facilities	140,000.00	-	81,841.44	(58,158.56)
South Toms River - Fire Protection	28,000.00	-	28,000.00	-
Central Regional Board of Education - Fuel Facilities	185,000.00	-	222,065.17	37,065.17
Central Regional Board Trash	42,000.00	-	31,500.00	(10,500.00)
<b><u>Public and Private Programs:</u></b>				
Recycling Tonnage Grant	5,513.45	-	5,513.45	-
Boardwalk Preservation Grant	448,125.00	-	448,125.00	-
2025 County ARP: Stormwater Imp (Ch159)	-	2,892,223.00	2,892,223.00	-
FY24 HOMELAND SECURITY GRANT (Ch159)	-	41,478.40	41,478.40	-
2025 GSM JIF - Safety Grant (159)	-	10,000.00	10,000.00	-
2022 Recycling Tonnage Grant (159)	-	8,901.27	8,901.27	-
2025 Opioid Grants #1 (159)	-	40,221.39	40,221.39	-
NJDOJ Highway Traffic Safety Grant (159)	-	7,000.00	7,000.00	-
Clean Communities Grant (159)	-	168,608.05	168,608.05	-
'24 Recycling Profit Share Grant (159)	-	26,456.08	26,456.08	-
Municipal Alliance FYE6.30.26 (159)	-	14,355.00	14,355.00	-
CDBG Grant: Veeder Ln Handicap Imps(159)	-	40,000.00	40,000.00	-
2025 National Opioid Grant #2	-	73,041.26	73,041.26	-
2024 NJ DOT - Bananier Dr: Phase3	-	244,825.00	244,825.00	-
<b><u>Other Special Items:</u></b>				
Community Services Officer Program - Ambulance Service Fees	1,475,000.00	-	1,337,218.20	(137,781.80)
Hotel and Motel Occupancy Tax	24,000.00	-	24,708.40	708.40
Health Care Coverage - Employee Percentage	935,000.00	-	918,801.38	(16,198.62)
Senior/Veteran Administration Fee	18,000.00	-	18,233.77	233.77
Surplus from the Berkeley Township Sewer Authority	400,000.00	-	410,392.00	10,392.00
Uniform Fire Safety Act	43,420.42	-	42,161.96	(1,258.46)
Sale of Land	250,000.00	-	161,413.00	(88,587.00)
Solar Farm Rent	160,000.00	-	91,221.00	(68,779.00)
Cable TV Franchise Fee	370,000.00	-	386,322.23	16,322.23
Capital Surplus Anticipated	423,455.87	-	423,455.87	-
Reserve for Payment of Debt	213,486.85	-	213,486.85	-
<b>Total Miscellaneous Revenues</b>	<b>12,187,574.59</b>	<b>3,567,109.45</b>	<b>15,502,357.47</b>	<b>(252,326.57)</b>
Receipts from Delinquent Taxes	420,000.00	-	460,127.50	40,127.50
<b>Subtotal General Revenues</b>	<b>20,107,574.59</b>	<b>3,567,109.45</b>	<b>23,462,484.97</b>	<b>(212,199.07)</b>
Amount to be Raised by Taxes for Support of Municipal Budget	42,707,196.65	-	45,080,138.11	2,372,941.46
<b>Total General Revenues</b>	<b>62,814,771.24</b>	<b>3,567,109.45</b>	<b>68,542,623.08</b>	<b>2,160,742.39</b>
Non-Budget Revenues	-	-	407,727.27	407,727.27
	<b>\$ 62,814,771.24</b>	<b>\$ 3,567,109.45</b>	<b>\$ 68,950,350.35</b>	<b>\$ 2,568,469.66</b>

**TOWNSHIP OF BERKELEY  
 CURRENT FUND  
 STATEMENT OF REVENUES - REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2025**

**Analysis of Realized Revenues**

Allocation of Current Tax Collections:

Revenue from Collections	\$ 141,043,922.59
Allocated to:	
School, County Taxes and Municipal Open Space	97,888,109.38
Balance for Support of Municipal Budget	
Appropriations	43,155,813.21
Add: Appropriation "Reserve for Uncollected Taxes"	1,924,324.90

Amount for Support of Municipal Budget

Appropriations	\$ 45,080,138.11
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 456,554.98
Tax Title Lien Collections	3,572.52
	\$ 460,127.50

**Analysis of Non-Budget Revenue**

MRNA	\$ 10,340.60
Landlord Registration	10,550.00
Treasurer Misc	43,731.12
Recycling	10,515.89
Township Auction	65,191.40
Refund of Expenses - Prior Year	122,913.99
In Lieu of Taxes	47,427.00
Property Registration - Vacant	95,535.00
EV Charging Station	603.27
Restitution	919.00
	\$ 407,727.27

**TOWNSHIP OF BERKELEY**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Appropriated		Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget				Encumbrance	Reserved	
<b>OPERATIONS WITHIN CAPS</b>							
<u>General Government Functions</u>							
General Administration							
Salaries and Wages	\$ 300,000.00	\$	300,000.00	294,980.09	\$	5,019.91	\$ -
Other Expenses	55,000.00		55,000.00	54,633.21	-	366.79	-
Human Resources							
Salaries and Wages	180,000.00		183,000.00	180,934.11	-	2,065.89	-
Other Expenses	6,000.00		6,000.00	5,597.16	-	402.84	-
Office of the Mayor							
Salaries and Wages	145,000.00		145,000.00	127,770.82	-	17,229.18	-
Other Expenses	4,000.00		4,000.00	3,304.76	-	695.24	-
Township Council							
Salaries and Wages	105,000.00		105,000.00	104,999.44	-	0.56	-
Other Expenses	800.00		900.00	365.00	-	535.00	-
Municipal Clerk							
Salaries and Wages	285,000.00		285,000.00	251,349.45	-	33,650.55	-
Other Expenses	26,000.00		32,000.00	21,639.56	928.20	9,432.24	-
Computerized Data Processing							
Other Expenses	195,000.00		179,000.00	143,557.11	31,392.60	4,050.29	-
Financial Administration (Treasury)							
Salaries and Wages	528,500.00		528,500.00	387,049.71	-	141,450.29	-
Other Expenses	95,000.00		111,000.00	79,900.08	3,656.46	27,443.46	-
Audit Services							
Other Expenses	67,000.00		67,000.00	59,450.00	-	7,550.00	-
Revenue Administration (Tax Collection)							
Salaries and Wages	355,000.00		343,000.00	319,621.38	-	23,378.62	-
Other Expenses	57,000.00		69,000.00	62,095.98	1,804.17	5,099.85	-
Tax Assessment Administration							
Salaries and Wages	470,000.00		470,000.00	436,145.22	-	33,854.78	-
Other Expenses	28,000.00		28,000.00	22,703.24	120.22	5,176.54	-
Division of Purchasing							
Salaries and Wages	86,000.00		86,000.00	78,550.54	-	7,449.46	-
Other Expenses	116,000.00		116,000.00	84,793.21	-	31,206.79	-
Legal Services							
Other Expenses	575,000.00		575,000.00	405,985.28	15,135.75	153,878.97	-

**TOWNSHIP OF BERKELEY**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Appropriated		Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification			Encumbrance	Reserved	
Engineering Services							
Other Expenses	300,000.00	300,000.00	223,710.93	14,041.25	62,247.82	-	
Economic Development Agencies							
Salaries and Wages	100.00	100.00	-	-	100.00	-	
Other Expenses	100.00	100.00	-	-	100.00	-	
Municipal Court:							
Salaries and Wages	320,000.00	325,000.00	306,543.29	-	18,456.71	-	
Other Expenses	14,000.00	14,000.00	7,390.90	763.32	5,845.78	-	
Public Defender (P.L. 1997, c256)							
Other Expenses	60,000.00	63,000.00	51,633.75	8,000.00	3,366.25	-	
<b>Land Use Administration</b>							
Planning Board							
Salaries and Wages	25,000.00	25,000.00	15,663.39	-	9,336.61	-	
Other Expenses	20,000.00	20,000.00	3,531.46	-	16,468.54	-	
Director of Planning							
Other Expenses	100,000.00	100,000.00	25,331.25	15,558.75	59,110.00	-	
Division of Zoning							
Salaries and Wages	150,000.00	150,000.00	121,599.98	-	28,400.02	-	
Other Expenses	5,000.00	5,000.00	1,356.48	868.78	2,774.74	-	
Zoning Board of Adjustment							
Salaries and Wages	5,000.00	5,000.00	3,750.00	-	1,250.00	-	
Other Expenses	26,000.00	32,000.00	28,231.92	-	3,768.08	-	
Code Enforcement							
Salaries and Wages	312,000.00	312,000.00	286,077.87	-	25,922.13	-	
Other Expenses	15,000.00	15,000.00	10,415.67	71.12	4,513.21	-	
<b>Insurances</b>							
General Liability							
Workers Compensation	2,050,000.00	2,050,000.00	1,966,913.44	-	83,086.56	-	
Employee Group Insurance	600,000.00	600,000.00	272,570.17	-	327,429.83	-	
Unemployment Insurance	9,208,603.29	8,908,603.29	7,658,009.05	-	1,250,594.24	-	
Public Safety Functions	20,000.00	96,000.00	49,150.10	-	46,849.90	-	
Police Department							
Salaries and Wages	11,120,000.00	10,889,550.00	10,495,731.78	-	393,818.22	-	
Other Expenses	500,000.00	524,000.00	386,762.69	109,892.15	27,345.16	-	
Office of Emergency Management (OEM)							
Salaries and Wages	5,000.00	10,100.00	7,307.78	-	2,792.22	-	
Other Expenses	10,000.00	10,000.00	500.00	4,556.61	4,943.39	-	

**TOWNSHIP OF BERKELEY**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Appropriated		Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification			Encumbrance	Reserved	
Aid to Volunteer Fire Companies	15,000.00	15,350.00	15,000.08	-	349.92	-	
Salaries and Wages			226,973.80	31,086.96	28,939.24	-	
Other Expenses	230,000.00	287,000.00					
Aid to Volunteer Ambulance Companies							
Other Expenses	132,000.00	132,000.00	132,000.00	-	-	-	
Uniform Fire Safety Act (P.L. 1983, Ch. 383):							
Salaries and Wages	80,000.00	65,000.00	38,544.74	-	26,455.26	-	
Other Expenses	5,400.00	20,400.00	5,296.05	10,400.00	4,703.95	-	
Emergency Medical Services							
Salaries and Wages	150,000.00	150,000.00	150,000.00	-	-	-	
Other Expenses	75,000.00	90,000.00	65,724.00	20,973.27	3,302.73	-	
Municipal Prosecutor:							
Other Expenses	50,000.00	50,000.00	44,952.50	-	5,047.50	-	
<b>Public Works Functions</b>							
Streets and Roads Maintenance:							
Salaries and Wages	675,000.00	775,000.00	752,634.20	-	22,365.80	-	
Other Expenses	160,000.00	160,000.00	133,174.11	22,310.17	4,515.72	-	
Contractual	200,000.00	650,000.00	447,538.66	2,083.40	200,377.94	-	
Other Public Works Functions/Signs							
Salaries and Wages	75,000.00	75,000.00	72,632.68	-	2,367.32	-	
Other Expenses	35,000.00	35,000.00	9,157.35	14,929.07	10,913.58	-	
Other Public Works Functions/Demolition of Buildings							
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	-	
Solid Waste							
Salaries and Wages	2,200,000.00	2,100,000.00	1,969,558.64	-	130,441.36	-	
Other Expenses	350,000.00	350,000.00	142,574.23	185,220.44	22,205.33	-	
Division of Recycling							
Salaries and Wages	395,000.00	395,000.00	375,144.88	-	19,855.12	-	
Other Expenses	40,000.00	40,000.00	17,831.15	8,193.58	13,975.27	-	
Buildings and Grounds:							
Salaries and Wages	290,000.00	290,000.00	274,250.44	-	15,749.56	-	
Other Expenses	150,000.00	182,000.00	143,021.88	21,475.37	17,502.75	-	
Vehicle Maintenance (Includes Police Vehicles)							
Salaries and Wages	685,000.00	665,000.00	551,311.32	-	113,688.68	-	
Other Expenses	50,000.00	55,000.00	42,832.60	8,813.99	3,353.41	-	

**TOWNSHIP OF BERKELEY**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Appropriated		Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification			Encumbrance	Reserved	
<b>Health and Human Services</b>							
Veterans Advisory Council							
Salaries and Wages	100.00	100.00	-	-	-	100.00	-
Other Expenses	100.00	100.00	-	-	-	100.00	-
Senior Citizens Advisory Committee							
Salaries and Wages	100.00	100.00	-	-	-	100.00	-
Other Expenses	100.00	100.00	-	-	-	100.00	-
Waterways Advisory Committee							
Salaries and Wages	3,000.00	3,000.00	2,500.00	-	-	500.00	-
Other Expenses	100.00	100.00	-	-	-	100.00	-
Environmental Health Services							
Other Expenses	100.00	100.00	-	-	-	100.00	-
Animal Control Services							
Salaries and Wages	133,000.00	133,000.00	124,165.23	-	-	8,834.77	-
Other Expenses	2,000.00	2,000.00	7.89	-	-	1,992.11	-
Contribution - Providence House (N.J.S.A. 40:23-8,17)	1,000.00	1,000.00	1,000.00	-	-	-	-
Contribution - Community Services Inc. (N.J.S.A. 40:48-9.4)	5,000.00	5,000.00	-	-	-	5,000.00	-
Contribution - S.T.E.P.S., Inc. (N.J.S.A. 40:48-9.4)	1,000.00	1,000.00	-	-	-	1,000.00	-
<b>Parks and Recreation</b>							
Recreation Services and Programs							
Salaries and Wages	414,000.00	414,000.00	358,802.60	-	-	55,197.40	-
Other Expenses	112,500.00	134,500.00	96,275.93	627.66	-	37,596.41	-
Maintenance of Parks							
Salaries and Wages	485,000.00	515,000.00	496,874.75	-	-	18,125.25	-
Other Expenses	100,000.00	110,000.00	90,698.61	16,481.20	-	2,820.19	-
Beach and Boardwalk Operations							
Salaries and Wages	220,000.00	220,000.00	209,378.28	-	-	10,621.72	-
Other Expenses	38,000.00	38,000.00	34,478.23	1,347.78	-	2,173.99	-
<b>Utilities and Bulk Purchases</b>							
Utilities							
Electricity	325,000.00	325,000.00	218,014.16	-	-	106,985.84	-
Street Lighting	490,000.00	525,000.00	523,342.29	-	-	1,657.71	-
Telephone	175,000.00	175,000.00	138,031.30	-	-	36,968.70	-
Water	30,000.00	37,000.00	20,971.17	4,820.00	-	11,208.83	-
Natural Gas	60,000.00	70,000.00	66,344.18	-	-	3,655.82	-
Petroleum Products	975,000.00	975,000.00	793,676.53	89,882.04	-	91,441.43	-
Telecommunications (Cell Phone)	45,000.00	45,000.00	32,157.46	-	-	12,842.54	-
Sewerage Processing and Disposal	7,000.00	9,000.00	4,472.00	-	-	4,528.00	-
Fire Hydrants	180,000.00	205,000.00	192,273.68	-	-	12,726.32	-

**TOWNSHIP OF BERKELEY**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Appropriated		Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification			Encumbrance	Reserved	
<b>Recycling and Landfill</b>							
Landfill/Solid Waste Disposal Costs	2,350,000.00	2,044,900.00	1,591,178.48	-	453,721.52	-	
Other Expenses/Tipping							
<b>Unclassified:</b>							
Prior Year's Bills	38,540.00	38,540.00	31,324.47	-	7,215.53	-	
State of NJ-FEMA Disaster #4086	22,000.00	22,000.00	22,000.00	-	-	-	
Accumulated Absences							
Total Operations within Caps	40,806,143.29	40,779,143.29	35,705,727.80	645,434.31	4,427,981.18	-	
Contingent	1,000.00	1,000.00	-	-	1,000.00	-	
Total Operations within Caps including Contingent	40,807,143.29	40,780,143.29	35,705,727.80	645,434.31	4,428,981.18	-	
Detail:							
Salaries and Wages	20,211,800.00	19,977,800.00	18,808,872.69	-	1,168,927.31	-	
Other Expenses	20,595,343.29	20,802,343.29	16,896,855.11	645,434.31	3,260,053.87	-	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>							
<b>WITHIN CAPS</b>							
Deficit in Operation - Overexpenditure of Appropriation Reserves 2021	423,824.87	423,824.87	423,824.87	-	-	-	
<b>Statutory Expenditures</b>							
Contribution to:							
Social Security System	1,675,000.00	1,700,000.00	1,632,690.17	-	67,309.83	-	
Police and Firemen's Retirement System of NJ	2,949,485.00	2,949,485.00	2,949,485.00	-	-	-	
Defined Contribution Retirement Program	30,000.00	30,000.00	11,904.26	-	18,095.74	-	
Public Employee Retirement System	1,674,367.73	1,674,367.73	1,674,367.73	-	-	-	
Total Deferred Charges and Statutory Expenditures within Caps	6,732,677.60	6,777,677.60	6,692,272.03	-	85,405.57	-	
Total Appropriations within Caps	47,559,820.89	47,557,820.89	42,397,999.83	645,434.31	4,514,386.75	-	

**TOWNSHIP OF BERKELEY**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Appropriated		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbrance	Reserved	
<b><u>OPERATIONS EXCLUDED FROM CAPS</u></b>						
Insurance (N.J.S.A. 40A:4-45.3(00))	984,494.00	984,494.00	984,494.00	-	-	-
Employee Group Health Insurance	175,000.00	175,000.00	127,358.00	-	47,642.00	-
Length of Service Awards Program (N.J.A.C. 5:30-14.25)	240,000.00	240,000.00	90,701.50	-	149,298.50	-
Stormwater and Water Pollution (N.J.S.A. 40A: 4-45.3(cc))	35,000.00	37,000.00	30,531.44	4,468.56	2,000.00	-
Salaries and Wages						
Other Expenses	100,000.00	100,000.00	100,000.00	-	-	-
Recycling Enhancement Act (P.L. 2007 c.311)	1,350,000.00	1,350,000.00	827,068.24	-	522,931.76	-
Emergency Medical Services (EMS)						
Salaries and Wages	185,000.00	185,000.00	-	-	185,000.00	-
<b><u>Interlocal Municipal Service Agreements</u></b>						
Central Regional Board of Education - Fuel	1,000.00	1,000.00	-	-	1,000.00	-
Other Expenses	28,000.00	28,000.00	22,170.60	5,821.02	8.38	-
Ocean County Social Services - Relocation Expenses						
Other Expenses	20,000.00	20,000.00	2,268.00	-	17,732.00	-
South Toms River - Fire Department						
Other Expenses	17,603.00	17,603.00	-	-	17,603.00	-
Ocean County Health Dept - Animal Control						
Other Expenses	130,000.00	130,000.00	-	-	130,000.00	-
Animal Control - Pine Beach, Seaside Park, Ocean Gate						
Other Expenses	42,000.00	42,000.00	-	-	42,000.00	-
Berkeley Board of Education - Fuel						
Other Expenses	15,000.00	15,000.00	-	-	15,000.00	-
Central Regional Board of Education - Trash Removal						
Other Expenses						
Borough of Ocean Gate - Fuel						
Other Expenses						

**TOWNSHIP OF BERKELEY**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Appropriated		Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modification			Encumbrance	Reserved	
<b>Public and Private Programs Offset by Revenues</b>							
Matching Funds for Grants	30,000.00		30,000.00	3,588.75	-	26,411.25	-
Boardwalk Preservation Grant	448,125.00		448,125.00	448,125.00	-	-	-
Recycling Tonnage Grant							
Other Expenses	5,513.45		5,513.45	5,513.45	-	-	-
2025 County ARP: Stormwater Imp (Ch159)							
Other Expenses	-	2,892,223.00	2,892,223.00	2,892,223.00	-	-	-
FY24 HOMELAND SECURITY GRANT (Ch159)							
Other Expenses	-	41,478.40	41,478.40	41,478.40	-	-	-
2025 GSM JIF - Safety Grant (159)							
Other Expenses	-	10,000.00	10,000.00	10,000.00	-	-	-
2022 Recycling Tonnage Grant (159)							
Other Expenses	-	8,901.27	8,901.27	8,901.27	-	-	-
2025 Opioid Grants #1 (159)							
Other Expenses	-	40,221.39	40,221.39	40,221.39	-	-	-
NJDOJ Highway Traffic Safety Grant (159)							
Other Expenses	-	7,000.00	7,000.00	7,000.00	-	-	-
Clean Communities Grant (159)							
Other Expenses	-	168,605.08	168,605.08	168,605.08	-	-	-
'24 Recycling Profit Share Grant (159)							
Other Expenses	-	26,456.08	26,456.08	26,456.08	-	-	-
Municipal Alliance FYE6.30.26 (159)							
Other Expenses	-	14,355.00	14,355.00	14,355.00	-	-	-
CDBG Grant: Veeder Ln Handicap Imps(159)							
Other Expenses	-	40,000.00	40,000.00	40,000.00	-	-	-
2025 National Opioid Grant #2							
Other Expenses	-	73,041.26	73,041.26	73,041.26	-	-	-
2024 NJ DOT - Bananier Dr: Phase3							
Other Expenses	-	244,825.00	244,825.00	244,825.00	-	-	-
<b>Total Operations excluded from Caps</b>	<b>3,806,735.45</b>	<b>7,375,841.93</b>	<b>7,375,841.93</b>	<b>6,208,925.46</b>	<b>10,289.58</b>	<b>1,156,626.89</b>	<b>-</b>
<b>Detail:</b>							
Salaries and Wages	1,607,603.00		1,607,603.00	917,769.74	-	689,833.26	-
Other Expenses	2,199,132.45	5,768,238.93	5,768,238.93	5,291,155.72	10,289.58	466,793.63	-

**TOWNSHIP OF BERKELEY**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Appropriated		Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification			Encumbrance	Reserved	
<b>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</b>							
Capital Improvement Fund	200,000.00	200,000.00	200,000.00	200,000.00	-	-	-
Total Capital Improvements excluded from Caps	200,000.00	200,000.00	200,000.00	200,000.00	-	-	-
<b>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</b>							
Payment of Bond Principal	6,120,000.00	6,120,000.00	6,120,000.00	6,120,000.00	-	-	-
Interest on Bonds	1,590,000.00	1,590,000.00	1,584,073.76	1,584,073.76	-	-	5,926.24
Interest on Notes	1,337,370.00	1,337,370.00	1,333,655.05	1,333,655.05	-	-	3,714.95
NJEIT:							
Loan Repayments for Principal	53,000.00	53,000.00	53,000.00	52,425.41	-	-	574.59
Loan Repayments for Interest	3,520.00	3,520.00	3,520.00	3,240.00	-	-	280.00
Total Municipal Debt Service Excluded from Caps	9,103,890.00	9,103,890.00	9,103,890.00	9,093,394.22	-	-	10,495.78
<b>DEFERRED CHARGES EXCLUDED FROM CAPS</b>							
Special Emergency Authorizations - 5 Years- From 2021	40,000.00	40,000.00	40,000.00	40,000.00	-	-	-
Special Emergency Authorizations - 5 Years- From 2022	40,000.00	40,000.00	40,000.00	40,000.00	-	-	-
Special Emergency Authorizations - 5 Years- From 2023	40,000.00	40,000.00	40,000.00	40,000.00	-	-	-
Special Emergency Authorizations - 5 Years	100,000.00	100,000.00	100,000.00	100,000.00	-	-	-
Total Deferred Charges Excluded from Caps	220,000.00	220,000.00	220,000.00	220,000.00	-	-	-
Total General Appropriations Excluded from Caps	13,330,625.45	16,899,731.93	16,899,731.93	15,722,319.68	10,289.58	1,156,626.89	10,495.78
Subtotal General Appropriations	60,890,446.34	64,457,552.82	64,457,552.82	58,120,319.51	655,723.89	5,671,013.64	10,495.78
Reserve for Uncollected Taxes	1,924,324.90	1,924,324.90	1,924,324.90	1,924,324.90	-	-	-
Total General Appropriations	\$ 62,814,771.24	\$ 66,381,877.72	\$ 66,381,877.72	\$ 60,044,644.41	\$ 655,723.89	\$ 5,671,013.64	\$ 10,495.78
Adopted Budget			\$ 62,814,771.24				
Appropriations added by 40A:4-87			3,567,106.48				
Reserve for:			\$ 66,381,877.72				
Uncollected Taxes				\$ 1,924,324.90			
Contractually Required Severance							
Disbursements				53,452,160.96			
Special Emergency Authorizations				220,000.00			
Deferred Charges Raised - Overexpenditure of Appropriation Reserve				423,824.87			
Interfunds:							
Grant Fund				4,024,335.68			
			\$ 60,044,644.41				

**TOWNSHIP OF BERKELEY  
OTHER TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES,  
RESERVES AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b><u>Assets</u></b>		
<b><u>Animal Control Trust Fund</u></b>		
Cash	\$ 7,053.21	\$ 3,308.56
Due from State of New Jersey		
<b><u>Other Trust Fund</u></b>		
Cash	9,055,017.42	7,920,280.73
Due From State of New Jersey - Marriage Licenses	1,150.00	1,550.00
Due From Current Fund	544,125.78	26,268.57
	9,600,293.20	7,948,099.30
Length of Service Awards Program Fund (LOSAP)		
Funds Held by Trustee	2,518,674.48	2,447,975.17
<b><u>Payroll Trust Fund</u></b>		
Cash	638,982.28	-
Due From Current Fund	54,813.70	-
	693,795.98	-
	\$ 12,819,816.87	\$ 10,396,074.47
<b><u>Liabilities and Reserves</u></b>		
<b><u>Animal Control Trust Fund</u></b>		
Reserve for Animal Control Trust Fund	\$ 7,044.21	\$ 3,299.56
Due to State of New Jersey	9.00	9.00
	7,053.21	3,308.56
<b><u>Other Trust Fund</u></b>		
Due to State of New Jersey - DCA	28,842.00	37,378.00
Reserve for:		
Miscellaneous Reserves	8,892,176.67	7,337,756.93
Open Space	679,247.46	572,964.37
	9,600,266.13	7,948,099.30
Length of Service Awards Program Fund (LOSAP)		
Funds Held by Trustee	2,518,674.48	2,447,975.17
<b><u>Payroll Trust Fund</u></b>		
Reserve for Payroll Liabilities	693,795.98	-
	693,795.98	-
	\$ 12,819,789.80	\$ 10,399,383.03

**TOWNSHIP OF BERKELEY  
GENERAL CAPITAL FUND  
STATEMENTS OF ASSETS, LIABILITIES,  
RESERVES AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2025 AND 2024**

	<u>12/31/2025</u>	<u>12/31/2024</u>
<b><u>Assets</u></b>		
Cash	\$ 9,300,342.39	\$ 11,951,164.29
Deferred Charges to Future Taxation:		
Funded	42,170,515.91	48,503,268.94
Unfunded	42,029,673.00	34,956,342.00
Grants Receivable	846,175.82	1,050,868.32
Deferred Charge - Overexpenditure of an Ordinance	-	423,455.87
Deferred Charge - Cancellation of Bond Downpayment	646,500.00	646,500.00
	<u>\$ 94,993,207.12</u>	<u>\$ 97,531,599.42</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>		
Capital Improvement Fund	\$ 197,752.97	\$ 370,052.97
Interfunds:		
Reserve for Debt Service	528,356.57	277,689.11
Improvement Authorizations:		
Funded	1,211,838.93	1,185,135.03
Unfunded	5,693,237.98	7,000,937.00
Reserve for Encumbrances	7,077,694.33	6,127,250.07
Bond Anticipation Notes	37,231,000.00	32,761,000.00
Environmental Infrastructure Trust Fund Loans	252,750.36	378,971.56
Serial Bonds	41,149,000.00	47,269,000.00
Green Trust Loan Payable	768,765.55	855,297.38
Fund Balance	882,810.43	1,306,266.30
	<u>\$ 94,993,207.12</u>	<u>\$ 97,531,599.42</u>

There were bonds and notes authorized but not issued on December 31, 2025 and 2024 of \$4,798,673.00 and \$2,195,342.00, respectively.

**TOWNSHIP OF BERKELEY  
PAYROLL FUND  
STATEMENTS OF ASSETS AND LIABILITIES  
REGULATORY BASIS  
DECEMBER 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b><u>Assets</u></b>		
Cash	\$ 190,454.92	\$ 190,454.92
Interfund Receivable - Current	123,720.08	123,720.08
	<b>\$ 314,175.00</b>	<b>\$ 314,175.00</b>
<b><u>Liabilities</u></b>		
Payroll Deductions Payable	\$ 314,175.00	\$ 316,559.16
	<b>\$ 314,175.00</b>	<b>\$ 316,559.16</b>

**TOWNSHIP OF BERKELEY  
 GENERAL FIXED ASSETS ACCOUNT GROUP  
 STATEMENTS OF ASSETS AND LIABILITIES  
 REGULATORY BASIS  
 DECEMBER 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
General Fixed Assets:		
Land	\$ 8,081,770.07	\$ 8,081,770.07
Buildings and Improvements	12,124,106.91	12,124,106.91
Machinery and Equipment	40,628,001.20	40,628,001.20
	\$ 60,833,878.18	\$ 60,833,878.18
Investment in General Fixed Assets	\$ 60,833,878.18	\$ 60,833,878.18

**TOWNSHIP OF BERKELEY  
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

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**TOWNSHIP OF BERKELEY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**Note 1. Summary of Significant Accounting Policies**

**Description of Financial Reporting Entity**

The Township of Berkeley, County of Ocean, New Jersey (hereafter referred to as the "Township"), include every board, body, office or commission supported by and maintained wholly or in part by funds appropriated by the Township as required by N.J.S. 40A:5-5. The financial statements of the Township do not include the operation of the Board of Education, first aid organizations, or volunteer fire companies which are subjected to separate audits.

**Component Units** - GASB Statement 14, as amended by GASB Statements 39, 61, 80, 90 and 97, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). If the provisions of these GASB statements had been complied with, the financial statements of the following components unit would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Berkeley Municipal Utilities Authority  
Berkeley Housing Authority

Berkeley Sewerage Authority

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

In accordance with the "Requirements", the Township accounts for its financial transactions through the use of separate funds, which are described as follows:

**Current Fund** – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

**Trust Funds** – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

**General Fixed Asset Account Group** – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

**Payroll Fund** – This fund accounts for receipt and disbursements for payroll costs & taxes.

See independent accountant's compilation report

**TOWNSHIP OF BERKELEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**Note 1. Summary of Significant Accounting Policies (continued)**

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

**Cash, Cash Equivalents and Investments** - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost with the exception of LOSAP investments which are reported at fair value. Therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

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

See independent accountant's compilation report

**TOWNSHIP OF BERKELEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**Note 1. Summary of Significant Accounting Policies (continued)**

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

**General Fixed Assets** – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

**Foreclosed Property** – Foreclosed Property or “Property Acquired for Taxes” is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Township to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

**Fund Balance** – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

See independent accountant’s compilation report

**TOWNSHIP OF BERKELEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**Note 1. Summary of Significant Accounting Policies (continued)**

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

**Property Tax Revenues** – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Township’s annual budget, but also the amounts required in support of the budgets of the County of Ocean, and Berkeley Township School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

**County Taxes** – The municipality is responsible for levying, collecting and remitting County taxes for the County of Ocean. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10<sup>th</sup> of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Berkeley Township School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district July 1 to June 30.

**Deferred School Taxes** – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

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

**Expenditures** – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis.

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**TOWNSHIP OF BERKELEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**Note 1. Summary of Significant Accounting Policies (continued)**

**Appropriation Reserves** – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31<sup>st</sup> of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

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

**Compensated Absences** – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

**Recent Accounting Pronouncements** – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements 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 municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2025:

- Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Management has determined the implementation of this Statement did not have a significant impact on the Township’s financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

The following accounting pronouncements will become effective in future reporting periods:

- Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.
- Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.
- Statement No. 105, *Subsequent Events*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

Management has not yet determined the potential impact these Statements will have on the Township’s financial statements.

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**TOWNSHIP OF BERKELEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**Note 2. Deposits and Investments**

The Township is governed by the deposit and investment limitations of New Jersey state law.

**Deposits**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the

New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2025, the Township's bank balance of \$43,611,874.96 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 34,287,333.64
Uninsured and Uncollateralized	<u>9,324,541.32</u>
	<u>\$ 43,611,874.96</u>

**Investments**

Under the regulatory basis of accounting, investments are measured at cost in the Township's financial statements. However, had the financial statements been prepared in accordance with generally accepted accounting principles (GAAP), investments would be reported at fair value (except for fully benefit-responsive investment contracts, which would be reported at contract value). Contract value is the relevant measure for the portion of the Length of Service Awards Program (LOSAP) Plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the LOSAP Plan.

**Investments at Fair Value** – The fair value measurements of investments are required to be reported based on the hierarchy established by GAAP. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors.

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**TOWNSHIP OF BERKELEY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**Note 2. Deposits and Investments (continued)**

**Investments (continued)**

Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available. As of December 31, 2024, the Township had no investments held at Level 2 or 3.

Following is a description of the valuation methodologies used for investments measured at fair value.

*Money Market Funds:* Valued at the quoted NAV of shares held by the Township at year-end.

*Mutual Funds:* Valued at quoted market prices which represent the net asset value (“NAV”) shares held by the Township at year-end.

The Township’s fair value, hierarchy level and maturities of its investments at December 31, 2025 was as followed:

<u>Investment type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2025</u>	
		<u>Level 1</u>	<u>Total</u>
Money Markets	\$ 253,897.91	\$ 253,897.91	\$ 253,897.91
Mutual Funds	1,604,607.33	1,604,607.33	1,604,607.33
Fixed Account Investment Contract	660,169.24	660,169.24	660,169.24
	<u>\$ 2,518,674.48</u>	<u>\$ 2,518,674.48</u>	<u>\$ 2,518,674.48</u>
<u>Fund</u>			
Trust Fund - LOSAP	\$ 2,518,674.48	\$ 2,518,674.48	\$ 2,518,674.48
	<u>\$ 2,518,674.48</u>	<u>\$ 2,518,674.48</u>	<u>\$ 2,518,674.48</u>

Investments at Contract Value - The Township held a fully benefit-responsive investment contract with the VALIC Financial Group (VALIC) totaling \$660,169.24 as of December 31, 2025. VALIC maintains the contributions in the group fixed annuity contract (fixed account). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the Township is a guaranteed investment contract.

The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the LOSAP Plan. The Township’s ability to receive amounts due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer’s ability to meet its financial obligations. The fixed account continues in-force until they are terminated by VALIC or the LOSAP Plan and do not define a maturity date.

No events are probable of occurring that might limit the ability of the LOSAP Plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP Plan to transact at contract value with participants. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. The total Trust Fund LOSAP value held by the Township at December 31, 2025 was as follows:

Trust Fund - LOSAP (Fair Value)	\$ 1,858,505.24
Trust Fund - LOSAP (Contract Value)	660,169.24
Total Trust Fund - LOSAP	<u>\$ 2,518,674.48</u>

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**TOWNSHIP OF BERKELEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**Note 2. Deposits and Investments (continued)**

**Investments (continued)**

Custodial Credit Risk Related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.BE1, the Township has no investment policy to limit exposure to custodial credit risk.

Interest Rate Risk - This is the risk that changes in interest rates 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 changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A; 5-15.1, the Township’s investment policies place no limit in the amount the Township may invest in any one issuer. More than 5% of the Township’s investments are in mutual funds and money markets and these investments represent 69.84% of the Township’s total investments.

**Note 3. Property Taxes**

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

**Comparison Schedule of Tax Rates**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Tax Rate	<u>\$ 2.590</u>	<u>\$ 2.411</u>	<u>\$ 2.320</u>
Apportionment of Tax Rate:			
Municipal	0.785	0.740	0.705
Municipal Open Space	0.010	0.010	0.010
County	0.582	0.542	0.515
Local School	0.656	0.603	0.591
Regional School	0.557	0.516	0.499

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**TOWNSHIP OF BERKELEY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**Note 3. Property Taxes (continued)**

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2025	\$ 5,442,518,700.00
2024	5,394,444,800.00
2023	5,348,753,700.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2025	\$ 141,811,273.44	\$ 141,043,922.59	99.45%
2024	130,808,047.93	130,323,539.95	99.62%
2023	124,771,555.88	124,128,421.24	99.48%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2025	\$ 120,449.01	\$ 562,628.87	\$ 683,077.88	0.48%
2024	229,275.05	420,943.39	650,218.44	0.50%
2023	207,887.34	583,024.78	790,912.12	0.63%

**Number of Tax Title Liens**

<u>Year</u>	<u>Number</u>
2025	187
2024	187
2023	187

**Note 4: Property Acquired By Tax Title Lien Liquidation**

The value of properties acquired by liquidation of tax title liens based on the last assessed valuation of such properties as of December 31, was as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 9,666,429.15
2024	9,538,500.32
2023	9,529,240.32

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**TOWNSHIP OF BERKELEY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**Note: 5: Fund Balances Appropriated**

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>	
<b>Current Fund:</b>				
2025	\$ 9,585,955.63	\$ -	0.00%	*
2024	10,506,135.66	7,500,000.00	71.39%	
2023	11,119,118.74	7,600,152.64	68.35%	

\* - At the time of this report the 2026 Budget has not been adopted.

**Note: 6: Interfund Receivables, Payables and Transfers**

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2025:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
Current Fund	\$ 126.09	\$ 1,982,044.03
State and Federal Grant Fund	1,382,978.46	-
Trust Other Fund	544,125.78	-
Payroll Fund	54,813.70	-
	<u>\$ 1,982,044.03</u>	<u>\$ 1,982,044.03</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>
Current Fund	\$ 1,353,163.10	\$ 921,836.54
State and Federal Grant Fund	682,229.95	883,163.10
Trust Other Fund	239,606.59	-
Capital Fund	-	400,000.00
Payroll Fund	-	70,000.00
	<u>\$ 2,274,999.64</u>	<u>\$ 2,274,999.64</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

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**TOWNSHIP OF BERKELEY**  
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**Note 7: Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2025.

	Balance December 31, <u>2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2025</u>
Land	\$ 8,081,770.07	\$ -	\$ -	\$ 8,081,770.07
Buildings and Improvements	12,124,106.91	-	-	12,124,106.91
Machinery & Equipment	40,628,001.20	-	-	40,628,001.20
	<u>\$ 60,833,878.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,833,878.18</u>

**Note 8: Disaggregated Receivable and Payable Balances**

There are no significant components of receivable and payable balances reported in the financial statements.

**Note 9. Municipal Debt**

The following schedule represents the Township's summary of debt, as filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>Issued:</b>			
General:			
Bonds, Notes and Loans	\$ 79,401,515.91	\$ 81,264,268.94	\$ 78,047,374.07
Total Debt Issued	<u>79,401,515.91</u>	<u>81,264,268.94</u>	<u>78,047,374.07</u>
<b>Authorized but not issued:</b>			
General:			
Bonds, Notes and Loans	4,798,673.00	2,285,342.00	1,842.00
Total Authorized But Not Issued	<u>4,798,673.00</u>	<u>2,285,342.00</u>	<u>1,842.00</u>
<b>Total Gross Debt</b>	<u>\$ 84,200,188.91</u>	<u>\$ 83,549,610.94</u>	<u>\$ 78,049,216.07</u>
<b>Deductions:</b>			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	\$ 528,356.57	\$ 277,689.11	\$ 213,060.85
Open Space Trust (N.J.S.A. 40A:244(h))	679,247.46	572,964.37	425,213.04
Total Deductions	<u>1,207,604.03</u>	<u>850,653.48</u>	<u>638,273.89</u>
<b>Total Net Debt</b>	<u>\$ 82,992,584.88</u>	<u>\$ 82,698,957.46</u>	<u>\$ 77,410,942.18</u>

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**TOWNSHIP OF BERKELEY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**Note 9. Municipal Debt (continued)**

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 84,200,188.91	\$ 1,207,604.03	\$ 82,992,584.88
	<u>\$ 84,200,188.91</u>	<u>\$ 1,207,604.03</u>	<u>\$ 82,992,584.88</u>

Net Debt \$82,992,584.88 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$9,376,834,842.00 , equals 0.885%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2025 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 328,189,219.47
Net Debt	<u>82,992,584.88</u>
Remaining Borrowing Power	<u>\$ 245,196,634.59</u>

**General Debt**

**A. Serial Bonds Payable**

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 6,230,000.00	\$ 1,350,773.76	\$ 7,580,773.76
2027	6,510,000.00	1,124,573.76	7,634,573.76
2028	6,754,000.00	887,183.76	7,641,183.76
2029	5,895,000.00	680,893.76	6,575,893.76
2030	1,930,000.00	482,637.50	2,412,637.50
2031-2035	13,830,000.00	1,284,515.63	15,114,515.63
	<u>\$ 41,149,000.00</u>	<u>\$ 5,810,578.17</u>	<u>\$ 46,959,578.17</u>

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**TOWNSHIP OF BERKELEY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**Note 9. Municipal Debt (continued)**

**B. Bond Anticipation Notes**

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2025:

<u>Description</u>	<u>Date of Original Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2025</u>
Series 2025A	3/23/2023	3/18/2026	3.75%	\$ 10,682,000.00
Series 2025B	3/23/2023	8/20/2026	4.00%	<u>26,549,000.00</u>
				<u>\$ 37,231,000.00</u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

**C. Bonds and Notes Authorized But Not Issued**

As of December 31, 2025, the Township had \$4,798,673.00 in various General Capital bonds and notes authorized but not issued.

**D. DEP Loans Payable**

New Jersey Environmental Infrastructure Trust

A summary of the maturities for each of the subsequent five years and then each five-year period thereafter is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 124,163.09	\$ 4,892.50	\$ 129,055.59
2027	90,587.27	3,201.25	93,788.52
2028	19,000.00	1,520.00	20,520.00
2029	19,000.00	760.00	19,760.00
	<u>\$ 252,750.36</u>	<u>\$ 10,373.75</u>	<u>\$ 263,124.11</u>

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**TOWNSHIP OF BERKELEY  
NOTES TO FINANCIAL STATEMENTS  
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**Note 9. Municipal Debt (continued)**

**D. DEP Loans Payable (continued)**

Green Trust Loans

A summary of the maturities for each of the subsequent five years and then each five-year period thereafter is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 88,271.13	\$ 14,936.15	\$ 69,006.52
2027	74,164.62	13,004.67	69,006.53
2028	50,624.01	3,643.02	69,006.52
2029	42,559.85	10,902.37	53,462.22
2030	43,959.42	10,046.92	54,006.34
2031-2035	230,522.40	36,788.77	267,311.17
2036-2040	205,513.71	13,643.77	219,157.48
2041	33,150.41	506.25	33,656.66
	<u>\$ 768,765.55</u>	<u>\$ 103,471.92</u>	<u>\$ 834,613.44</u>

**Summary of Principal Debt**

A summary of the changes in long-term and short-term debt of the Township is as follows:

	Balance December 31, <u>2024</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2025</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 47,269,000.00	\$ -	\$ 6,120,000.00	\$ 41,149,000.00	\$ 6,230,000.00
Bond Anticipation Notes	32,761,000.00	37,231,000.00	32,761,000.00	37,231,000.00	37,231,000.00
Green Trust Loan	855,297.38	-	86,531.83	768,765.55	88,271.13
NJEIT Loans	378,971.56	-	126,221.20	252,750.36	124,163.09
Authorized But Not Issued	2,285,342.00	7,073,700.00	4,560,369.00	4,798,673.00	-
	<u>\$ 83,549,610.94</u>	<u>\$ 44,304,700.00</u>	<u>\$ 43,654,122.03</u>	<u>\$ 84,200,188.91</u>	<u>\$ 43,673,434.22</u>

**Note 10: Deferred School Taxes**

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

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**TOWNSHIP OF BERKELEY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**Note 10: Deferred School Taxes (continued)**

<u>Local Taxes</u>	Balance, December 31,	
	<u>2025</u>	<u>2024</u>
Total Balance of Local Tax	\$ 17,857,316.01	\$ 16,254,831.01
Deferred Taxes	17,457,312.50	16,254,827.00
Local Tax Payable	\$ 400,003.51	\$ 4.01

<u>Regional Tax</u>	Balance, December 31,	
	<u>2025</u>	<u>2024</u>
Total Balance of Regional Tax	\$ 15,149,024.16	\$ 13,914,682.12
Deferred Taxes	14,749,024.00	13,914,682.00
Regional Tax Payable	\$ 400,000.16	\$ 0.12

**Note 11. Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2025 the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

<u>Description</u>	Balance December 31, <u>2025</u>	2026 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<b>Current Fund:</b>			
Special Emergency Authorizations (40A:4-55)			
2021 Contractually Required Liabilities	\$ 40,000.00	\$ 40,000.00	\$ -
2022 Contractually Required Liabilities	80,000.00	40,000.00	40,000.00
Tax Maps	200,000.00	100,000.00	100,000.00
2023 Contractually Required Liabilities	120,000.00	40,000.00	80,000.00
Twp Wide Revaluations	2,650,000.00	-	2,650,000.00
<b>General Capital Fund:</b>			
Cancellation of Bond Down Payment	646,500.00	-	646,500.00

**Note 12. Accrued Sick, Vacation and Compensation Time**

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

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**TOWNSHIP OF BERKELEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**Note 12. Accrued Sick, Vacation and Compensation Time (continued)**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation, sick pay and compensation time. The Borough permits certain employees, within limits, to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absence amount is not reported as a liability in the accompanying financial statements.

Under current policies and in accordance with N.J.S.A. 40A:9-10.2, unused sick leave is paid at an agreed upon rate upon separation of employment. Excess unused sick leave above the statutory cap is not paid out upon separation and lapses unless used. However, a liability is recognized under GASB 101 to the extent such leave is expected to be used as time off. It is estimated that accrued benefits for compensated absences, in accordance with GASB Statement No. 101, are valued at \$4,199,995.30 at December 31, 2025.

This estimate includes leave that is expected to be paid upon separation from service, and sick leave and compensation time to the extent that such leave is more likely than not to be used by employees as paid time off, based on historical usage patterns.

**Note 13. Contingencies**

**Pending Litigation**

It is the opinion of the Township officials that there is no litigation threatened or pending that would materially affect the financial position of the Township or adversely affect the Township's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

**Note 14. Length of Service Awards Program**

The Township's length of service awards program ("LOSAP") is reported in the Township's trust fund Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

The tax deferred income benefits for the active volunteer firefighters and emergency medical personnel serving the residents of the Township come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Township elected to contribute \$1,150.00 for the year ended December 31, 2025 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2025, the Township contributed a total of \$143,765.00 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan.

See independent accountant's compilation report

**TOWNSHIP OF BERKELEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**Note 14. Length of Service Awards Program (continued)**

The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

**Participant Accounts** - Each participant's account is credited with the Township's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Township has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Township's creditors until distributed as benefit payments, are not available for funding the operations of the Township. The funds may also be used to pay the administrative fees charged by the Plan Administrator. VALIC Financial Group ("Plan Administrator"), an approved Length of Service Awards Program provider, is the administrator of the Plan. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

**Vesting** - Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

**Payment of Benefits** - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2025 payouts of \$326,563.73 were made to vested participants.

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

**Note 15. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2025 and February 24, 2026, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

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**APPENDIX C**  
**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

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## FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Berkeley, in the County of Ocean, New Jersey (the "Issuer" or "Township") in connection with the issuance by the Issuer of \$ \_\_\_\_\_ General Obligation Bonds, Series 2026 (the "Bonds"). The Bonds are being issued pursuant to various bond ordinances (collectively, the "Ordinances") duly adopted by the Council of the Issuer (the "Council"), as set forth in a resolution duly adopted by the Council on February 17, 2026 (the "Resolution"). The Bonds are dated their date of delivery and shall mature on \_\_\_\_\_ in the years \_\_\_\_ through \_\_\_\_\_, inclusive. The Issuer covenants and agrees as follows:

*Section 1. Purpose of the Disclosure Certificate.* This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Exchange Act").

*Section 2. Definitions.* In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any Bond, including holders of beneficial interests in the Bonds.

"Continuing Disclosure Information" shall mean: (i) the Annual Report; (ii) any notice required to be filed with the MSRB pursuant to Section 5 hereof; and (iii) any notice of an event required to be filed with the MSRB pursuant to Section 3(b) hereof.

"Dissemination Agent" shall mean Phoenix Advisors, a division of First Security Municipal Advisors, Inc., or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System ("EMMA"), an internet based filing system created and maintained by the MSRB in accordance with the SEC Release, pursuant to which issuers of tax-exempt bonds, including the Bonds, and other filers on behalf of the such issuers shall upload Continuing Disclosure Information to assist underwriters

in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

"Official Statement" shall mean the Official Statement of the Issuer, dated \_\_\_\_\_, 2026, relating to the Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Exchange Act, as the same may be amended from time to time.

"SEC Release" shall mean Release No. 34-59062, of the SEC, dated December 5, 2008.

"State" shall mean the State of New Jersey.

*Section 3. Provision of Annual Reports.*

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than September 30<sup>th</sup> of each year, commencing September 30, 2026 (for the fiscal year ending December 31, 2025), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the SEC.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for making available or providing the Annual Report, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to

the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall file a report with the Issuer certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate, stating the date it was provided.

*Section 4. Content of Annual Reports.* The Issuer's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting standards (GAAS) as from time to time in effect, and as prescribed by the Division of Local Government Services in the Department of Community Affairs of the State pursuant to Chapter 5 of Title 40A of the New Jersey Statutes. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Certain financial information and operating data of the Issuer consisting of: (i) Issuer indebtedness; (ii) Issuer's most current adopted budget; (iii) property valuation information; and (iv) tax rate, levy and collection data.

*Section 5. Reporting of Significant Events.*

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on the debt service reserves reflecting financial difficulties;
4. unscheduled draws on the credit enhancements reflecting financial difficulties;
5. substitution of the credit or liquidity providers or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;

7. modifications to rights of Bondholders, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the Bonds, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar events of the Issuer, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;
13. 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;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the 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 Bondholders, if material; and
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption not otherwise contingent upon the occurrence of an event, if (i) the terms, dates and amounts of redemption are set forth in detail in the final official statement

(as defined in the Rule), (ii) the only open issue is which securities will be redeemed in the case of a partial redemption; (iii) notice of redemption is given to the Bondholders as required under the terms of the securities and (iv) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced prior to the redemption by other prior optional redemptions or security purchases.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in subsection (a) for which the disclosure obligation is dependent upon materiality, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If disclosure of a Listed Event is required, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the event, file a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

*Section 6. Termination of Reporting Obligation.* The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

*Section 7. Dissemination Agent.* The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

*Section 8. Amendment; Waiver.* Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

*Section 9.* Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

*Section 10.* Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

*Section 11.* Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

*Section 12.* Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**TOWNSHIP OF BERKELEY, IN THE  
COUNTY OF OCEAN, NEW JERSEY**

By \_\_\_\_\_  
**PAUL BODINE,**  
**Chief Financial Officer**

**Dated: March \_\_, 2026**

**EXHIBIT A**

**NOTICE TO OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Township of Berkeley, in the County of Ocean, New Jersey

Name of Bond Issue: \$ \_\_\_\_\_ General Obligation Bonds, Series 2026

Date of Issuance: March \_\_, 2026  
(CUSIP Number \_\_\_\_\_)

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated March \_\_, 2026. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_ \_\_, 20\_\_.

Dated: \_\_\_\_\_, 20\_\_

TOWNSHIP OF BERKELEY, IN THE  
COUNTY OF OCEAN, NEW JERSEY

By: \_\_\_\_\_  
Name:  
Title:

**APPENDIX D**  
**FORM OF BOND COUNSEL'S OPINION**

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

\_\_\_\_\_, 2026

Mayor and Township Council of the  
Township of Berkeley, in the  
County of Ocean, New Jersey

Re: Township of Berkeley, in the County of Ocean, New Jersey  
\$ \_\_\_\_\_ General Obligation Bonds, Series 2026

Dear Mayor and Council:

We have acted as Bond Counsel in connection with the issuance by the Township of Berkeley, in the County of Ocean, New Jersey (the "Township") of its \$ \_\_\_\_\_ General Obligation Bonds, Series 2026 (the "Bonds"). The Bonds are general obligations of the Township, and the full faith, credit and taxing power of the Township is available to pay the principal of and interest on the Bonds. The Bonds are dated the date of delivery, mature on March 15 in each of the years and bear interest at the rates payable on March 15, 2027 and semiannually thereafter on September 15 and March 15 in each year until maturity as set forth in the table below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2027	\$	%
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
<b>TOTAL</b>		

The Bonds are not subject to redemption prior to their stated maturities.

The Bonds will be initially issued in fully registered book-entry form only in the form of one certificate in the aggregate amount of the Bonds of each maturity, registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York (“DTC”), which will act as securities depository for the Bonds. DTC will be responsible for maintaining the book-entry system for recording the interests of its participants and transfers of such interests among such participants. Such participants shall be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of individual purchasers. Individual purchases may be made in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof, through book-entries on the books and records of DTC and its participants.

The Bonds are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962, and the acts amendatory thereof and supplemental thereto (the "Act"), a resolution adopted by the Township Council on February 17, 2026 (the "Resolution") and various bond ordinances duly adopted by the Township Council (collectively, the "Ordinances"). The Bonds are issued for the purpose of financing and refinancing various general capital improvements and to pay a portion of the costs of issuing the Bonds.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Bonds, including (a) copies of the Resolution and the Ordinances; (b) such matters of law, including, *inter alia*, the Act and the Internal Revenue Code of 1986, as amended (the “Code”); and (c) such other agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the Bonds as we have deemed necessary. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied upon the proceedings and other certifications of public officials executed and furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized, issued, executed and sold by the Township; the Ordinances and the Resolution have been duly authorized and adopted by the Township; and the Bonds, the Ordinances and the Resolution are legal, valid and binding obligations of the Township enforceable in accordance with their respective terms.

2. Assuming the Township observes its covenants with respect to compliance with the Code, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Bonds, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. In addition, interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed by the Code, however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

3. Under the laws of the State of New Jersey as enacted and construed on the date of original delivery of the Bonds, interest on the Bonds and any gain from the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

4. The power and obligation of the Township to pay the Bonds is unlimited, and the Township shall be required to levy *ad valorem* taxes upon all taxable real property within the Township for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their respective terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 2 and 3 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Bonds.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Bonds.

DILWORTH PAXSON LLP

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