

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 23, 2026

NEW ISSUE (BOOK-ENTRY)

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

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Township with certain covenants described herein, interest on the Notes (as defined herein) (i) is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for purposes of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Notes and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended and supplemented. Bond Counsel's opinions described herein are given in reliance on representations, certifications of fact, and statements of reasonable expectation made by the Township in its Tax Certificate (as defined herein), assume continuing compliance by the Township with certain covenants set forth in its Tax Certificate, and are based on existing statutes, regulations, rulings, administrative pronouncements and judicial decisions. See "TAX MATTERS" herein.

**TOWNSHIP OF PEMBERTON
IN THE COUNTY OF BURLINGTON
STATE OF NEW JERSEY**

**\$14,335,000 BOND ANTICIPATION NOTES, SERIES 2026
CONSISTING OF
\$10,157,000 GENERAL IMPROVEMENT NOTES, SERIES 2026
\$3,258,000 WATER UTILITY NOTES, SERIES 2026
AND
\$920,000 SEWER UTILITY NOTES, SERIES 2026**

(NON-CALLABLE)

**Dated: Date of Delivery
Due: May 19, 2027
Coupon: ____%
Yield: ____%
CUSIP: 706252____**

The \$14,335,000 aggregate principal amount of Bond Anticipation Notes, Series 2026, consisting of \$10,157,000 General Improvement Notes, Series 2026 (the "General Improvement Notes"), \$3,258,000 Water Utility Notes, Series 2026 (the "Water Utility Notes"), and \$920,000 Sewer Utility Notes, Series 2026 (the "Sewer Utility Notes" and together with the General Improvement Notes and the Water Utility Notes, the "Notes") are general obligations of the Township of Pemberton, in the County of Burlington, State of New Jersey (the "Township"), payable in the first instance from the proceeds of the sale of bonds or notes issued in anticipation of bonds, but if not so paid or if not paid from other sources, are payable ultimately from *ad valorem* taxes levied upon all the taxable property located within the Township for the payment of the principal of the Notes and the interest thereon without limitation as to rate or amount.

The Notes will be issued in fully registered book-entry form and, when issued, will be registered in the name of, and held by, 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 Notes. Individual purchases of the Notes will be made in book-entry form in the principal amount of \$5,000 each or any integral multiple of \$1,000 in excess thereof, through book entries made on the books and records of DTC and its participants.

The Notes will bear interest at the rate set forth above, commencing their date of delivery. Principal of and interest on the Notes will be payable by the Township, or a duly designated paying agent, on the date of maturity thereof as set forth above.

While DTC is acting as securities depository for the Notes, the principal of and interest on the Notes will be payable by wire transfer to DTC or its nominee, which is obligated to remit such principal and interest payments to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such principal and interest payments to the Beneficial Owners of the Notes. See "BOOK-ENTRY SYSTEM" herein.

The Notes are authorized by and are issued pursuant to (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 *et seq.*, as amended and supplemented; (ii) various bond ordinances duly adopted by the Township Council of the Township on the dates set forth herein, approved by the Mayor, and published as required by law, and (iii) a resolution duly adopted by the Township Council of the Township on April 15, 2026 (the "Resolution").

The General Improvement Notes are being issued to (i) refund, on a current basis, an \$8,741,000 principal portion of prior general improvement notes issued in the principal amount of \$9,747,000 on May 22, 2025 and maturing May 21, 2026 (the "Prior General Improvement Notes") (the remaining amount of the Prior General Improvement Notes will be paid with cash on hand and a 2026 budgetary appropriation totaling the amount of \$1,006,000), and (ii) temporarily finance various general capital acquisitions and improvements in and for the Township in the amount of \$1,416,000, including paying the costs associated with the issuance of the General Improvement Notes. The Water Utility Notes are being issued to (i) refund, on a current basis, prior water utility notes issued in the principal amount of \$948,000 on May 22, 2025 and maturing May 21, 2026 and (ii) temporarily finance various water utility acquisitions and improvements in and for the Township in the amount of \$2,310,000, including paying the costs associated with the issuance of the Water Utility Notes. The Sewer Utility Notes are being issued to refund, on a current basis, prior sewer utility notes issued in the principal amount of \$920,000 on May 22, 2025 and maturing May 21, 2026.

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

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

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

The Notes are offered when, as and if issued and delivered, subject to the approval of the legality thereof, by Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, acting as Bond Counsel to the Township, and certain other conditions. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Notes. Certain legal matters will be passed upon for the Township by the Township Attorney, Christopher J. Connors, Esq. of Dasti, McGuckin, McNichols, Connors, Anthony and Buckley, Lacey Township, New Jersey. It is anticipated that the Notes will be available for delivery through DTC on or about May 20, 2026.

BIDS FOR THE NOTES, IN ACCORDANCE WITH THE FULL NOTICE OF SALE, WILL BE RECEIVED BY THE MUNICIPAL ADVISOR, ON BEHALF OF THE CHIEF FINANCIAL OFFICER OF THE TOWNSHIP, UNTIL 11:00 A.M., PREVAILING NEW JERSEY TIME, ON APRIL 30, 2026 VIA ELECTRONIC MAIL AT BMORRIS@MUNIADVISORS.COM, OR VIA PARITY AT HTTPS://NEWISSUE.MUNI.SPLOBAL.COM. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE FULL NOTICE OF SALE POSTED AT WWW.MUNI.HUB.COM.

* "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 number listed is being provided solely for the convenience of Noteholders only at the time of issuance of the Notes and the Township does not make any representations with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Notes as a result of various subsequent actions, including, but not limited to, the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to the Notes.

This is a Preliminary Official Statement "deemed final" by the Township within the meaning of, and with the exception of certain information permitted to be omitted by, Rule 15c2-12 of the Securities and Exchange Commission, and is otherwise subject to change in accordance with applicable law. The Township will deliver a final Official Statement in compliance with Rule 15c2-12. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

**TOWNSHIP OF PEMBERTON
IN THE COUNTY OF BURLINGTON
STATE OF NEW JERSEY**

MAYOR

Matthew Bianchini

TOWNSHIP COUNCIL

Harry Harper, Council President

Josh Ward

Perry Doyle

Charles de Charleroy

Dan Dewey

CLERK

Amy P. Cosnoski

CHIEF FINANCIAL OFFICER

Candice Pennewell

TOWNSHIP ATTORNEY

Dasti, McGuckin, McNichols, Connors, Anthony and Buckley

Lacey Township, New Jersey

AUDITORS

PKF O'Connor Davies, LLP

(formerly Bowman & Company LLP)

Voorhees and Woodbury, New Jersey

MUNICIPAL ADVISOR

Phoenix Advisors,

a division of First Security Municipal Advisors, Inc.

Hamilton, New Jersey

BOND COUNSEL

Wilentz, Goldman & Spitzer, P.A.

Woodbridge, New Jersey

No dealer, broker, salesperson or other person has been authorized by the Township of Pemberton, in the County of Burlington, State of New Jersey (the "Township") to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Township.

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

The information contained herein has been provided by the Township, The Depository Trust Company, Brooklyn, New York ("DTC"), and other sources deemed reliable by the Township; however, no representation or warranty is made as to its accuracy or completeness, and as to the information from sources other than the Township, such information is not to be construed as a representation or warranty by the Township.

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or owners of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create an 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. The Township has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

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

The presentation of information is intended to show recent historical information except as expressly stated otherwise, and is not intended to indicate future or continuing trends in the financial condition or other affairs of the Township. No representation is made that past experience, as is shown by the financial and other information included herein, will necessarily continue or be repeated in the future.

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

In order to facilitate the distribution of the Notes, the Underwriter (as defined herein) may engage in transactions intended to stabilize the price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The price at which the Notes are offered to the public by the Underwriter and the yield resulting therefrom may vary from the initial public offering price or yield stated on the cover page hereof. In addition, the Underwriter may allow concessions or discounts from such initial public offering price to dealers and others.

The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the Federal Securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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**OFFICIAL STATEMENT
OF THE
TOWNSHIP OF PEMBERTON
IN THE COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**RELATING TO
\$14,335,000 BOND ANTICIPATION NOTES, SERIES 2026
CONSISTING OF
\$10,157,000 GENERAL IMPROVEMENT NOTES, SERIES 2026
\$3,258,000 WATER UTILITY NOTES, SERIES 2026
AND
\$920,000 SEWER UTILITY NOTES, SERIES 2026
(NON-CALLABLE)**

INTRODUCTION

The purpose of this Official Statement is to provide certain information regarding the financial and economic condition of the Township of Pemberton (the "Township"), in the County of Burlington (the "County"), State of New Jersey (the "State"), in connection with the offering, sale and issuance of \$14,335,000 aggregate principal amount of Bond Anticipation Notes, Series 2026, consisting of \$10,157,000 General Improvement Notes, Series 2026 (the "General Improvement Notes"), \$3,258,000 Water Utility Notes, Series 2026 and \$920,000 Sewer Utility Notes, Series 2026 (the "Sewer Utility Notes" and together with the General Improvement Notes and the Water Utility Notes, the "Notes"), of the Township. This Official Statement, which includes the cover page and appendices attached hereto, has been authorized by the Township Council of the Township, executed by and on behalf of the Township by its Chief Financial Officer, and is to be distributed in connection with the offering and sale of the Notes.

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

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

DESCRIPTION OF THE NOTES

General Description

The Notes shall be dated the date of delivery thereof and shall bear interest at the rate as indicated on the front cover page of this Official Statement, payable upon the maturity thereof. Interest on the Notes is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

The Notes will be issued as fully registered notes in book-entry form and, when issued, will be registered in the name of, and held by, Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"). DTC will act as securities depository for the Notes. Principal of and interest on the Notes will be payable by the Township, or a duly designated paying agent, on the date of maturity of the Notes by wire transfer of immediately available funds to DTC or its nominee, Cede & Co. Purchases of beneficial

interests in the Notes will be made in book-entry form, without certificates, in denominations of \$5,000 each or any integral multiple of \$1,000 in excess thereof, through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

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

Optional Redemption

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

Authorization for the Issuance of the Notes

The Notes are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); (ii) various bond ordinances duly adopted by the Township Council of the Township on the dates set forth in the charts on the following page under the subheadings "Purpose of the General Improvement Notes", "Purpose of the Water Utility Notes", and "Purpose of the Sewer Utility Notes", approved by the Mayor, and published as required by law, and (iii) a resolution duly adopted by the Township Council of the Township on April 15, 2026 (the "Resolution").

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

Purpose of the General Improvement Notes

The General Improvement Notes are being issued to (i) refund, on a current basis, an \$8,741,000 principal portion of prior general improvement notes issued in the principal amount of \$9,747,000 on May 22, 2025 and maturing May 21, 2026 (the "Prior General Improvement Notes") (the remaining amount of the Prior General Improvement Notes will be paid with cash on hand and a 2026 budgetary appropriation totaling the amount of \$1,006,000), and (ii) temporarily finance various general capital acquisitions and improvements in and for the Township in the amount of \$1,416,000, including paying the costs associated with the issuance of the General Improvement Notes.

The General Improvement Notes and the improvements or purposes for which the General Improvement Notes are to be issued have been authorized by bond ordinances duly adopted by the Township, which bond ordinances are described on the following table by Ordinance Number, Description and Date of Final Adoption and the Amount to be Issued for such purposes. The bond ordinances are as follows:

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\$10,157,000
General Improvement Notes, Series 2026

Ordinance Number	Description and Date of Final Adoption	Amount to be Issued
13-2015	Various improvements to West End Athletic Complex, finally adopted 8/9/2015	\$ 1,100,000
15-2015	Various capital improvements and acquisitions, finally adopted 9/16/2015	450,000
18-2017	Various capital improvements, finally adopted 8/2/2017	4,450
8-2019	Various capital improvements, finally adopted 3/20/2019	7,500
18-2019	Acquisition of real property for redevelopment and/or park expansion purposes, finally adopted 5/1/2019	140,875
20-2019	Acquisition of real property for redevelopment and/or park expansion purposes, finally adopted 6/5/2019	200,000
23-2019	Building and park improvements, finally adopted 6/19/2019	191,300
26-2019	Stormwater pipe rehabilitation and drainage improvements, finally adopted 7/17/2019	200,000
11-2020	Various capital improvements, finally adopted 5/5/2020	367,000
21-2021	Various capital improvements and acquisitions, finally adopted 6/2/2021	481,000
13-2022	Acquisition of real property for redevelopment and/or municipal purposes, finally adopted 5/18/2022	1,656,000
8-2023	Various roadway improvements, finally adopted 4/11/2023	443,750
16-2023	Various capital improvements to the Pemberton Sports Complex and Nesbit Park, finally adopted 4/19/2023	1,220,000
42-2023	Various capital improvements and acquisitions, finally adopted 11/8/2023	193,125
42-2024	Various capital improvements and acquisitions, finally adopted 10/2/2024	2,086,000
15-2025	Various capital improvements and acquisitions, finally adopted 7/17/2025	<u>1,416,000</u>
TOTAL:		<u>\$10,157,000</u>

Purpose of the Water Utility Notes

The Water Utility Notes are being issued to (i) refund, on a current basis, prior water utility notes issued in the principal amount of \$948,000 on May 22, 2025 and maturing May 21, 2026 and (ii) temporarily finance various water utility acquisitions and improvements in an for the Township in the amount of \$2,310,000, including paying the costs associated with the issuance of the Water Utility Notes.

The Water Utility Notes and the improvements or purposes for which the Water Utility Notes are to be issued have been authorized by bond ordinances duly adopted by the Township, which bond ordinances are described on the following table by Ordinance Number, Description and Date of Final Adoption and the Amount to be Issued for such purposes. The bond ordinances are as follows:

\$3,258,000
Water Utility Notes, Series 2026

Ordinance Number	Description and Date of Final Adoption	Amount to be Issued
22-2023	Various capital improvements and acquisitions for the Water Utility, finally adopted 6/7/2023	\$ 463,000
37-2024	Various capital improvements and acquisitions for the Water Utility, finally adopted 9/4/2024	485,000
4-2026	Various capital improvements and acquisitions for the Water Utility, finally adopted 2/18/2026	1,556,000
8-2026	Various capital improvements and acquisitions for the Water Utility, finally adopted 2/18/2026	<u>754,000</u>
TOTAL:		<u>\$3,258,000</u>

Purpose of the Sewer Utility Notes

The Sewer Utility Notes are being issued to refund, on a current basis, prior sewer utility notes issued in the principal amount of \$920,000 on May 22, 2025 and maturing May 21, 2026.

The Sewer Utility Notes and the improvements or purposes for which the Sewer Utility Notes are to be issued have been authorized by a bond ordinance duly adopted by the Township, which bond ordinance is described on the following table by Ordinance Number, Description and Date of Final Adoption and the Amount to be Issued for such purposes. The bond ordinance is as follows:

\$920,000
Sewer Utility Notes, Series 2026

Ordinance Number	Description and Date of Final Adoption	Amount to be Issued
2023-21	Various capital improvements and acquisitions for the Sewer Utility, finally adopted 6/2/2021	<u>\$920,000</u>
TOTAL:		<u>\$920,000</u>

Payment of Notes

The Notes are general obligations of the Township for which the full faith and credit of the Township will be pledged. The Township is authorized and required by law to levy *ad valorem* taxes on all taxable property within the Township for the payment of principal of and interest on the Notes without limitation as to rate or amount.

SECURITY AND PAYMENT FOR THE NOTES

The Notes are valid and legally binding general obligations of the Township for which the full faith and credit of the Township are irrevocably pledged for the punctual payment of the principal of and interest on the Notes. The Township has the power and, unless paid from other sources, is obligated by law to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of the Notes and the interest thereon without limitation as to rate or amount.

The Township is required by law to include the total amount of principal of and interest on all of its general obligation indebtedness, such as the Notes, for the current year in each annual budget unless provision has been made for payment of such general obligation indebtedness from other sources. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted. See "RISK TO HOLDERS OF NOTES" herein.

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

RISK FACTORS

Climate

The State is naturally susceptible to the effects of extreme weather events and natural disasters, including floods, earthquakes and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the Township as well as resulting in economic impacts such as loss of *ad valorem* tax revenue, interruption of municipal services, and escalated recovery costs. 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.

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 certain insurance coverage for cyberattacks and related events. No assurances can be given that the Township's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the Township.

NO DEFAULT

There is no report of any default in the payment of the principal of, redemption premium, if any, and interest on the bonds, notes or other obligations of the Township as of the date hereof.

MARKET PROTECTION

The Township does not plan on issuing any additional notes and/or bonds for the remainder of calendar year 2026.

BOOK-ENTRY SYSTEM

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Notes, payment of principal and interest, and other payments on the Notes to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations concerning these matters.

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

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

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

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

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

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

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

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

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

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

Discontinuance of Book-Entry System

In the event that the book-entry system is discontinued and the Beneficial Owners become registered owners of the Notes, the following provisions apply: (i) the Notes may be exchanged for an equal aggregate principal amount of Notes in other authorized denominations and of the same maturity, upon surrender thereof at the office of the chief financial officer of the Township or Paying Agent; (ii) the transfer of any Notes may be registered on the books maintained by the Township or Paying Agent for such purposes only upon the surrender thereof to the Township or Paying Agent together with the duly executed assignment in form satisfactory to the Township or Paying Agent; and (iii) for every exchange or registration of transfer of Notes, the Township or Paying Agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Notes. Principal and interest on the Notes will be payable by check or draft, mailed on the Interest Payment Date to the registered owners thereof.

PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Procedure for Authorization

The Township has no constitutional limit on its power to incur indebtedness other than that it may issue obligations only for public purposes pursuant to State statutes. The authorization and issuance of Township debt, including the purpose, amount and nature thereof, the method and manner of the incurrence of such debt, the maturity and terms of repayment thereof, and other related matters are statutory. The Township is not required to submit the proposed incurrence of indebtedness to a public referendum.

The Township, by bond ordinance, may authorize and issue negotiable obligations for the financing of any capital improvement or property which it may lawfully acquire, or any purpose for which it is authorized or required by law to make an appropriation, except current expenses and payment of obligations (other than those for temporary financings). Bond ordinances must be finally adopted by the recorded affirmative vote of at least two-thirds of the full membership of the Township Council and, if applicable, approval by the Mayor prior to publication. The Local Bond Law requires publication and posting of the bond ordinance or a summary thereof. If the bond ordinance requires approval or endorsement of the State, it cannot be finally adopted until such approval has been received. The Local Bond Law provides that a bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption. At the conclusion of the twenty-day period all challenges to the validity of the obligations authorized by such bond ordinance shall be precluded except for constitutional matters. Moreover, after issuance, all obligations are conclusively presumed to be fully authorized and issued by all laws of the State and any person shall be estopped from questioning their sale, execution or delivery by the Township.

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

The Notes are being issued pursuant to the provisions of the Local Bond Law. The Local Bond Law governs the issuance of bonds and notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds or notes must mature within the statutory period of usefulness of the projects being financed, that bonds be retired in either serial or sinking fund installments, and that, unlike school debt, and with some exceptions, including self-liquidating obligations and those improvements involving certain State grants, a five percent (5%) cash down payment of the amount of bonds and notes authorized must be generally provided. Such down payment must have been raised by budgetary appropriations, from cash on hand previously contributed for the purpose or by emergency resolution adopted pursuant to the Local Budget Law, N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the "Local Budget Law"). All bonds and notes issued by the Township are general "full faith and credit" obligations.

Short Term Financing

Local governmental units (including the Township) may issue General Improvement 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. Such General Improvement Notes for capital improvements may be issued in an aggregate amount not exceeding the amount of bonds authorized in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit's General Improvement Notes may be issued and renewed for periods not exceeding one (1) year, with the final maturity occurring and being paid no later than the first day of the fifth month following the close of the tenth fiscal year after the original issuance of the notes, provided that no notes may be renewed beyond the third anniversary date of the original notes and each anniversary date thereafter unless an amount of such notes at least equal to the first legally payable installment of the anticipated bonds (the first year's principal payment), is paid and retired from funds other than the proceeds of obligations on or before the third anniversary date and each anniversary date thereafter.

The issuance of tax anticipation notes by a municipality is limited in amount by the provisions of the Local Budget Law and may be renewed from time to time, but, in the case of a municipality such as the Township, all such notes and renewals thereof must mature not later than 120 days after the end of the fiscal year in which such notes were issued.

Refunding Bonds (N.J.S.A. 40A:2-51 et seq.)

Refunding bonds may be issued by a local unit pursuant to the Local Bond Law for the purpose of paying, funding or refunding its outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-State administered public employee pension system, the present value of unfunded accrued liabilities for State administered early retirement incentive benefits, amounts owing to others for taxes levied in the local unit, or any renewals or extensions thereof, and for paying the cost of issuance of refunding bonds. The Local Finance Board, in the Division of Local Governmental Services, New Jersey Department of Community Affairs (the "Local Finance Board") must approve the authorization of the issuance of refunding bonds. If the refunding bonds are issued in accordance with N.J.A.C. 5:30-2.5, no approval is required by the Local Finance Board; however, the details of the sale, issuance and delivery of the refunding bonds will be delivered to the Local Finance Board within then (10) days of the delivery of the refunding bonds.

Statutory Debt Limitation (N.J.S.A. 40A:2-6 et seq.)

There are statutory requirements which limit the amount of debt which the Township is permitted to authorize. The authorized bonded indebtedness of a local unit is limited by the Local Bond Law and other laws to an amount equal to three and one-half percent (3 1/2%) of its stated average equalized valuation basis, subject to certain exceptions noted below. The stated equalized valuation basis is set by statute as the average of the equalized valuations of all taxable real property, together with improvements to such property, and the assessed valuation of certain Class II railroad property within the boundaries of the Township for each of the last three (3) preceding years as annually certified in the valuation of all taxable real property, in the Table of Equalized Valuations by the Director of the Division of Taxation, in the New Jersey Department of the Treasury (the "Division of Taxation"). Certain categories of debt are permitted by statute to be deducted for the purposes of computing the statutory debt limit. The Local Bond Law permits the issuance of certain obligations, including obligations issued for certain emergency or self-liquidating purposes, notwithstanding the statutory debt limitation described above; but, with certain exceptions, it is then necessary to obtain the approval of the Local Finance Board. See "Exceptions to Debt Limitation-Extensions of Credit" below.

As shown in APPENDIX A, the Township has not exceeded its statutory debt limit.

Exceptions to Debt Limitation – Extensions of Credit (N.J.S.A. 40A:2-7 et seq.)

The debt limit of the Township may be exceeded with the approval of the Local Finance Board. If all or any part of a proposed debt authorization is to exceed its debt limit, the Township must apply to the Local Finance Board for an extension of credit. The Local Finance Board considers the request, concentrating its review on the effect of the proposed authorization on outstanding obligations and operating expenses and the anticipated ability to meet the proposed obligations. If the Local Finance Board determines that a proposed debt authorization is not unreasonable or exorbitant, that the purposes or improvements for which the obligations are issued are in the public interest and for the health, welfare and convenience or betterment of the inhabitants of the Township and that the 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 services that are in the public interest and makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued to fund certain obligations, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes) plus two-thirds of the amount raised in the tax levy of the current fiscal year by the local unit for the payment of bonds or notes of any school district.

As shown in APPENDIX A, the Township has not exceeded its debt limit.

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

The Local Fiscal Affairs Law, N.J.S.A. 40A:5-1 et seq., as amended and supplemented (the "Local Fiscal Affairs Law"), regulates the non-budgetary financial activities of local governments. An annual, independent audit of the local unit's accounts for the previous year must be performed by a Registered Municipal Accountant licensed in the State of New Jersey. The audit, conforming to the Division of Local Government Services, in the New Jersey Department of Community Affairs (the "Division") "Requirements of

Audit", which must be completed within eight (8) months (August 31) after the close of the Township's fiscal year (December 31), includes recommendations for improvement of the Township's financial procedures. The audit report must also be filed with the Township Clerk and be available for review during regular business hours and shall, within five (5) days thereafter, be filed with the Director of the Division (the "Director"). A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the Township Clerk's receipt of the audit report. Accounting methods utilized in the conduct of the audit conform to practices prescribed by the Division, which practices differ in some respects from generally accepted accounting principles in the United States.

Annual Financial Statement (N.J.S.A. 40A:5-12 et seq.)

An unaudited annual financial statement ("Annual Financial Statement") which sets forth the financial condition of a local unit for the fiscal year must be filed with the Division not later than March 10 (in the case of a county) and not later than March 10 (in the case of a municipality) after the close of the calendar fiscal year, or not later than August 10 of the State fiscal year for those municipalities which operate on the State fiscal year. The Annual Financial Statement is prepared either by the Chief Financial Officer or the Registered Municipal Accountant for the local unit. Such Annual Financial Statement reflects the results of operations for the year of the current and utility funds. If the statement of operations results in a cash deficit, the deficit must be included in full in the succeeding year's budget. The entire Annual Financial Statement is filed with the clerk of the local unit and is available for review during business hours.

Investment of Municipal Funds

Investment of funds by municipalities is governed by N.J.S.A. 40A:5-14 et seq. Such statute requires municipalities to adopt a cash management plan pursuant to the requirements outlined by said statute. Once a municipality adopts a cash management plan it must deposit or invest its funds pursuant to such plan. N.J.S.A. 40A:5-15.1 provides for the permitted securities a municipality may invest in pursuant to its cash management plan. Some of the permitted securities are as follows: (a) obligations of, or obligations guaranteed by, the United States of America; (b) government money market mutual funds which invest in securities permitted under the statute; (c) bonds of certain federal government agencies having a maturity date not greater than 397 days from the date of purchase; (d) bonds or other obligations of the particular municipality or school district of which the local unit is a part or within which the school district is located; and (e) bonds or other obligations having a maturity date not greater than 397 days from the date of purchase and approved by the Division of Investment, in the New Jersey Department of the Treasury. Municipalities are required to deposit their funds in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq. Municipalities are required to deposit their funds in interest-bearing bank accounts to the extent practicable and other permitted investments.

DEBT INFORMATION OF THE TOWNSHIP

The Township must report all new authorizations of debt or changes in previously authorized debt to the Division through the filing of Supplemental and Annual Debt Statements. The Supplemental Debt Statement must be submitted to the Division before final passage of any debt authorization other than a refunding debt authorization. Before the end of the first month (January 31) of each fiscal year of the Township, the Township must file an Annual Debt Statement which is dated as of the last day of the preceding fiscal year (December 31) with the Division and with the Township Clerk. This report is made under oath and states the authorized, issued and unissued debt of the Township as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing. Even though the Township's authorizations are within its debt limits, the Division is able to enforce State regulations as to the amounts and purposes of local borrowings.

FINANCIAL MANAGEMENT

Accounting and Reporting Practices

The accounting policies of the Township conform to the accounting principles applicable to local governmental units which have been prescribed by the Division. A modified accrual basis of accounting is followed with minor exceptions. Revenues are recorded as received in cash except for certain amounts

which may be due from other governmental units and which are accrued. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue only when received. Expenditures are generally recorded on the accrual basis, except that unexpended appropriations at December 31, unless canceled by the governing body, are reported as expenditures with offsetting appropriation reserves. Appropriation reserves are available, until lapsed at the close of the succeeding fiscal year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are credited to the results of operations. As is the prevailing practice among municipalities and counties in the State, the Township does not record obligations for accumulated unused vacation and sick pay.

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

The foundation of the State local finance system is the annual cash basis budget. Every local unit, including the Township, must adopt an annual operating budget in the form required by the Division. Certain items of revenue and appropriation are regulated by law and the proposed operating budget cannot be finally adopted until it has been certified by the Director, or in the case of a local unit's examination of its own budget as described herein, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director, or in the case of the local examination, the local unit may review the adequacy of such appropriations. Among other restrictions, the Director or, in the case of local examination, the local unit must examine the budget with reference to all estimates of revenue and the following appropriations: (a) payment of interest and debt redemption charges, (b) deferred charges and statutory expenditures, (c) cash deficit of the preceding year, (d) reserve for uncollected taxes, and (e) other reserves and non-disbursement items. Taxes levied are a product of total appropriations, less non-tax revenues, plus a reserve predicated on the prior year's collection experience.

The Director, in reviewing the budget, has no authority over individual operating appropriations, unless a specific amount is required by law, but the Director's budgetary review functions, focusing on anticipated revenues, and serve to protect the solvency of the local unit. Local budgets, by law and regulation, must be in balance on a "cash basis", i.e., the total of anticipated revenues must equal the total of appropriations. N.J.S.A. 40A:4-22. If in any year the Township's expenditures exceed its realized revenues for that year, then such excess (deficit) must be raised in the succeeding year's budget.

In accordance with the Local Budget Law and related regulations, (i) each local unit, with a population of 10,000 persons, must adopt and annually revise a six (6) year capital program, and (ii) each local unit, with a population under 10,000 persons, must adopt (with some exceptions) and annually revise a three (3) year capital program. The capital program, when adopted, does not constitute the appropriation of funds, but sets forth a plan of capital expenditures which the local unit may contemplate over the next six (6) years or the next three (3) years, as applicable. Expenditures for capital purposes may be made either by ordinances adopted by the governing body which set forth the items and the methods of financing, or from the annual operating budget. See "CAPITAL IMPROVEMENT PROGRAM" herein.

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 section of the 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.

Local Examination of Budgets (N.J.S.A. 40A:4-78(b))

Chapter 113 of the Laws of New Jersey of 1996 (N.J.S.A. 40A:4-78(b)) authorizes the Local Finance Board to adopt rules that permit certain municipalities to assume the responsibility, normally granted to the Director, of conducting the annual budget examination required by the Local Budget Law.

Since 1997 the Local Finance Board has developed regulations that allow “eligible” and “qualifying” municipalities to locally examine their budget every two (2) of three (3) years. Under the regulations prescribed by the Local Finance Board, the Township is not eligible for local examination of its budget in 2026. The Township adopted its 2025 budget in accordance with the procedures described under the heading entitled, “FINANCIAL MANAGEMENT – Local Budget Law (N.J.S.A. 40A: 4-1 et seq.)”

State Supervision (N.J.S.A. 52:27BB-1 et seq.)

State law authorizes State officials to supervise fiscal administration in any municipality which is in default on its obligations; which experiences severe tax collection problems for two (2) successive years; which has a deficit greater than four percent (4%) of its tax levy for two (2) successive years; which has failed to make payments due and owing to the State, county, school district or special district for two (2) consecutive years; which has an appropriation in its annual budget for the liquidation of debt which exceeds twenty-five percent (25%) of its total operating appropriations (except dedicated revenue appropriations) for the previous budget year; or which has been subject to a judicial determination of gross failure to comply with the Local Bond Law, the Local Budget Law or the Local Fiscal Affairs Law which substantially jeopardizes its fiscal integrity. State officials are authorized to continue such supervision for as long as any of the conditions exist and until the municipality operates for a fiscal year without incurring a cash deficit.

Limitations on Expenditures (“Cap Law”) (N.J.S.A. 40A:4-45.1, et seq.)

N.J.S.A. 40A:4-45.3 places limits on municipal tax levies and expenditures. This law is commonly known as the “Cap Law” (the “Cap Law”). The Cap Law provides that the Township shall limit any increase in its budget to 2.5% or the Cost-Of-Living Adjustment, whichever is less, of the previous year’s final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than 2.5%, the Township may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the Township for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than 3.5% over the previous year’s final appropriations. See N.J.S.A. 40A:4-45.14. In addition, N.J.S.A. 40A:4-45.15a restored “CAP” banking to the Local Budget Law. Municipalities are permitted to appropriate available “CAP Bank” in either of the next two (2) succeeding years’ final appropriations. The Township did utilize its “Cap Bank” in its 2026 budget. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the “CAP”.

Additionally, 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 two percent (2%), certain increases in health care costs in excess of two percent (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 two percent (2%) not otherwise permitted under the law by an affirmative vote of fifty percent (50%).

The Division of Local Government Services 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, including the Notes.

Deferral of Current Expenses

Supplemental appropriations made after the adoption of the budget and determination of the tax rate may be authorized by the governing body of a local unit, including the Township, but only to meet unforeseen circumstances, to protect or promote public health, safety, morals or welfare, or to provide temporary housing or public assistance prior to the next succeeding fiscal year. However, with certain exceptions described

below, such appropriations must be included in full as a deferred charge in the following year's budget. Any emergency appropriation must be declared by resolution according to the definition provided in a provision of the Local Budget Law, N.J.S.A. 40A:4-46, and approved by at least two-thirds of the full membership of the governing body and shall be filed with the Director. If such emergency appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director is required. N.J.S.A. 40A:4-49.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1, -55.2, -55.3. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism for local units. Pursuant to N.J.S.A. 40A:4-58, transfers between major appropriation accounts are prohibited until the last two (2) months of the municipality's fiscal year. Appropriation reserves may be transferred during the first three (3) months of the current fiscal year to the previous fiscal year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a two-thirds vote of the full membership of the governing body. 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. Generally, transfers cannot be made from the down payment account, the capital improvement fund, contingent expenses or from other sources as provided in the statute.

Anticipation of Real Estate Taxes

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

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

This provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the sum will at least equal the tax levy required to balance the budget. The reserve requirement is calculated as follows:

$$\begin{array}{rcl}
 \text{Total of Local, County,} & & \\
 \text{and School Levies} & - \text{ Anticipated Revenues} & = \text{Cash Required from Taxes to Support} \\
 & & \text{Local Municipal Budget and Other Taxes} \\
 \\
 \text{Cash Required from Taxes to Support Local Municipal Budget and Other Taxes} & = & \text{Amount to be} \\
 \text{Prior Year's Percentage of Current Tax Collection (or Lesser \%)} & & \text{Raised by} \\
 & & \text{Taxation}
 \end{array}$$

Anticipation of Miscellaneous Revenues

N.J.S.A 40A:4-26 provides that, "[n]o miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years of such grants rarely coincide with a municipality's calendar fiscal year. Grant revenues are fully realized in the year in which they are budgeted by the establishment of accounts receivable and offsetting reserves.

CAPITAL IMPROVEMENT PROGRAM

In accordance with the Local Budget Law, the Township must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The Capital Budget and Capital Improvement Program of a local unit must be adopted as part of the annual budget pursuant to N.J.A.C. 5:30-4. The Capital Budget does not by itself confer any authorization to raise or expend funds, rather it is a document used for planning. Specific authorization to expend funds for such purposes must be granted, by a separate bond ordinance, by inclusion of a line item in the Capital Improvement Section of the budget, by an ordinance taking money from the Capital Improvement Fund, or other lawful means.

TAX ASSESSMENT AND COLLECTION

Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by the cost approach, market data approach and capitalization of net income (where applicable). Current assessments are the result of maintaining new assessments on a "like" basis with established comparable properties for newly assessed or purchased properties resulting in a decline of the assessment ratio to true value to its present level. This method assures equitable treatment to like property owners.

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

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

Fiscal year municipalities follow the same general rationale for the billing of property taxes, however billing is processed semi-annually. The provisions of P.L. 1994, C. 72 changed the procedures for State fiscal year billing originally established in P.L. 1991, C. 75. Chapter 72 moves the billing calculation back on a calendar year basis, which permits tax levies to be proved more readily than before.

The formulae used to calculate tax bills under P.L. 1994, C. 72 are as follows:

The third and fourth installments, for municipal purposes, would equal one-half of an estimated annual tax levy, plus the balance of the full tax levied during the current tax year for school, county and special district purposes. The balance of the full tax for non-municipal purposes is calculated by subtracting amounts due on a preliminary basis from the full tax requirement for the tax year. The first and second installments, for municipal purposes, will be calculated on a percentage of the previous year's billing necessary to bill the amount required to collect the full tax levy, plus the non-municipal portion, which represents the amount payable to each taxing district for the period of January 1 through June 30.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) on the first \$1,500 of the delinquency and, then eighteen percent (18%) per annum on any amount in excess of \$1,500. A penalty of up to six percent (6%) of the delinquency in excess of \$10,000 may be imposed on a taxpayer who fails to pay that delinquency prior to the end of the tax year in which the taxes become delinquent. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State Statutes. Tax title liens are periodically assigned to the Township Attorney (as hereinafter defined) for in rem foreclosures in order to acquire title to these properties.

The provisions of Chapter 99 of the Laws of New Jersey of 1997 allow a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or surety bond. The purchaser is entitled to receive, all delinquent taxes and other municipal charges owing, due and payable upon collection by the tax collector. The statute sets forth bidding procedures and minimum bidding terms and requires the review and approval of the sale by the Division.

Tax Appeals

New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessed valuation that the taxpayer deems excessive. The taxpayer has a right to file a petition on or before the 1st day of April of the current tax year for its review or the 1st day of May for municipalities that have conducted revaluations. The county Board of Taxation and the Tax Court of New Jersey have the authority after a hearing to increase, decrease or reject the appeal petition. Adjustments by the County Board of Taxation are usually concluded within the current tax year and reductions are shown as cancelled or remitted taxes for that year. If the taxpayer believes the decision of the County Board of Taxation to be incorrect, appeal of the decision may be made to the Tax Court of New Jersey. State tax court appeals tend to take several years to conclude by settlement or trial and any losses in tax collection from prior years, after an unsuccessful trial or by settlement, are charged directly to operations.

TAX MATTERS

Federal Income Taxation

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Notes in order for the interest on the Notes to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Notes. The Township will represent in its tax certificate (the "Tax Certificate") that it expects and intends to comply and will comply, to the extent permitted by law, with such requirements.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Township ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Township with the requirements of the Code and the representations and covenants made by the Township in its Tax Certificate described above, interest on the Notes is not includable in gross income of the owners thereof for Federal income tax purposes pursuant to Section 103

of the Code and will not be treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for purposes of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

The Notes are not considered “qualified tax-exempt obligations” as defined in and for the purpose of Section 265(b)(3) of the Code.

Additional Federal Income Tax Consequences Relating to the Notes

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

State Taxation

Bond Counsel is also of the opinion that interest on the Notes, and any gain on the sale thereof, are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Notes.

Prospective Tax Law Changes

Federal, state or local legislation, administrative pronouncements or court decisions may affect the federal and State tax-exempt status of interest on the Notes, gain from the sale or other disposition of the Notes, the market value of the Notes or the marketability of the Notes. The effect of any legislation, administrative pronouncements or court decisions cannot be predicted. Prospective purchasers of the Notes should consult their own tax advisors regarding such matters.

Other Tax Consequences

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, state, local or foreign tax consequences of ownership of the Notes. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance of the Notes and assumes no obligation to update its opinion after such date of issuance to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest on the Notes paid or to be paid as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

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

ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING, BUT NOT LIMITED TO, THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE NOTES.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutional building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control

in any obligations of the Township, including the Notes, and such Notes are authorized security for any and all public deposits.

RISK TO HOLDERS OF NOTES

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

Municipal Bankruptcy

The undertakings of the Township should be considered with reference to 11 U.S.C. §101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed, and provides that the plan must be accepted 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 at least one (1) impaired class. The Bankruptcy Code specifically 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 Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may be avoided pursuant to certain preferential transfer provisions set forth in such code.

Reference should also be made to N.J.S.A. 52:27-40 et seq. which provides that a local unit, including the Township, has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

THE TOWNSHIP HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE AND THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE TOWNSHIP EXPECTS TO UTILIZE THE BENEFITS OF THEIR PROVISIONS, OR THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE NOTES, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.

Remedies of Holders of Bonds or Notes (N.J.S.A. 52:27-1 et seq.)

If the Township defaults for over sixty (60) days in the payment of the principal of or interest on any bonds or notes outstanding, any holder of such bonds or notes may bring an action against the Township in the Superior Court of New Jersey (the "Superior Court") to obtain a judgment that the Township is so in default. Once a judgment is entered by the Superior Court to the effect that the Township is in default, the Municipal Finance Commission (the "Commission") would become operative in the Township. The Commission was created in 1931 to assist in the financial rehabilitation of municipalities which were in default in their obligations. The powers and duties of the Commission are exercised within the Division, which constitutes the Commission.

The Commission exercises direct supervision over the finances and accounts of any municipality which has been adjudged by the Superior Court to be in default of its obligations. The Commission continues in force in such municipalities until all bonds, notes or other indebtedness of the municipality which have fallen due, and all bonds or notes which will fall due within one (1) year (except tax anticipation or revenue anticipation notes), and the interest thereon, have been paid, funded or refunded, or the payment thereof has been adequately provided for by a cash reserve, at which time the Commission's authority over such municipality ceases. The Commission is authorized to supervise tax collections and assessments, to approve the funding or refunding of bonds, notes or other indebtedness of the municipality which the Commission has found to be outstanding and unpaid, and to approve the adjustment or composition of claims of creditors and the readjustment of debts under the Bankruptcy Code.

CERTIFICATES OF THE TOWNSHIP

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

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance, sale and delivery of the Notes are subject to the approval of Bond Counsel, whose approving legal opinion will be delivered with the Notes substantially in the form set forth as APPENDIX C hereto. Certain legal matters with respect to the Notes will be passed on for the Township by its Township Attorney, Christopher J. Connors, Esq., of Dasti, McGuckin, McNichols, Connors, Anthony and Buckley, Lacey Township, New Jersey (the "Township Attorney"). The various legal opinions to be delivered concurrently with the delivery of the Notes express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Candice Pennewell, Chief Financial Officer, 500 Pemberton-Browns Mills Road, Pemberton, New Jersey 08068, (609) 894-8201; Everett M. Johnson, Esq., Wilentz, Goldman & Spitzer, P.A., 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095, (732) 855-6149; or Bryan Morris, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey 08691, (609) 291-0130.

MUNICIPAL ADVISOR

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Notes (the "Municipal Advisor") and has assisted in matters related to the planning, structuring and terms of the Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information

contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

LITIGATION

To the knowledge of the Township Attorney, after due inquiry, there is no litigation of any nature now pending or threatening, restraining or enjoining the issuance or the delivery of the Notes or the levy or collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes, or for the levy or collection of taxes to pay the principal of and interest on the Notes, or any action contesting the corporate existence or the boundaries of the Township or the title of any of the present officers of the Township. Further, to the knowledge of the Township Attorney, there is no litigation presently pending or threatened against the Township that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided. The Township Attorney will provide an opinion or certificate to such effect upon the closing of the Notes.

COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS

The Township has covenanted for the benefit of the holders of the Notes to provide notices of the occurrence of certain enumerated events with respect to the Notes (the "Notices"), as set forth in Section (b)(5)(i)(C) of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented. The Notices will be filed by the Township with the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Access ("EMMA") system. The specific nature of the Notices will be detailed in a certificate (the "Disclosure Certificate") to be executed on behalf of the Township by its Chief Financial Officer in the form appearing in APPENDIX D hereto, such Disclosure Certificate to be delivered concurrently with the delivery of the Notes.

In accordance with the Rule and prior secondary market disclosure undertakings, within the five years immediately preceding the date of this Official Statement, the Township failed to timely file its: (i) audited financial statement for the year ended December 31, 2022; (ii) annual operating data for the year ended December 31, 2022; and (iii) annual debt statement for the year ended December 31, 2022. The Township has obligations to file annual reports for issuances through the Burlington County Bridge Commission. Additionally, the Township failed to timely file the required late filing notices in connection with the items referenced above. Such information has since been filed with EMMA. The Township has engaged Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 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.

PREPARATION OF OFFICIAL STATEMENT

Bond Counsel has participated in the preparation and review of this Official Statement, but has not participated in the collection of financial, statistical or demographic information contained in this Official Statement, nor verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but takes responsibility for the information contained under the headings entitled "TAX MATTERS" and "APPROVAL OF LEGAL PROCEEDINGS" (as it pertains to the Bond Counsel) and its approving legal opinion set forth in APPENDIX C hereto and expresses no opinion or other assurance other than that which is specifically set forth therein with respect thereto.

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

PKF O'Connor Davies, LLP, Voorhees, New Jersey, the Auditor to the Township, has participated in the preparation of APPENDIX A to this Official Statement and in the collection of financial, statistical or demographic information contained in this Official Statement, but has not verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto. The Township Auditor takes responsibility for the audited financial statements described below under the heading entitled "FINANCIAL STATEMENTS" and contained in APPENDIX B hereto.

The Township Attorney has not participated in the preparation of the information contained in this Official Statement, nor verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the headings entitled "LITIGATION" and "APPROVAL OF LEGAL PROCEEDINGS" (as it pertains to the Township Attorney) and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

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

RATING

Moody's Ratings (the "Rating Agency"), has assigned a rating of "MIG 1" to the Notes.

An explanation of the significance of such rating may be obtained from the Rating Agency. The rating is not a recommendation to buy, sell or hold the Notes 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 judgement, 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 Notes.

UNDERWRITING

The Notes have been purchased from the Township at a public sale by _____ (the "Underwriter") at a price of \$ _____. The purchase price of the Notes reflects the par amount of Notes (\$ _____), less an Underwriter's discount of \$ _____, plus a[n] [net] original issue premium of \$ _____.

The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at a yield higher than the public offering yield stated on the front cover page hereof.

FINANCIAL STATEMENTS

Appendix "B" to this Official Statement contains compiled financial statements of the Township for the year ended December 31, 2025 and also contains audited financial statements of the Township for the years ended December 31, 2024 and 2023. The compiled financial data for the year ended December 31, 2025 is provided by PKF O'Connor Davies, LLP. The audited financial statements for the years ended December 31, 2024 and 2023 were provided by Bowman & Company LLP, Voorhees and Woodbury, New Jersey, and are included herein in reliance upon the authority of such firm. PKF O'Connor Davies, LLP, successor to Bowman Company, LLP, has consented to the inclusion of their report in this Official Statement. Copies of the complete reports of audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Township and any purchasers or holders of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Notes made hereunder

shall, under any circumstances, create any implication that there has been no change in the affairs (financial or otherwise) of the Township since the date hereof.

**TOWNSHIP OF PEMBERTON,
IN THE COUNTY OF BURLINGTON,
STATE OF NEW JERSEY**

**CANDICE PENNEWELL,
Chief Financial Officer**

DATED: April ____, 2026

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APPENDIX A

**CERTAIN FINANCIAL AND DEMOGRAPHIC INFORMATION
CONCERNING THE TOWNSHIP OF PEMBERTON**

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GENERAL INFORMATION ON THE TOWNSHIP (1)

General

The Township, located in the eastern portion of Burlington County (“County”), has evolved from an early seasonal resort and agricultural community into a year-round residential community. Brendan T. Byrne State Forest, containing 30,000 acres of numerous types of oak and pine trees, is partially located in the Township. With a land area of 65 square miles, the Township is the fourth (4th) largest municipality in Burlington County). There are a number of residential neighborhoods, including historic Browns Mills and New Lisbon, Birmingham, Country Lakes, and Presidential Lakes.

Government

The Township is governed by an elected council consisting of five (5) members who serve for concurrent 4-year terms and an elected mayor who serves a 4-year term. The Mayor-Council form of government is provided for under the Faulkner Act. The Mayor is not a member of the governing body, but serves as the chief executive officer. The functions of the Council, as the governing body, are legislative.

History

Early settlers were attracted to the Township chiefly because of water resources available from the North Branch of Rancocas Creek. The Township became a legal entity on March 10, 1846 and was comprised of land which belonged to other townships. The Township's borders went through many changes from the time of its establishment through 1967, when more land was annexed from a neighboring borough. Within its sixty- five (65) square miles today may be found numerous smaller communities, among them Birmingham, Browns Mills, Magnolia, New Lisbon and Whitesbog. The United States Army's Fort Dix, built during the First World War and rebuilt and expanded for use during the Second World War, lies within the Township's boundaries. The Township's 2020 Census population was 26,903.

Located adjacent to the New Jersey Pine Barrens, the Township developed as a mill town. During the mid-19th century, the Browns Mills section of the Township served as a luxury retreat for city dwellers that were attracted to the clean water of its streams, hailed for its medicinal purposes, and its healthy forest air. At this time, residents began growing cranberries, a crop which prospered in marshy land near the Township's creek and streams. Nineteenth century Township residents also took part in the production of charcoal, iron and glass. The agricultural future of the Township was changed in the early 20th century when Elizabeth C. White of Whitesbog began field experiments which led to the area's first cultivation of wild berries.

An almshouse and mental asylum were built at the turn of the century in the New Lisbon section of the Township. The state's first licensed sanatorium for treatment of tuberculosis was built in the Browns Mills area. The almshouse and mental asylum still operate today under the names of Aspens Hills LTC; the sanatorium was sold to the Deborah Relief Society in 1922 and sold to a private company in 2012.

After the expansion of Fort Dix during World War II, the Township's character began to change from strictly rural to rural-suburban. Planned communities were built to accommodate the growing population, a few of the small communities of the 19th century disappeared or merged with newer developments, and the lines between individual communities blurred.

(1) Source: Unless otherwise indicated, the information in this section was provided by the Township.

Population (1)

	Township <u>Population</u>	County <u>Population</u>
2020 Federal Census	26,903	461,860
2010 Federal Census	27,912	448,734
2000 Federal Census	28,691	423,394
1990 Federal Census	31,342	395,066
1980 Federal Census	29,720	362,542

Educational Facilities

The Pemberton Township Board of Education (“School District”) is a Type II School District functioning through a nine-member board which is elected by the voters for staggered three-year terms.

The School District serves approximately 4,400 students from the Township, Pemberton Borough and Joint Base McGuire-Dix-Lakehurst. The School District operates a dedicated early childhood education center serving 3 and 4 year-old pre-kindergarten students, five elementary schools (grades kindergarten through 5th), two middle schools (one for grade 6, another for grades 7 and 8), and a high school (grades 9-12) The School District also provides special education facilities for children with learning disabilities at the Dembo-Crichton School.

Health Care Facilities

The Deborah Heart and Lung Center (“Center”), a pre-eminent health facility located in Browns Mill, New Jersey specializes in the treatment of cardiac and pulmonary ailments. Construction has officially begun on a \$108 million capital expansion and renovation project at the Center. This will be the first major expansion at the Center since the mid-1990s. Previously, the Center added and renovated more than 120,000 square feet of space and then again in 2018 with a 60,000 square foot freestanding Medical Office Building. The new construction includes a three-story vertical addition to existing hospital space, having a total of 36 private patient rooms. Three existing patient care units will be renovated following the new construction, bringing the Hospital’s total licensed bed count to 95. Also included are upgrades to the Center’s cardiac catheterization labs, a new pharmacy clean-room, and new robotic technology in the electrophysiology labs.

Medical treatment is also available at Virtua Health Systems in Mount Holly, Marlton and Moorestown; Rancocas Hospital in Willingboro, which is affiliated with the Lourdes Health System; and Hampton Hospital in Westampton.

Transportation

State Highways 38 and 70 (east-west) and U. S. Routes 206 and 72 (north-south) serve the Township, providing access to shore points and northern New Jersey. Many County roads bisect the Township, including Routes 530, 630, 644, and 646.

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

Interstate Highway 295 and the New Jersey Turnpike are accessed to the northwest of the Township via Route 68.

The public transportation needs of Pemberton Township residents are satisfied, in large part, by Burlington County's low-cost Burlink Bus Service which is operated by the Stout Charter Service, Inc. and connects with New Jersey Transit bus routes and the River Line stations. New Jersey Transit provides mainline bus transportation to New York City and Philadelphia. Residents who require airline service are just an hour's ride from both Philadelphia International Airport and Atlantic City International Airport.

Urban Enterprise Zone Program

In 1996, the Township was designated by the State of New Jersey as an Urban Enterprise Zone ("UEZ"). Since then, the Pemberton UEZ has been working to revitalize the Township through business retention and expansion programs financed by the New Jersey Zone Assistance Fund. The UEZ program concentrates on creating new full-time jobs, especially for economically disadvantaged citizens who are unemployed, on public assistance or residents of distressed municipalities. UEZ Businesses can receive signage and façade grants as well as other state and local tax incentives. Revenue generated from the reduced NJ Sales Tax offered by certified retailers in the UEZ is targeted for economic development projects including infrastructure, public safety, business attraction, expansion, or retention.

The Township's mission of creating jobs, bringing new business prosperity, and raising the quality of life in our community has been quite successful. In Pemberton Township, since the Urban Enterprise Zone's inception, 184 private sector employers have participated in the program and investing \$29,243,948 in the participating businesses.

Military Installations

The Township is home to a major military facility, Fort Dix Army Reserve Training Center. McGuire Air Force Base located nearby is also a major military facility. Both have been given a larger role in the wake of the Base Realignment and Closure ("BRAC") process which has incorporated adjoining Lakehurst Naval Air Station on the eastern border of Fort Dix to create the Joint Base McGuire- Dix- Lakehurst ("Joint Base"). The Joint Base is a combined 42,000 acres central to Philadelphia, New York City and Atlantic City.

At Fort Dix, the expanding role of the U.S. Reserves in the post-Cold War era has made the post busier than ever. The 50 square mile post has adapted to include new sources of employment, including the largest federal prison in the country and a state youth correctional facility. The Navy, Veterans Affairs, National Oceanic & Atmospheric Administration, National Guard, State Police, FBI and U.S. Coast Guard's environmental cleanup response agency known as the Atlantic Strike Team all have operations out of Fort Dix. Fort Dix employs nearly 4,000 local residents. Additionally, a daily average of over 3,000 reservists train on the post. The Lakehurst Naval Air Engineering Station employs another 3,000 workers.

After the BRAC announcement in 2006 to create the Joint Base, hundreds of millions of dollars were committed to be spent on construction. The Joint Base has created and will continue to create an influx of new construction jobs through key projects. In 2017, the Joint Base was selected to receive twenty-four KC-46A Pegasus aircraft, the military's newest refueling tankers, to replace the legacy aircraft. In 2020 and 2021, the Joint Base underwent \$154 million of military construction projects to accommodate the aircrafts. By late 2021, the Joint Base received its first KC-46A Pegasus aircraft making it the first and only joint base with KC-46 lead operations. The Joint Base will receive additional aircrafts during fiscal year 2022 and 2023. The arrival of the KC-46 marks an incredible milestone in the Joint Base's history and signifies continued economic security for the Joint Base for many years.

Township Labor Force (1)

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

<u>Year</u>	<u>Labor Force</u>	<u>Employed Persons</u>	<u>Unemployed Persons</u>	<u>Unemployment Rate</u>
Township				
2024	12,462	11,711	751	6.0%
2023	12,334	11,668	666	5.4
2022	12,101	11,476	625	5.2
2021	11,974	10,966	1,008	8.4
2020	11,861	10,653	1,208	10.2
County				
2024	248,122	237,708	10,414	4.2%
2023	246,548	236,845	9,703	3.9
2022	240,684	232,054	8,630	3.6
2021	235,227	221,531	13,696	5.8
2020	232,816	213,811	19,005	8.2
State				
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

Municipal Services

A number of services are provided by the Township and paid for from general revenues. In addition to police protection, the Public Works Department maintains the streets and roads, storm drains, buildings and grounds, parks, playgrounds and recreational facilities, and is responsible for snow removal and assisting with providing emergency services. The Recreation & Senior Services Department offers events to residents of all ages throughout the year, is responsible for renting out five recreational facilities, and runs the Senior Center Mondays through Fridays. The Community Development Department is responsible for planning, zoning, construction code permits, property code enforcement, rental code enforcement and vacant property registrations. Tax Assessment, Tax Collection, Finance and Purchasing and Municipal Court are also run in-house.

Trash collection is provided by Seaside Waste, under a contract with the Township.

Fire protection is provided by contract by the Pemberton Township Volunteer Fire Company which operates out of three firehouses as well as a contract with Pemberton Borough and Good Will Fire Company which serves the west side of the Township.

Capital Health Systems, with a satellite location at Deborah Heart & Lung Center, provides EMS services on a 24/7 basis, supported in the evening and overnight hours by the Pemberton Township Volunteer Company's EMS Division. All ambulances provide transportation to the area hospitals.

(1) Source: New Jersey Department of Labor.

Water Service

The Water Division provides public water service to Township residents. The Township currently has thirteen (13) wells spread across three water systems. The Browns Mills system consists of six wells, a 750,000 gallon elevated storage tank, a 500,000-gallon ground tank and a 100,000 elevated tank. Additionally, two wells belonging to the former Deborah Hospital system are being connected to the Browns Mills system, while the 100,000 elevated tank is not in service. The Lake Valley system comprises two wells and a 280,000 standpipe tank. The New Lisbon system, acquired in 2020, has three wells and hosts a 150,000-gallon elevated tank. The Township recently rehabilitated the 750,000-gallon elevated storage tank, 100,000-gallon elevated storage tank and the 280,000-gallon standpipe. These three water systems, combined, provide water to 5,262 properties with excess firm source capacity for growth.

Residents are billed a minimum quarterly charge of \$50.00 for 8,000 gallons of water consumption. Residents are billed an additional charge of \$4.90 per thousand gallons for water consumption over 8,000 gallons.

A \$2,050 connection fee is charged to property owners tying into the water system. There is an additional charge for water main extensions and special connections.

Sewer Service

The Sewer Division provides public sewer service to Township residents. The Township operates a 2.5 mgd wastewater treatment plant off Birmingham Road, which treats, on average, 1.7 mgd. The Township owns over 200 miles of interceptors and mains, both gravity and force mains, which collect and transmit sewage through 18 pumping stations. The Sewer collection system provides sewer service to 6,639 properties, with excess capacity available for new development.

Residents are billed a flat quarterly charge of \$90.00. The connection fee for a single equivalent domestic unit (for one home) is \$3,248.

CERTAIN TAX INFORMATION

TEN LARGEST REAL PROPERTY TAXPAYERS (1)

<u>Name of Taxpayer</u>	2025 Assessed Valuation
Lake Valley Associates, LLC	\$ 20,218,100
Ocean Healthcare Partners	11,559,300
Pine Grove Plaza Assoc	5,500,000
Safeway Realty LLC	5,100,000
Belaire Estates, LLC	4,382,700
Pemberton Farms Assoc.	3,404,900
Paradise Lane Assoc	3,265,500
Pine View Terrace, LLC	3,102,000
Wawa Inc.	3,000,000
Rose Grove, LLC	2,717,600

(1) Source: Township Tax Assessor

CURRENT TAX COLLECTIONS (1)

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2025 (2) \$	48,846,072	\$ 46,832,328	95.88%	\$ 1,775,051	3.63%
2024	45,270,293	43,925,160	97.03%	1,067,468	2.36%
2023	42,623,990	41,488,435	97.34%	903,414	2.12%
2022	39,639,504	38,331,533	96.70%	1,022,912	2.58%
2021	38,006,535	36,933,831	97.18%	885,574	2.33%

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2025 (2) \$	1,161,305	\$ 14,364	\$ 1,063,261	90.44%	\$ 7,131	\$ 8,829	\$ 96,448
2024	1,004,318	16,358	908,431	89.00%	13,758	4,652	93,837
2023	1,110,302	-	1,009,397	90.91%	-	-	100,905
2022	971,057	-	883,667	91.00%	-	-	87,390
2021	1,161,101	-	1,075,618	92.64%	-	-	85,483

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by</u>		<u>Balance Dec. 31</u>
		<u>Sales and Transfers</u>	<u>Collected</u>	
2025 (2) \$	2,495,820	\$ 197,869	\$ 32,850	\$ 2,660,839
2024	2,344,399	189,638	38,217	2,495,820
2023	2,303,730	174,208	133,540	2,344,399
2022	2,147,718	164,744	8,731	2,303,730
2021	2,025,953	171,283	49,519	2,147,718

FORECLOSED PROPERTY (1)(3)

<u>Year</u>	<u>Balance Dec. 31</u>
2025 (2)	\$ 23,998,350
2024	23,998,350
2023	23,998,350
2022	23,998,350
2021	23,998,350

(1) Source: Annual Reports of Audit, unless otherwise indicated

(2) Source: Information from Annual Compiled Financial Statement

(3) These amounts are reflected on the basis of assessed value in the year of acquisition in accordance with the regulation of the Division of Local Government Services.

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (1)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (2)</u>				
		<u>Total Rate</u>	<u>County (3)</u>	<u>Local School</u>	<u>County Open Space</u>	<u>Municipal</u>
2025	\$ 1,466,726,915	\$ 3.253	\$ 0.479	\$ 1.608	\$ 0.054	\$ 1.112
2024	1,472,102,823	3.065	0.438	1.467	0.048	1.112
2023	1,478,046,135	2.876	0.406	1.336	0.031	1.103
2022	1,483,357,540	2.662	0.370	1.219	0.027	1.046
2021	1,485,282,318	2.553	0.376	1.117	0.021	1.039

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

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita (5)</u>
	2025	\$ 1,466,726,850	65.19%	\$ 2,249,926,139
2024	1,472,102,750	72.50%	2,030,486,552	75,474
2023	1,476,012,850	81.50%	1,811,058,712	67,318
2022	1,481,070,050	81.50%	1,817,263,865	67,549
2021	1,482,942,400	94.74%	1,565,275,913	58,182

REAL PROPERTY CLASSIFICATION (6)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>						
	<u>Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Farmland</u>
2025	\$ 1,466,726,850	\$ 21,416,100	\$ 1,287,562,900	\$ 91,490,050	\$ 4,474,300	\$ 35,444,600	\$ 26,338,900
2024	1,472,102,750	21,450,200	1,293,224,000	91,260,050	4,474,300	35,444,600	26,249,600
2023	1,476,012,850	21,340,700	1,299,147,800	89,156,950	4,474,300	35,444,600	26,448,500
2022	1,481,070,050	21,766,300	1,304,493,000	89,058,050	4,474,300	35,444,600	25,833,800
2021	1,482,942,400	21,900,500	1,304,285,400	90,444,100	4,474,300	35,444,600	26,393,500

(1) Source: Township's Tax Collector

(2) Per \$100 of Assessed Valuation

(3) Includes Library Tax

(4) Source: State of New Jersey, Department of Treasury, Division of Taxation

(5) Based on Federal Census 2020 of 26,903

(6) Source: Township Tax Assessor

**TOWNSHIP OF PEMBERTON
STATEMENT OF INDEBTEDNESS (1)**

The following table summarizes the direct debt of the Township as of December 31, 2025, in accordance with the requirements of the Local Bond Law. The gross debt comprises short and long-term debt issued, and debt authorized but not issued, including General, Sewer Utility and Water Utility. Deductions from gross debt to arrive at net debt include debt considered to be self-liquidating. The resulting net debt of \$29,323,934 represents 1.303% of the average of equalized valuations for the Township for the last three years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued		Debt Auth. But Not Issued	Gross Debt	Deductions	Net Debt
	Bonds/Loans	Notes			Self- Liquidating	
General	\$ 17,261,903	\$ 9,696,000	\$ 2,366,031	\$ 29,323,934		\$ 29,323,934
Sewer Utility		920,000	1,300,000	2,220,000	\$ 2,220,000	
Water Utility	2,215,552	1,703,900		3,919,452	3,919,452	
	\$ 19,477,456	\$ 12,319,900	\$ 3,666,031	\$ 35,463,387	\$ 6,139,452	\$ 29,323,934

(1) As of December 31, 2025

DEBT RATIOS AND VALUATIONS (1)

Average of Equalized Valuations of Real Property with Improvements for 2023, 2024 and 2025	\$	2,250,430,978
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2023, 2024 and 2025		1.30%
2025 Net Valuation Taxable	\$	1,466,726,915
2025 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$	2,249,926,204
Gross Debt (2)		
As a Percentage of 2025 Net Valuation Taxable		2.42%
As a Percentage of 2025 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		1.58%
Net Debt (2)		
As a Percentage of 2025 Net Valuation Taxable		2.00%
As a Percentage of 2025 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		1.30%
Gross Debt per Capita (3)	\$	1,318
Net Debt per Capita (3)	\$	1,090

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Average (2023-25) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$2,250,430,978)	\$	78,765,084
Net Debt		<u>(29,323,934)</u>
Remaining Borrowing Capacity	\$	<u>49,441,150</u>

(1) As of December 31, 2025

(2) Excluding overlapping debt

(3) Based on Federal 2020 Census of 26,903

**TOWNSHIP OF PEMBERTON
OVERLAPPING DEBT
AS OF DECEMBER 31, 2025**

	DEBT ISSUED				Debt Auth. but not issued
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	
County of Burlington:					
General					
Bonds	\$ 112,055,000	\$ 15,979,771 (1)	\$ 96,075,229	\$ 3,045,585 (2)	
Notes	17,300,000		17,300,000	548,410 (2)	\$ 40,269,107
Loans	2,593,638		2,593,638	82,218 (2)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	358,743,800	358,743,800 (3)			
Solid Waste Utility	33,330,000	33,330,000			28,233,130
	<u>\$ 524,022,438</u>	<u>\$ 408,053,571</u>	<u>\$ 115,968,867</u>	<u>\$ 3,676,213</u>	<u>\$ 68,502,237</u>

- (1) Includes cash on hand, accounts receivable and County College Bonds paid with State Aid.
(2) Such debt is allocated as a proportion of the Issuer's share of the total 2025 Net Valuations on which County taxes are apportioned, which is 3.17%.
(3) Deductible in accordance with N.J.S. 40:37A-80.

**TOWNSHIP OF PEMBERTON
SCHEDULE OF DEBT SERVICE(1) (2)**

Year	General			Water Utility			Total Debt Service
	Principal	Interest	Total	Principal	Interest	Total	
2026	\$ 1,609,258	\$ 630,075	\$ 2,239,333	\$ 103,778	\$ 78,169	\$ 181,947	\$ 2,421,280
2027	1,667,749	567,534	2,235,283	103,911	74,035	177,946	2,413,229
2028	1,741,411	496,747	2,238,158	104,080	69,966	174,046	2,412,204
2029	1,815,246	422,411	2,237,658	114,259	65,638	179,897	2,417,555
2030	1,894,260	348,698	2,242,958	119,448	60,924	180,372	2,423,330
2031	1,886,842	276,728	2,163,570	129,646	56,401	186,047	2,349,617
2032	1,863,742	209,606	2,073,348	121,356	51,894	173,250	2,246,597
2033	1,906,570	140,093	2,046,663	121,356	47,494	168,850	2,215,512
2034	1,497,933	68,080	1,566,013	126,356	42,994	169,350	1,735,362
2035	1,378,892	19,864	1,398,756	126,356	38,894	165,250	1,564,006
2036				136,356	35,006	171,362	171,362
2037				115,000	30,678	145,678	145,678
2038				115,000	26,725	141,725	141,725
2039				120,000	22,538	142,538	142,538
2040				125,000	18,019	143,019	143,019
2041				130,000	13,238	143,238	143,238
2042				135,000	8,100	143,100	143,100
2043				135,000	2,700	137,700	137,700
	<u>\$ 17,261,903</u>	<u>\$ 3,179,836</u>	<u>\$ 20,441,739</u>	<u>\$ 2,181,901</u>	<u>\$ 743,411</u>	<u>\$ 2,925,313</u>	<u>\$ 23,367,052</u>

(1) As of December 31, 2025

(2) Source: Annual Debt Statement filed by the Township and could be subject to revision based on audit results.

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APPENDIX B

FINANCIAL STATEMENTS OF THE TOWNSHIP OF PEMBERTON

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FOR THE YEAR ENDED 2025
COMPILED FINANCIAL STATEMENTS

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Honorable Mayor and Members
of the Township Council
Township of Pemberton
Pemberton, New Jersey

Management is responsible for the accompanying balance sheets – regulatory basis of the various funds of the Township of Pemberton (“Township”), as of December 31, 2025 and the related statements of operations and changes in fund balance – regulatory basis, the statements of changes in fund balance, the statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year then ended in accordance with the regulatory basis of accounting. We have performed the 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 - regulatory basis nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The financial statements are prepared in accordance with the financial and accounting reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws 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.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the regulatory basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user’s conclusions about the Township’s assets, liabilities, fund balances, revenues and expenditures and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

PKF O'Connor Davies, LLP

Voorhees, New Jersey
March 19, 2026

A handwritten signature in black ink, appearing to read "Evan J. Palmer".

Evan J. Palmer, CPA
Registered Municipal Accountant, No. 20CR00055800

PKF O'CONNOR DAVIES LLP
6 North Broad Street, Suite 201, Woodbury, NJ 08096 | Tel: 856.853.0440 | Fax: 856.845.4128 | www.pkfod.com

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TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2025

	<u>2025</u>
ASSETS	
Regular Fund:	
Cash	\$ 5,529,660.62
Cash--Change Funds	1,190.00
Cash--Petty Cash Fund	800.00
Due to/from State of New Jersey (Ch. 73, P.L. 1976)	<u>184,914.26</u>
	<u>5,716,564.88</u>
Receivables and Other Assets with Full Reserves:	
Delinquent Property Taxes Receivable	1,871,499.10
Tax Title Liens Receivable	2,660,839.08
Property Acquired for Taxes--Assessed Valuation	23,998,350.00
Trash Rents Receivable	560,914.45
Trash Liens Receivable	21,665.31
Inspection /Maintenance Receivable	11,878.61
Due from Animal Control Fund	18,110.53
Due from Water Utility Capital Fund	300,200.00
Due from Trust Other Fund	<u>204.02</u>
	<u>29,443,661.10</u>
Deferred Charges:	
Special Emergency Authorizations (40A:4-53)	<u>117,600.00</u>
	<u>35,277,825.98</u>
Federal and State Grant Fund:	
Cash	611,872.04
Due Current Fund	
Federal and State Grants Receivable	<u>5,763,901.97</u>
	<u>6,375,774.01</u>
	<u>\$ 41,653,599.99</u>

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2025

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2025</u>
Regular Fund:	
Liabilities:	
Appropriation Reserves	\$ 309,975.77
Reserve for Encumbrances	327,484.84
Prepaid Taxes	636,332.45
Tax Overpayments	22,489.04
Trash Overpayments	34,207.28
Due to County for Added and Omitted Taxes	180,898.19
Due to County - PILOTs	24,084.60
Local School Taxes Payable	1,051,989.03
Accounts Payable	134,981.10
Reserve for Redevelopment	160,000.00
Due State of New Jersey--Marriage License Fees	781.00
Due to General Capital Fund	563,924.99
	3,447,148.29
Reserve for Receivables and Other Assets	29,443,661.10
Fund Balance	2,387,016.59
	35,277,825.98
Federal and State Grant Fund:	
Due Water Operating Fund	1,044,812.43
Due General Capital Fund	
Unappropriated Reserves	166,743.45
Reserve for Encumbrances	1,558,445.21
Appropriated Reserves	3,605,772.92
	6,375,774.01
	\$ 41,653,599.99

See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2025

	<u>2025</u>
<u>Revenue and Other Income Realized</u>	
Fund Balance Utilized	\$ 1,900,000.00
Miscellaneous Revenue Anticipated	10,549,878.95
Receipts from Delinquent Taxes	1,096,111.01
Receipts from Current Taxes	46,832,328.17
Non-Budget Revenues	407,605.25
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	368,271.56
Statutory Excess in Reserve for Dog Fund Expenditures	6,836.93
	61,161,031.87
 Total Income	 61,161,031.87
 <u>Expenditures</u>	
Budget Appropriations:	
Operations--Within "CAPS":	
Salaries and Wages	9,900,290.00
Other Expenses	9,381,883.42
Deferred Charges and Statutory Expenditures--Within "CAPS"	3,013,649.00
Operations-- Excluded from "CAPS":	
Other Expenses	2,364,014.90
Capital Improvements--Excluded from "CAPS"	74,843.05
Municipal Debt Service--Excluded from "CAPS"	3,045,387.44
Deferred Charges--Excluded from "CAPS"	29,400.00
County Taxes	7,811,300.39
Due to County for Added and Omitted Taxes	180,898.19
Local District School Tax	23,584,448.00
Senior Citizens' Deductions Disallowed by Tax Collector--	
Prior Year Taxes	10,750.00
Refund of Prior Year Revenue	169,010.17
Reserves Created:	
Due from Animal Control Fund	5,715.58
Due from Trust Other Fund	204.02
Due from Water Utility Capital Fund	300,200.00
	59,871,994.16
 Total Expenditures	 59,871,994.16
 Excess in Revenue	 1,289,037.71
 Fund Balance	
Balance Jan. 1	2,997,978.88
	4,287,016.59
Decreased by:	
Utilized as Revenue	1,900,000.00
 Balance Dec. 31	 \$ 2,387,016.59

See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2025

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Fund Balance Anticipated	\$ 1,900,000.00		\$ 1,900,000.00	
Miscellaneous Revenue				
Licenses:				
Alcoholic Beverages	13,608.00		13,429.00	\$ (179.00)
Other	5,100.00		8,823.00	3,723.00
Fees and Permits	82,900.00		86,296.79	3,396.79
Fines and Costs:				
Municipal Court	191,800.00		213,584.90	21,784.90
Interest and Cost on Taxes	213,000.00		247,313.32	34,313.32
Interest on Investments and Deposits	245,000.00		305,611.80	60,611.80
Anticipated Utility Operating Surplus	150,000.00		150,000.00	
Trailer Park Fees	85,900.00		85,327.00	(573.00)
Cable television Franchise	71,740.00		69,547.80	(2,192.20)
Trash User Fees	1,990,000.00		2,270,509.06	280,509.06
Vacant Property Registration	188,000.00		158,450.00	(29,550.00)
Energy Receipts Tax	3,026,115.00		3,026,115.32	0.32
Garden State Pilot	34,038.00		34,038.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
State and Federal Revenues Off-Set with Appropriations:				
New Jersey Historic Trust Grant	4,250.00		4,250.00	
Recycling Tonnage Grant	33,445.95		33,445.95	
U Drive, U Text, U Pay	7,000.00		7,000.00	
Municipal Alliance on Alcoholism & Drug Abuse	13,266.00		13,266.00	
Clean Communities Grant	93,644.52		93,644.52	
Drive Sober or Get Pulled Over - 2024 Year End				
Holiday Crackdown		\$ 7,000.00	7,000.00	
Drive Sober or Get Pulled Over - Labor Day Crackdown		7,000.00	7,000.00	
NJ DCA - Urban Enterprise Zone Funds	433,443.00		433,443.00	
National Opioid Settlement	51,433.22		51,433.22	
Advanced Auto Community Connection	1,000.00		1,000.00	
Operation Helping Hands	15,000.00		15,000.00	
Body Armor Replacement (BARF)	3,587.60		3,587.60	
Burlington County Opioid Funding	5,000.00		5,000.00	
Click It or Ticket	7,000.00		7,000.00	
Haines Family Foundation	20,000.00		20,000.00	
NJDOT S. Lakeshore Drive Phase III & IV	657,128.00	297,362.00	954,490.00	
DCA - Small Cities CDBG		439,401.50	439,401.50	
Municipal Park Development Program - Blueberry Park		100,000.00	100,000.00	
NJDOT-Busansky/Emmons Schools Multimodal Improvements		61,149.83	61,149.83	
Other Special Items:				
Payment in Lieu of Taxes - Brown Woods Apartments	223,056.01		231,098.45	8,042.44
Community Service Contribution - Deborah Hospital	118,526.32		88,894.74	(29,631.58)
Payment in Lieu of Taxes - 200 S. Pemberton Rd.	494,173.91		525,561.65	31,387.74
General Capital Fund Balance	130,000.00		130,000.00	
Increase in Trash User Fees	400,000.00		400,000.00	
Reserve for Sale of Municipal Assets	248,166.50		248,166.50	
Miscellaneous Revenue Anticipated	9,256,322.03	911,913.33	10,549,878.95	381,643.59
Receipts from Delinquent Taxes	916,000.00	-	1,096,111.01	180,111.01
Amounts to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	16,310,001.57	-	16,738,750.96	428,749.39
Budget Totals	28,382,323.60	911,913.33	30,284,740.92	990,503.99
Non-Budget Revenues			407,605.25	407,605.25
	<u>\$ 28,382,323.60</u>	<u>\$ 911,913.33</u>	<u>\$ 30,692,346.17</u>	<u>\$ 1,398,109.24</u>

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2025

Analysis of Realized Revenue

Allocation of Current Tax Collections:		
Revenue from Collections		\$ 46,832,328.17
Allocated to:		
School, County and Local Open Space Taxes		<u>31,576,646.58</u>
Balance for Support of Municipal Budget Appropriations		15,255,681.59
Add: Appropriation "Reserve for Uncollected Taxes"		<u>1,483,069.37</u>
Amount for Support of Municipal Budget Appropriations		<u><u>\$ 16,738,750.96</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		\$ 1,063,261.04
Tax Title Lien Collections		<u>32,849.97</u>
		<u><u>\$ 1,096,111.01</u></u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:		
Annual Towing Fee	\$ 1,200.00	
Senior Citizens and Veteran's Deduction Administrative Fee	4,605.00	
Hotel Tax	1,053.90	
DMV Inspections	400.00	
Resale	72,000.00	
Cannabis	23,726.89	
Junkyard License	1,620.00	
Copies	1,769.94	
Rental Inspection Fees	110,050.00	
Property List Searches	313.75	
Bad Check Fees	140.00	
Redevelopment Overlay Reimbursement	25,000.00	
Inspection Maintenance Liens	775.49	
Restitution	16,298.00	
Recycling Scrap	5,987.80	
Recreation	72,411.50	
Rents - Browns Mills and Nesbit Center	38,300.00	
Municipal Tax Title Lien - Legal Fees	1,730.88	
Worker's Compensation Reimbursements	13,983.10	
Tax Lien Statement	1,400.00	
Miscellaneous- Other	<u>14,839.00</u>	
		<u><u>\$ 407,605.25</u></u>

See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS"</u>						
<u>General Government</u>						
General Administration						
Salaries and Wages	\$ 284,897.00	\$ 196,897.00	\$ 188,262.87		\$ 8,634.13	
Other Expenses	22,900.00	18,900.00	18,813.90		86.10	
Township Council						
Salaries and Wages	41,216.00	41,216.00	41,211.76		4.24	
Other Expenses	6,380.00	4,880.00	4,006.13	\$ 346.50	527.37	
Township Clerk						
Salaries and Wages	190,938.00	185,938.00	183,751.66		2,186.34	
Other Expenses	47,350.00	40,350.00	37,800.17	340.99	2,208.84	
Financial Administration						
Salaries and Wages	240,540.00	240,540.00	235,275.26		5,264.74	
Other Expenses	122,050.00	102,050.00	95,459.69	2,880.56	3,709.75	
Assessment of Taxes						
Salaries and Wages	64,788.00	64,788.00	62,852.96		1,935.04	
Other Expenses	14,450.00	12,450.00	12,341.57		108.43	
Collection of Taxes						
Salaries and Wages	252,014.00	249,014.00	243,019.06		5,994.94	
Other Expenses	17,000.00	11,000.00	9,860.13	573.88	565.99	
Liquidation of Tax Lien & Forclosed Property						
Other Expenses	7,000.00					
Legal Services						
Other Expenses	275,000.00	385,608.00	385,607.66		0.34	
Municipal Prosecutor						
Other Expenses	39,000.00	39,000.00	31,450.00	7,550.00		
Engineering Services & Costs						
Other Expenses	125,000.00	93,000.00	55,432.26	37,447.50	120.24	
Audit Services						
Other Expenses	30,000.00	30,000.00	25,000.00		5,000.00	
Collection of Trash Billing Services						
Salaries and Wages	66,081.60	64,981.60	63,091.52		1,890.08	
Other Expenses	6,220.00	3,520.00	2,899.67	565.50	54.83	
Municipal Court						
Salaries and Wages	305,724.92	285,724.92	277,394.42		8,330.50	
Other Expenses	19,830.00	19,830.00	16,743.88	615.68	2,470.44	
Public Defender						
Other Expenses	24,480.00	24,480.00	18,900.00	3,500.00	2,080.00	

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Land Use Administration</u>						
Planning Board						
Salaries and Wages	\$ 57,079.00	\$ 57,079.00	\$ 57,079.00			
Other Expenses	3,850.00	3,850.00	3,850.00			
Zoning Board						
Salaries and Wages	56,079.00	56,079.00	55,538.13		\$ 540.87	
Other Expenses	5,450.00	5,450.00	5,420.25	\$ 29.75		
<u>Public Safety Functions</u>						
Police						
Salaries and Wages	5,444,199.00	5,274,199.00	5,253,113.79		21,085.21	
Other Expenses	222,750.00	165,750.00	124,035.70	41,159.53	554.77	
Emergency Management Services						
Salaries and Wages	6,973.00	7,123.00	7,070.11		52.89	
Other Expenses	9,700.00	2,700.00	1,628.81	200.00	871.19	
Fire Department						
Salaries and Wages	150,000.00	75,000.00	73,583.00		1,417.00	
Other Expenses	151,800.00	131,800.00	120,833.65	8,042.08	2,924.27	
<u>Insurance</u>						
Liability Insurance	1,084,292.00	1,191,697.00	1,191,696.64		0.36	
Group Insurance for Employees	2,290,041.16	2,929,932.16	2,929,932.16			
<u>Health and Welfare</u>						
Animal Control						
Salaries and Wages	89,108.00	86,608.00	83,871.36		2,736.64	
Other Expenses	45,000.00	36,500.00	32,223.73	3,210.00	1,066.27	
Domestic Violence Response						
Other Expenses	8,000.00	5,880.00	5,880.00			
<u>Recreation and Education</u>						
Recreation						
Salaries and Wages	199,796.50	205,196.50	204,710.66		485.84	
Other Expenses	144,168.15	104,168.15	77,289.11	22,250.42	4,628.62	
Senior Services						
Salaries and Wages	237,282.00	212,282.00	207,437.21		4,844.79	
Other Expenses	51,490.00	42,690.00	33,828.11	4,350.40	4,511.49	

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Road Repair and Maintenance</u>						
Streets & Roads						
Salaries and Wages	\$ 1,099,578.10	\$ 939,578.10	\$ 928,969.32		\$ 10,608.78	
Other Expenses	214,154.93	178,569.93	112,095.30	\$ 41,484.55	24,990.08	
Fire Hydrant						
Other Expenses	15,000.00	15,000.00	13,475.88		1,524.12	
Buildings & Grounds						
Salaries and Wages	1,024,409.58	1,024,409.58	991,499.30		32,910.28	
Other Expenses	294,842.18	276,207.18	167,824.74	100,313.23	8,069.21	
Fleet Management						
Salaries and Wages	506,336.30	481,336.30	453,063.69		28,272.61	
Other Expenses	289,406.00	253,321.00	190,920.10	38,503.66	23,897.24	
Traffic Signals	12,000.00	12,000.00	11,798.51		201.49	
Solid Waste Collection	1,490,288.00	1,324,288.00	1,323,912.10		375.90	
Demolition of Buildings						
Other Expenses	1.00	1.00			1.00	
Environmental Commission	500.00	500.00	450.00		50.00	
<u>Code Enforcement</u>						
Township Code Enforcement						
Salaries and Wages	75,300.00	152,300.00	152,145.59		154.41	
Other Expenses	7,690.00	7,690.00	6,724.14	390.81	575.05	
<u>Utility Expenses and Bulk Purchases</u>						
Street Lighting	260,000.00	286,300.00	286,216.66		83.34	
Telephone	75,000.00	84,722.00	84,327.69	333.90	60.41	
Natural Gas	57,000.00	67,576.00	66,560.54	331.28	684.18	
Postage	80,000.00	56,000.00	55,714.92	192.06	93.02	
Gasoline	176,000.00	176,000.00	159,257.54	10,565.76	6,176.70	
Electricity	130,000.00	131,232.00	131,231.77		0.23	
Fuel Oil	55,000.00	40,000.00	36,651.88		3,348.12	
Water	1,000.00	1,000.00	543.20	56.80	400.00	
Solid Waste Disposal	960,000.00	1,065,991.00	1,065,990.43		0.57	
Total Operations within "CAPS"	19,283,423.42	19,282,173.42	18,717,569.29	325,234.84	239,369.29	-
Detail:						
Salaries and Wages	10,392,340.00	9,900,290.00	9,762,940.67		137,349.33	
Other Expenses (Including Contingent)	8,891,083.42	9,381,883.42	8,954,628.62	325,234.84	102,019.96	

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u> <u>Reserved</u>	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 916,620.00	\$ 916,620.00	\$ 916,620.00		
Social Security System (O.A.S.I.)	800,000.00	800,000.00	735,636.91		\$ 64,363.09
Police and Firemen's Retirement System of NJ	1,290,779.00	1,290,779.00	1,290,779.00		
Defined Contribution Retirement Program (DCRP)	5,000.00	6,250.00	5,990.47		259.53
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	3,012,399.00	3,013,649.00	2,949,026.38	-	64,622.62
Total General Appropriations for Municipal Purposes within "CAPS"	22,295,822.42	22,295,822.42	21,666,595.67	\$ 325,234.84	303,991.91
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
<u>Shared Service Agreements</u>					
Tax Assessor (Shamong Township)	65,086.78	65,086.78	63,352.92		1,733.86
QPA (Stafford Township)	6,500.00	6,500.00		2,250.00	4,250.00
Goodwill Fire Co. (Pemberton Borough SSA)	32,000.00	32,000.00	32,000.00		
Total Shared Service Agreements	103,586.78	103,586.78	95,352.92	2,250.00	5,983.86

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u> <u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS" (CONT'D)					
Public and Private Programs Offset by Revenues					
Matching Funds for Grants	\$ 3,316.50	\$ 3,316.50	\$ 3,316.50		
Body Armor Replacement Grant	3,587.60	3,587.60	3,587.60		
Recycling Tonnage Grant	33,445.95	33,445.95	33,445.95		
U Text, U Drive, U Pay	7,000.00	7,000.00	7,000.00		
Municipal Alliance on Alcoholism and Drug Abuse	13,266.00	13,266.00	13,266.00		
New Jersey Historic Trust Grant	4,250.00	4,250.00	4,250.00		
Clean Communities Grant	93,644.52	93,644.52	93,644.52		
Drive Sober or Get Pulled Over - 2025 Year End					
Holiday Crackdown (N.J.S.A. 40A:4-87 +\$7,000.00)		7,000.00	7,000.00		
Drive Sover or Get Pulled Over					
Labor Day Crackdown (N.J.S.A. 40A:4-87 +\$7,000.00)		7,000.00	7,000.00		
NJ Dept. of Community Affaires - Urban					
Enterprise Zone Funds	433,443.00	433,443.00	433,443.00		
National Opiod Settlement	51,433.22	51,433.22	51,433.22		
DCA - Small Cities Block Grant (N.J.S.A. 40A:4-87 +439,401.50)		439,401.50	439,401.50		
NJ Dept. of Transportation - South Lakeshore Drive					
Improvements (N.J.S.A. 40A:4-87 \$61,149.83)		61,149.83	61,149.83		
Burlington County Municipal Park					
Development Program		100,000.00	100,000.00		
Advanced Auto Community Connection	1,000.00	1,000.00	1,000.00		
Operation Helping Hands	15,000.00	15,000.00	15,000.00		
Burlington County Opioid Funding	5,000.00	5,000.00	5,000.00		
Click It or Ticket	7,000.00	7,000.00	7,000.00		
Haines Family Foundation	20,000.00	20,000.00	20,000.00		
NJDOT S. Lakeshore Drive Phase III & IV	657,128.00	954,490.00	954,490.00		
Total Public and Private Programs Offset by Revenues	1,348,514.79	2,260,428.12	2,260,428.12		
Total Operations - Excluded from "CAPS"	1,452,101.57	2,364,014.90	2,355,781.04	\$ 2,250.00	\$ 5,983.86
Detail:					
Salaries and Wages					
Other Expenses	1,452,101.57	2,364,014.90	2,355,781.04	2,250.00	5,983.86
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	74,843.05	74,843.05	74,843.05		
Total Capital Improvements - Excluded from "CAPS"	74,843.05	74,843.05	74,843.05	-	-

(continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	
<u>Municipal Debt Service - Excluded from "CAPS"</u>					
Payment of Bond Principal	\$ 1,120,000.00	\$ 1,120,000.00	\$ 1,120,000.00		
Payment of Bond Anticipation Notes and Capital Notes	335,100.00	335,100.00	335,100.00		
Interest on Bonds	609,618.76	609,618.76	608,832.20		\$ 786.56
Interest on Notes	360,000.00	360,000.00	360,000.00		
Green Trust Loan Program:					
Green Acres Loans - Principal	16,820.00	16,820.00	16,820.00		
Capital Lease Obligations	111,260.63	111,260.63	111,260.63		
NJDEP - Environmental Protection Loans - Principal	414,114.33	414,114.33	413,402.53		711.80
NJDEP - Environmental Protection Loans - Interest	80,173.47	80,173.47	79,972.08		201.39
Total Municipal Debt Service - Excluded from "CAPS"	3,047,087.19	3,047,087.19	3,045,387.44	-	-
<u>DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</u>					
Special Emergency Authorizations - 5 Years	\$ 29,400.00	29,400.00	29,400.00	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,603,431.81	5,515,345.14	5,505,411.53	\$ 2,250.00	\$ 5,983.86
Subtotal General Appropriations	26,899,254.23	27,811,167.56	27,172,007.20	327,484.84	309,975.77
Reserve for Uncollected Taxes	1,483,069.37	1,483,069.37	1,483,069.37		
Total General Appropriations	\$ 28,382,323.60	\$ 29,294,236.93	\$ 28,655,076.57	\$ 327,484.84	\$ 309,975.77
Appropriation by 40A:4-87 Budget		\$ 911,913.33 <u>28,382,323.60</u>			
		<u>\$ 29,294,236.93</u>			
Reserve for Federal and State Grants			\$ 2,260,428.12		
Deferred Charges - Special Emergency Authorizations			29,400.00		
Reserve for Uncollected Taxes			1,483,069.37		
Due General Capital Fund - Bond Anticipation Notes (Principal and Interest) Disbursed			693,924.99 <u>24,188,254.09</u>		
			<u>\$ 28,655,076.57</u>		

See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
TRUST FUND
Statements of Assets, Liabilities and Reserves -- Regulatory Basis
As of December 31, 2025

<u>ASSETS</u>	<u>2025</u>
Animal Control Fund:	
Cash	\$ 45,780.73
Other Funds:	
Cash	5,254,010.89
	\$ 5,299,791.62
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	
Animal Control Fund:	
Reserve for Animal Control Fund Expenditures	\$ 25,549.80
Due to Current Fund	18,110.53
Due to State of New Jersey	2,120.40
	45,780.73
Other Funds:	
Due to Current Fund	204.02
Due to State of New Jersey - DCA Fees	25,797.00
Reserve for Special Law Enforcement	9,101.41
Reserve for Public Defender	9,008.78
Reserve for Self Insurance	746,690.01
Reserve for Employee Healthcare Insurance	428,040.29
Reserve for N.J. Unemployment Compensation	53,473.96
Reserve for Escrow Deposits	310,660.42
Reserve for RCA Trust	24,742.57
Reserve for Tax Sale Premiums	854,639.32
Reserve for Compensated Absences	31,546.14
Reserve for Flexible Spending	6,013.87
Reserve for Uniform Construction Code	145,623.10
Reserve for Off-Duty Police	135,511.04
Reserve for Affordable Housing	1,316,154.32
Reserve for POAA	688.00
Reserve for Payroll Deductions	35,902.96
Reserve for Tax Title Lien Redemption	159,250.20
Reserve for Storm Recovery	57,249.05
Reserve for Seized Funds	8,461.57
Reserve for Fire Safety	41,500.20
Reserve for Performance Bonds	104,899.74
Reserve for Small Cities	56,912.00
Reserve for Carry Permits	34,350.00
Reserve for K-9 Donations	1,254.24
Reserve for UEZ	10,000.00
Reserve for Green Acres	643,499.74
Reserve for Veteran Advisory	2,836.94
	5,254,010.89
	\$ 5,299,791.62

See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2025

<u>Assets</u>	<u>2025</u>
Cash	\$ 3,783,267.63
Due from Current Fund	563,924.99
Due from Water Operating Fund	79,475.00
Deferred Charges to Future Taxation--Funded	17,261,903.24
Deferred Charges to Future Taxation--Unfunded	11,156,502.05
Due from Green Acres - Loan Receivable	550,000.00
Federal and State Grants Receivable	784,000.00
	<u>\$ 34,179,072.91</u>
<u>Liabilities, Reserves and Fund Balance</u>	
Serial Bonds	\$ 13,455,000.00
Bond Anticipation Notes	9,747,000.00
Green Trust Program Loan Payable	109,329.91
NJ Environmental Protection Loans Payable	3,697,573.33
Capital Improvement Fund	199,654.59
Reserve for Encumbrances	1,142,561.90
Improvement Authorizations:	
Funded	1,798,285.28
Unfunded	2,636,771.50
Reserve for Grants Receivable	550,000.00
Reserve for Green Acres - Loan Receivable	550,000.00
Reserve for Land Development	204,062.50
Fund Balance	88,833.90
	<u>\$ 34,179,072.91</u>

See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of General Capital Fund Balance - Regulatory Basis
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 131,208.37
Increased by:	
Premium on BAN Issue	<u>87,625.53</u>
	218,833.90
Decreased by:	
Due Current Fund - Appropriated to 2025 Budget Revenue	<u>130,000.00</u>
Balance Dec. 31, 2025	<u><u>\$ 88,833.90</u></u>

See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
As of December 31, 2025

	<u>ASSETS</u>	<u>2025</u>
Operating Fund:		
Cash--Treasurer		\$ 198,442.76
Due Water Utility Capital Fund		567,932.99
		766,375.75
Receivables with Full Reserves:		
Consumer Accounts Receivable		381,421.62
Water Utility Liens		34.60
		381,456.22
Total Operating Fund		1,147,831.97
Capital Fund:		
Cash		16.32
Due From NJEIT		1,101,618.00
Due from Federal and State Grant Fund:		
American Rescue Plan Act 2021		1,044,812.43
Due From Pinelands Infrastructure Trust Fund		762,157.00
Fixed Capital		11,660,416.23
Fixed Capital Authorized and Uncompleted		7,399,000.00
Total Capital Fund		21,968,019.98
		\$ 23,115,851.95

(Continued)

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
As of December 31, 2025

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2025</u>
Operating Fund:	
Liabilities:	
Appropriation Reserves	\$ 30,293.26
Reserve for Encumbrances	60,437.27
Overpayment of Rents	117,593.68
Fire Hydrant Security Deposit	1,000.00
Due to General Capital Fund	79,475.00
Accrued Interest on Serial Bonds and Notes	53,726.70
Accounts Payable	76,755.74
	419,281.65
Reserve for Receivables	381,456.22
Fund Balance	347,094.10
	1,147,831.97
Capital Fund:	
Serial Bonds	1,840,000.00
Loans Payable	341,901.27
NJ Environmental Infrastructure Loan Payable	1,464,500.00
Bond Anticipation Notes	948,000.00
Capital Improvement Fund	14,882.00
Reserve for Encumbrances	1,969,000.64
Due Water Utility Operating Fund	567,932.99
Improvement Authorizations:	
Funded	72,706.67
Unfunded	161,872.60
Due to Current Fund	300,200.00
Reserve for Downpayment on Improvements	99,600.00
Reserves for:	
Amortization	11,191,847.96
Deferred Amortization	2,980,267.00
Fund Balance	15,308.85
	21,968,019.98
	\$ 23,115,851.95

See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2025

<u>Revenue and Other Income Realized</u>	<u>2025</u>
Operating Fund Balance Utilized	
Rents	\$ 2,122,610.29
Miscellaneous	78,599.02
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>47,807.67</u>
Total Income	<u>2,249,016.98</u>
<u>Expenditures</u>	
Operating	1,470,974.00
Debt Service	366,308.59
Deferred Charges and Statutory Expenditures	<u>60,000.00</u>
Total Expenditures	<u>1,996,882.59</u>
Excess in Revenue	252,134.39
<u>Fund Balance</u>	
Balance Jan. 1	<u>94,959.71</u>
Balance Dec. 31	<u>\$ 347,094.10</u>

See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
Statement of Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 6,786.33
Increased by:	
Premium on Notes Issued	<u>8,522.52</u>
Balance Dec. 31, 2025	<u><u>\$ 15,308.85</u></u>

See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2025

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Rents	\$ 1,976,817.52	\$ 2,122,610.29	\$ 145,792.77
Miscellaneous	27,800.00	78,599.02	50,799.02
	<u>\$ 2,004,617.52</u>	<u>\$ 2,201,209.31</u>	<u>\$ 196,591.79</u>

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable	\$ 2,122,610.29
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Miscellaneous:

Penalties on Delinquent Accounts	\$ 35,247.59
Connection Fees	39,849.42
Miscellaneous	3,502.01
	\$ 78,599.02

Utility Collector	\$ 78,599.02
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See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 799,254.00	\$ 799,254.00	\$ 771,502.87	\$ 300.00	\$ 27,451.13	
Other Expenses	671,720.00	671,720.00	609,307.24	60,137.27	2,275.49	
Total Operating	1,470,974.00	1,470,974.00	1,380,810.11	60,437.27	29,726.62	-
Capital Improvements:						
Downpayments on Improvements	99,600.00	99,600.00	99,600.00	-	-	-
Debt Service:						
Payment of Bond Principal	103,651.02	103,651.02	103,651.02			
Interest on Bonds	85,893.64	85,893.64	80,752.72			\$ 5,140.92
Interest on Notes	38,509.48	38,509.48	36,865.66			1,643.82
Burlington County Bridge Commission - Financed Purchase	145,989.38	145,989.38	145,039.19			950.19
Total Debt Service	374,043.52	374,043.52	366,308.59	-	-	7,734.93
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	60,000.00	60,000.00	59,433.36		566.64	
Total Deferred Charges and Statutory Expenditures	60,000.00	60,000.00	59,433.36	-	566.64	-
	<u>\$ 2,004,617.52</u>	<u>\$ 2,004,617.52</u>	<u>\$ 1,906,152.06</u>	<u>\$ 60,437.27</u>	<u>\$ 30,293.26</u>	<u>\$ 7,734.93</u>
Interest on Bonds			\$ 80,752.72			
Interest on Notes			36,865.66			
Reserve for Downpayment on Improvements - Due to Water Capital Fund			99,600.00			
Disbursed			<u>1,688,933.68</u>			
			<u>\$ 1,906,152.06</u>			

See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
As of December 31, 2025

	<u>ASSETS</u>	<u>2025</u>
Operating Fund:		
Cash		\$ 2,184,982.49
Due Sewer Capital Fund		<u>1,240,000.00</u>
		<u>3,424,982.49</u>
Receivables with Full Reserves:		
Consumer Accounts Receivable		429,790.71
Sewer Utility Liens		<u>12,709.20</u>
		<u>442,499.91</u>
Total Operating Fund		<u>3,867,482.40</u>
Capital Fund:		
Cash		1,281,548.95
Fixed Capital		24,877,844.24
Fixed Capital Authorized and Uncompleted		<u>5,087,000.00</u>
Total Capital Fund		<u>31,246,393.19</u>
		<u>\$ 35,113,875.59</u>

(Continued)

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
As of December 31, 2025

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2025</u>
Operating Fund:	
Liabilities:	
Appropriation Reserves	\$ 424,495.95
Accounts Payable	314,589.33
Reserve for Encumbrances	354,866.77
Sewer Overpayments	3,493.64
Prepaid Sewer Rents	599,693.58
	1,697,139.27
Reserve for Receivables	442,499.91
Fund Balance	1,727,843.22
	3,867,482.40
Total Operating Fund	3,867,482.40
Capital Fund:	
Bond Anticipation Notes	920,000.00
Capital Improvement Fund	700,000.00
Reserve for Encumbrances	91,172.80
Due Sewer Operating Fund	1,240,000.00
Improvement Authorizations:	
Unfunded	3,359,105.35
Reserve for:	
Amortization	24,877,844.24
Deferred Amortization	50,000.00
Fund Balance	8,270.80
	31,246,393.19
Total Capital Fund	31,246,393.19
	\$ 35,113,875.59

See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2025

<u>Revenue and Other Income Realized</u>	<u>2025</u>
Operating Fund Balance Utilized	\$ 796,367.00
Rents	3,228,504.26
Miscellaneous	172,243.36
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>872,787.96</u>
Total Income	<u>5,069,902.58</u>
 <u>Expenditures</u> 	
Operating	3,456,367.00
Capital Improvements	80,000.00
Deferred Charges and Statutory Expenditures	235,000.00
Surplus (General Budget)	<u>150,000.00</u>
Total Expenditures	<u>3,921,367.00</u>
Excess in Revenue	1,148,535.58
 <u>Fund Balance</u> 	
Balance Jan. 1	<u>1,375,674.64</u>
	2,524,210.22
Decreased by:	
Utilized in Operating Budget	<u>796,367.00</u>
Balance Dec. 31	<u>\$ 1,727,843.22</u>

See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
SEWER UTILITY CAPITAL FUND
Statements of Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2025

Increased by:	
Premium on Notes Issued	<u>\$ 8,270.80</u>
Balance Dec. 31, 2025	<u>\$ 8,270.80</u>

See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2025

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 796,367.00	\$ 796,367.00	
Rents	3,125,000.00	3,228,504.26	\$ 103,504.26
Miscellaneous		172,243.36	172,243.36
	<u>\$ 3,921,367.00</u>	<u>\$ 4,197,114.62</u>	<u>\$ 275,747.62</u>

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable	\$ 3,227,146.53
Sewer Utility Liens	1,357.73
	<u>\$ 3,228,504.26</u>

Miscellaneous:

Interest on Investments	\$ 75,182.54
Interest on Delinquent Accounts	80,685.64
Connection Fees	3,248.00
Miscellaneous	13,127.18
	<u>\$ 172,243.36</u>

See Independent Accountants' Compilation Report

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 1,118,589.00	\$ 1,118,589.00	\$ 955,677.05		\$ 162,911.95	
Other Expenses	2,337,778.00	2,337,778.00	1,740,702.05	\$ 354,866.77	242,209.18	
Total Operating	3,456,367.00	3,456,367.00	2,696,379.10	354,866.77	405,121.13	-
Capital Improvements:						
Capital Improvement Fund	80,000.00	80,000.00	80,000.00			
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	150,000.00	150,000.00	150,000.00			
Social Security System (O.A.S.I.)	85,000.00	85,000.00	65,625.18		19,374.82	
Total Deferred Charges and Statutory Expenditures	235,000.00	235,000.00	215,625.18	-	19,374.82	-
Surplus (General Budget)	150,000.00	150,000.00	150,000.00			
	<u>\$ 3,921,367.00</u>	<u>\$ 3,921,367.00</u>	<u>\$ 3,142,004.28</u>	<u>\$ 354,866.77</u>	<u>\$ 424,495.95</u>	<u>-</u>
Disbursed			<u>\$ 3,142,004.28</u>			

See Independent Accountants' Compilation Report

FOR THE YEARS ENDED 2024 AND 2023

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Pemberton
Pemberton, New Jersey 08064

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Pemberton, in the County of Burlington, State of New Jersey, as of December 31, 2024, and the related statements of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Pemberton, in the County of Burlington, State of New Jersey, as of December 31, 2024, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2024, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

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

Basis for Opinion on Regulatory Basis of Accounting

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

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

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

Prior Period Financial Statements

The financial statements of the Township of Pemberton as of and for the year ended December 31, 2023 were audited by other auditors whose report dated March 19, 2025 expressed an adverse opinion on those financial statements in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion on those financial statements in accordance with the regulatory basis of accounting.

Emphasis of Matter

Change in Accounting Principle

As discussed in note 1 to the financial statements, during the year ended December 31, 2024, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. The adoption of this new accounting principle resulted in an updated measurement of compensated absences in accordance with the Statement (note 11). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only impacted financial statement disclosures. Our opinions are not modified with respect to this matter.

As discussed in note 18 to the financial statements, during the year ended December 31, 2024, the sewer utility operating fund financial statements for the year ended December 31, 2023 has been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

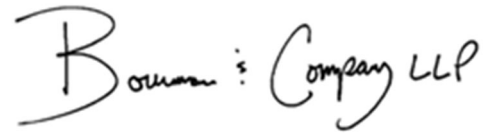
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance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

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Evan J. Palmer
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
January 27, 2026

TOWNSHIP OF PEMBERTON
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2024 and 2023

<u>ASSETS</u>	Ref.	<u>2024</u>	<u>2023</u>
Regular Fund:			
Cash	SA-1	\$ 8,149,549.05	\$ 7,507,104.53
Cash--Change Funds	SA-3	1,190.00	1,190.00
Cash--Petty Cash Fund	A	800.00	800.00
Due to/from State of New Jersey (Ch. 73, P.L. 1976)	SA-7	186,416.89	193,479.92
		<u>8,337,955.94</u>	<u>7,702,574.45</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	1,161,305.02	1,004,318.47
Tax Title Liens Receivable	SA-5	2,495,819.61	2,344,399.22
Property Acquired for Taxes--Assessed Valuation	A	23,998,350.00	23,998,350.00
Revenue Accounts Receivable	SA-6	24,812.10	7,512.68
Trash Rents Receivable	SA-16	494,770.91	319,166.28
Trash Liens Receivable	SA-18	20,456.17	19,061.50
Inspection /Maintenance Receivable	A	11,878.61	11,878.61
Due from Animal Control Fund	SB-4	12,394.95	1,121.35
Due from Water Utility Capital Fund	SD-1		102,000.00
		<u>28,219,787.37</u>	<u>27,807,808.11</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)	SA-15	147,000.00	-
		<u>36,704,743.31</u>	<u>35,510,382.56</u>
Federal and State Grant Fund:			
Cash	SA-1	2,955.62	569,830.43
Due Current Fund	SA-20	437,134.78	254,941.53
Federal and State Grants Receivable	SA-21	4,230,304.91	3,254,057.48
		<u>4,670,395.31</u>	<u>4,078,829.44</u>
		<u>\$ 41,375,138.62</u>	<u>\$39,589,212.00</u>

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2024 and 2023

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	Ref.	<u>2024</u>	<u>2023</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-8	\$ 783,091.88	\$ 823,041.20
Reserve for Encumbrances	SA-9	556,272.29	641,332.90
Prepaid Taxes	SA-11	619,658.32	588,767.58
Tax Overpayments	SA-12	82,711.13	59,949.28
Trash Overpayments	SA-17	129,590.58	36,313.87
Due to County for Added and Omitted Taxes	SA-14	23,673.36	17,464.85
Due to County - PILOTs	SA-1	96,103.90	
Local School Taxes Payable	SA-19	1,835,918.02	893,011.02
Accounts Payable	SA-10	117,987.61	143,261.18
Reserve for Municipal Relief Fund Aid	A-2		311,921.87
Reserve for the Payment of Debt	SA-1	248,166.50	
Due State of New Jersey--Marriage License Fees	SA-1	1,081.00	1,000.00
Due to Federal and State Grant Fund	SA-20	437,134.78	254,941.53
Due to Trust Other Fund	SB-8	365,003.60	360,331.65
Due to General Capital Fund	SC-1	190,584.09	646,595.00
		<hr/>	
		5,486,977.06	4,777,931.93
Reserve for Receivables and Other Assets	A	28,219,787.37	27,807,808.11
Fund Balance	A-1	2,997,978.88	2,924,642.52
		<hr/>	
		36,704,743.31	35,510,382.56
Federal and State Grant Fund:			
Due Water Operating Fund	SD-16	1,044,812.43	
Due General Capital Fund	SC-9	143,500.50	572,540.00
Unappropriated Reserves	SA-22	11,026.38	1,028,312.93
Reserve for Encumbrances	SA-9 & SA-23	132,305.26	365,222.54
Appropriated Reserves	SA-23	3,338,750.74	2,112,753.97
		<hr/>	
		4,670,395.31	4,078,829.44
		<hr/>	
		\$ 41,375,138.62	\$39,589,212.00
		<hr/> <hr/>	

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

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statements of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,900,000.00	\$ 1,570,000.00
Miscellaneous Revenue Anticipated	9,698,036.24	9,581,536.61
Receipts from Delinquent Taxes	946,648.18	1,142,936.80
Receipts from Current Taxes	43,925,160.36	41,488,434.82
Non-Budget Revenues	735,870.65	413,429.14
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	858,926.18	995,658.24
Prepaid Local District School Tax		664.98
Reserves Liquidated:		8.92
Due from Water Utility Capital Fund	102,000.00	
	58,166,641.61	55,192,669.51
 <u>Expenditures</u>		
Budget Appropriations:		
Operations--Within "CAPS":		
Salaries and Wages	9,695,330.10	9,386,163.00
Other Expenses	9,540,623.28	9,080,289.29
Deferred Charges and Statutory Expenditures--Within "CAPS"	2,871,801.00	2,974,141.73
Operations-- Excluded from "CAPS":		
Other Expenses	1,637,609.07	2,484,256.91
Capital Improvements--Excluded from "CAPS"	943,880.00	887,250.00
Municipal Debt Service--Excluded from "CAPS"	2,780,614.24	1,944,828.93
Deferred Charges--Excluded from "CAPS"		69,382.66
County Taxes	7,159,063.27	6,462,478.27
Due to County for Added and Omitted Taxes	23,673.36	
Local District School Tax	21,588,880.00	19,752,297.00
Senior Citizens' Deductions Disallowed by Tax Collector--		
Prior Year Taxes	10,750.00	
Refund of Prior Year Revenue	88,080.93	
Reserves Created:		
Due from Water Utility Capital Fund		102,000.00
	56,340,305.25	53,143,087.79
Excess in Revenue	1,826,336.36	2,049,581.72
 Adjustments to Income before Surplus:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	147,000.00	-
	1,973,336.36	2,049,581.72
 Statutory Excess to Surplus		
	1,973,336.36	2,049,581.72
 Fund Balance		
Balance Jan. 1	2,924,642.52	2,445,060.80
	4,897,978.88	4,494,642.52
Decreased by:		
Utilized as Revenue	1,900,000.00	1,570,000.00
	2,997,978.88	2,924,642.52
Balance Dec. 31	\$ 2,997,978.88	\$ 2,924,642.52

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

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2024

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Fund Balance Anticipated	\$ 1,900,000.00		\$ 1,900,000.00	
Miscellaneous Revenue				
Licenses:				
Alcoholic Beverages	12,400.00		13,608.00	\$ 1,208.00
Other	4,700.00		5,133.00	433.00
Fees and Permits	68,000.00		83,193.70	15,193.70
Fines and Costs:				
Municipal Court	155,000.00		191,833.65	36,833.65
Interest and Cost on Taxes	295,000.00		213,317.00	(81,683.00)
Interest on Investments and Deposits	214,000.00		289,180.27	75,180.27
Trailer Park Fees	78,500.00		85,932.00	7,432.00
Cable television Franchise	79,900.00		71,743.81	(8,156.19)
Trash User Fees	1,953,721.00		1,991,610.14	37,889.14
Vacant Property Registration	178,600.00		188,100.00	9,500.00
Energy Receipts Tax	3,026,115.00		3,026,115.32	0.32
Garden State Pilot	34,038.00		34,038.00	
Municipal Relief Fund Aid	311,921.87		311,921.87	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
State and Federal Revenues Off-Set with Appropriations:				
Recycling Tonnage Grant	35,971.50		35,971.50	
U Drive, U Text, U Pay	7,000.00		7,000.00	
Municipal Alliance on Alcoholism & Drug Abuse	13,266.00		13,266.00	
American Rescue Plan Firefighter Grant	48,000.00		48,000.00	
Clean Communities Grant		\$ 94,417.56	94,417.56	
NJ DCA - Local Recreation Improvement Grant		74,000.00	74,000.00	
Drunk Driving Enforcement Fund		12,761.87	12,761.87	
Drive Sober or Get Pulled Over - 2024 Year End				
Holiday Crackdown		8,750.00	8,750.00	
Edward Bryne Memorial JAG		11,489.00	11,489.00	
Drive Sober or Get Pulled Over		7,000.00	7,000.00	
NJ DCA - Urban Enterprise Zone Funds		372,406.00	372,406.00	
National Opioid Settlement		113,608.78	113,608.78	
NJ DOT - Safe Routes to Schools Program		693,258.00	693,258.00	
NJ BPU "Charge Up New Jersey"		6,000.00	6,000.00	
NJ BPU - Community Energy Plan Grant		25,000.00	25,000.00	
Other Special Items:				
Payment in Lieu of Taxes - Brown Woods Apartments	200,632.00		211,340.29	10,708.29
Community Service Contribution - Deborah Hospital	145,001.59		140,210.04	(4,791.55)
Payment in Lieu of Taxes - 200 S. Pemberton Rd.	472,660.00		472,621.87	(38.13)
General Capital Fund Balance	650,000.00		650,000.00	
Increase in Trash User Fees	300,000.00		195,208.57	(104,791.43)
Miscellaneous Revenue Anticipated	8,284,426.96	1,418,691.21	9,698,036.24	(5,081.93)
Receipts from Delinquent Taxes	789,400.00	-	946,648.18	157,248.18
Amounts to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	16,368,625.81	-	16,588,543.73	219,917.92
Budget Totals	27,342,452.77	1,418,691.21	29,133,228.15	372,084.17
Non-Budget Revenues			735,870.65	735,870.65
	<u>\$ 27,342,452.77</u>	<u>\$ 1,418,691.21</u>	<u>\$ 29,869,098.80</u>	<u>\$ 1,107,954.82</u>

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2024

Analysis of Realized Revenue

Allocation of Current Tax Collections:		
Revenue from Collections		\$ 43,925,160.36
Allocated to:		
School, County and Local Open Space Taxes		<u>28,771,616.63</u>
Balance for Support of Municipal Budget Appropriations		15,153,543.73
Add: Appropriation "Reserve for Uncollected Taxes"		<u>1,435,000.00</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 16,588,543.73</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		\$ 908,430.74
Tax Title Lien Collections		<u>38,217.44</u>
Delinquent Tax Collections		<u>\$ 946,648.18</u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:		
Annual Towing Fee	\$ 300.00	
Senior Citizens and Veteran's Deduction Administrative Fee	4,975.00	
Sale of Municipal Assets	93,000.00	
Rental Fees	42,225.00	
Hotel Tax	371.97	
DMV Inspections	51.36	
Resale	66,400.00	
Junkyard License	10,145.00	
Copies	811.94	
Rental Inspection Fees	36,625.00	
Property List Searches	372.00	
Bad Check Fees	30.00	
Inspection Maintenance Liens	11,170.07	
Restitution	565.00	
Recycling Scrap	9,593.19	
Recreation	80,073.05	
Rents - Browns Mills and Nesbit Center	91,049.36	
Municipal Tax Title Lien - Legal Fees	1,347.00	
Worker's Compensation Reimbursements	18,916.63	
Bid Deposits	5,232.75	
Tax Lien Statement	1,400.00	
Miscellaneous- Other	<u>261,216.33</u>	
		<u>\$ 735,870.65</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"						
General Government						
General Administration						
Salaries and Wages	\$ 324,050.00	\$ 309,050.00	\$ 306,801.17		\$ 2,248.83	
Other Expenses	23,300.00	19,800.00	19,108.66	\$ 378.33	313.01	
Township Council						
Salaries and Wages	40,014.60	40,114.60	40,015.30		99.30	
Other Expenses	5,830.00	5,730.00	4,019.35	309.09	1,401.56	
Township Clerk						
Salaries and Wages	170,852.00	170,852.00	170,749.64		102.36	
Other Expenses	47,350.00	43,350.00	13,081.08	254.59	30,014.33	
Financial Administration						
Salaries and Wages	254,900.00	244,900.00	243,518.56		1,381.44	
Other Expenses	126,600.00	120,600.00	112,760.86	6,101.40	1,737.74	
Assessment of Taxes						
Salaries and Wages	61,100.00	61,100.00	60,791.68		308.32	
Other Expenses	14,450.00	11,950.00	11,670.20		279.80	
Collection of Taxes						
Salaries and Wages	229,650.00	235,650.00	234,686.96		963.04	
Other Expenses	19,500.00	14,500.00	11,667.07	1,941.77	891.16	
Liquidation of Tax Lien & Forclosed Property						
Other Expenses	7,000.00					
Legal Services						
Other Expenses	250,000.00	225,000.00	215,603.09	5,810.15	3,586.76	
Municipal Prosecutor						
Other Expenses	39,000.00	39,000.00	33,600.00	5,400.00		
Engineering Services & Costs						
Other Expenses	200,000.00	100,000.00	56,123.84	35,141.50	8,734.66	
Audit Services						
Other Expenses	30,000.00	30,000.00	2,700.00	27,300.00		
Collection of Trash Billing Services						
Salaries and Wages	61,200.00	61,200.00	61,053.07		146.93	
Other Expenses	6,170.00	4,670.00	2,515.51	1,658.67	495.82	
Municipal Court						
Salaries and Wages	302,200.00	302,200.00	299,139.60		3,060.40	
Other Expenses	16,840.00	15,340.00	13,295.61	959.50	1,084.89	
Public Defender						
Other Expenses	24,000.00	24,000.00	23,500.00		500.00	

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS - WITHIN "CAPS" (CONT'D)						
<u>Land Use Administration</u>						
Planning Board						
Salaries and Wages	\$ 44,800.00	\$ 36,800.00	\$ 33,914.70		\$ 2,885.30	
Other Expenses (N.J.S.A. 40A:4-53 - \$147,000.00)	4,250.00	151,250.00	151,218.28		31.72	
Zoning Board						
Salaries and Wages	97,350.00	87,350.00	83,588.14		3,761.86	
Other Expenses	7,625.00	3,625.00	2,921.06	\$ 280.00	423.94	
<u>Public Safety Functions</u>						
Police						
Salaries and Wages	5,140,450.00	5,070,450.00	5,045,917.38		24,532.62	
Other Expenses	221,000.00	203,000.00	124,635.16	44,175.57	34,189.27	
Emergency Management Services						
Salaries and Wages	6,753.00	6,753.00	6,099.90		653.10	
Other Expenses	9,700.00	3,700.00	75.05	2,632.84	992.11	
Fire Department						
Salaries and Wages	55,000.00	11,000.00	2,250.00		8,750.00	
Other Expenses	181,800.00	131,800.00	112,721.10	2,761.82	16,317.08	
<u>Insurance</u>						
Liability Insurance	1,082,331.95	1,082,331.95	1,080,581.95		1,750.00	
Group Insurance for Employees	2,467,479.54	3,067,479.54	2,890,000.00		177,479.54	
<u>Health and Welfare</u>						
Animal Control						
Salaries and Wages	12,313.50	12,313.50	8,470.20		3,843.30	
Other Expenses	109,317.50	69,317.50	54,472.12	12,411.54	2,433.84	
Domestic Violence Response						
Other Expenses	15,960.00	7,960.00	7,910.00		50.00	
<u>Recreation and Education</u>						
Recreation						
Salaries and Wages	214,147.00	201,147.00	198,334.44		2,812.56	
Other Expenses	152,386.11	97,386.11	83,745.34	9,291.32	4,349.45	
Senior Services						
Salaries and Wages	230,700.00	230,700.00	226,635.69		4,064.31	
Other Expenses	47,350.00	43,350.00	35,942.88	6,041.41	1,365.71	

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Road Repair and Maintenance</u>						
Streets & Roads						
Salaries and Wages	\$ 1,030,950.00	\$ 1,005,950.00	\$ 986,946.27		\$ 19,003.73	
Other Expenses	255,948.40	205,948.40	100,771.72	\$ 34,777.89	70,398.79	
Fire Hydrant						
Other Expenses	12,015.60	12,015.60	11,315.64	199.77	500.19	
Buildings & Grounds						
Salaries and Wages	996,800.00	1,011,800.00	1,003,563.47		8,236.53	
Other Expenses	270,584.18	270,584.18	214,433.35	32,830.89	23,319.94	
Fleet Management						
Salaries and Wages	443,350.00	443,350.00	432,461.91		10,888.09	
Other Expenses	298,695.00	268,695.00	184,923.60	29,715.61	54,055.79	
Traffic Signals	6,000.00	11,000.00	9,353.93	136.42	1,509.65	
Solid Waste Collection	1,360,000.00	1,360,000.00	1,322,964.11		37,035.89	
Demolition of Buildings						
Other Expenses	25,000.00					
Environmental Commission	500.00	500.00	425.00		75.00	
<u>Code Enforcement</u>						
Township Code Enforcement						
Salaries and Wages	140,650.00	152,650.00	150,014.52		2,635.48	
Other Expenses	13,940.00	8,940.00	7,302.77	395.95	1,241.28	
<u>Utility Expenses and Bulk Purchases</u>						
Street Lighting	230,000.00	255,000.00	254,698.37		301.63	
Telephone	85,000.00	78,000.00	66,855.49	3,722.64	7,421.87	
Natural Gas	60,000.00	55,000.00	50,181.46	4,423.28	395.26	
Postage	75,000.00	75,000.00	69,356.89		5,643.11	
Gasoline	150,000.00	200,000.00	166,438.16	8,584.39	24,977.45	
Electricity	125,000.00	125,000.00	121,035.05		3,964.95	
Fuel Oil	42,000.00	62,000.00	38,968.48	10,559.98	12,471.54	
Water	1,800.00	1,800.00	608.68	64.00	1,127.32	
Solid Waste Disposal	1,086,000.00	1,011,000.00	949,510.99		61,489.01	
<u>Unclassified</u>						
Accumulated Leave Compensation	25,000.00	25,000.00	25,000.00			
Total Operations within "CAPS"	19,088,953.38	19,235,953.38	18,252,964.50	288,260.32	694,728.56	-
Detail:						
Salaries and Wages	9,857,230.10	9,695,330.10	9,594,952.60		100,377.50	
Other Expenses (Including Contingent)	9,231,723.28	9,540,623.28	8,658,011.90	288,260.32	594,351.06	

(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u> <u>Reserved</u>	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 720,683.00	\$ 720,683.00	\$ 720,683.00		
Social Security System (O.A.S.I.)	750,000.00	750,000.00	703,006.31		\$ 46,993.69
Police and Firemen's Retirement System of NJ	1,394,118.00	1,394,118.00	1,394,118.00		
Defined Contribution Retirement Program (DCRP)	7,000.00	7,000.00	4,703.40		2,296.60
<hr/>					
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	2,871,801.00	2,871,801.00	2,822,510.71	-	49,290.29
<hr/>					
Total General Appropriations for Municipal Purposes within "CAPS"	21,960,754.38	22,107,754.38	21,075,475.21	\$ 288,260.32	744,018.85
<hr/>					
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
<u>Shared Service Agreements</u>					
Tax Assessor (Shamong Township)	63,263.86	63,263.86	61,817.12		1,446.74
QPA (Stafford Township)	6,500.00	6,500.00		1,775.00	4,725.00
Goodwill Fire Co. (Pemberton Borough SSA)	32,000.00	32,000.00	32,000.00		
<hr/>					
Total Shared Service Agreements	101,763.86	101,763.86	93,817.12	1,775.00	6,171.74
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(Continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS" (CONT'D)						
Public and Private Programs Offset by Revenues						
Matching Funds for Grants	\$ 12,916.50	\$ 12,916.50	\$ 12,916.50			
Recycling Tonnage Grant	35,971.50	35,971.50	35,971.50			
U Text, U Drive, U Pay	7,000.00	7,000.00	7,000.00			
Municipal Alliance on Alcoholism and Drug Abuse	13,266.00	13,266.00	13,266.00			
American Rescue Plan Firefighter Grant	48,000.00	48,000.00	48,000.00			
Clean Communities Grant (N.J.S.A. 40A:4-87 - \$94,417.56)		94,417.56	94,417.56			
NJ Dept. of Community Affairs - Local Recreation						
Improvement Grant (N.J.S.A. 40A:4-87 +\$74,000.00)		74,000.00	74,000.00			
Drunk Driving Enforcement Fund (N.J.S.A. 40A 4-87 +\$12,761.87)		12,761.87	12,761.87			
Drive Sober or Get Pulled Over - 2024 Year End						
Holiday Crackdown (N.J.S.A. 40A:4-87 +\$8,750.00)		8,750.00	8,750.00			
Edward Bryne Memorial JAG (N.J.S.A. 40A:4-87 +\$11,489.00)		11,489.00	11,489.00			
Drive Sover or Get Pulled Over (N.J.S.A. 40A: 4-87 +\$7,000.00)		7,000.00	7,000.00			
NJ Dept. of Community Affaires - Urban						
Enterprise Zone Funds (N.J.S.A. 40A:4-87 - \$372,406.00)		372,406.00	372,406.00			
National Opiod Settlement (N.J.S.A. 40A:4-87 - \$113,608.78)		113,608.78	113,608.78			
NJ Dept. of Transportation - Safe Routes						
to Schools Program (N.J.S.A. 40A:4-87 \$693,258.00)		693,258.00	693,258.00			
New Jersey board of Public Utilities						
"Chrage Up New Jersey" (N.J.S.A. 40A:4-87 +\$6,000.00)		6,000.00	6,000.00			
NJ Board of Public Utilities - Community						
Energy Plan Grant (N.J.S.A. 40A:4-87 +\$25,000.00)		25,000.00	25,000.00			
Total Public and Private Programs Offset by Revenues	117,154.00	1,535,845.21	1,535,845.21			
Total Operations - Excluded from "CAPS"	218,917.86	1,637,609.07	1,629,662.33	\$ 1,775.00	\$ 6,171.74	-
Detail:						
Salaries and Wages						
Other Expenses	218,917.86	1,637,609.07	1,629,662.33	1,775.00	6,171.74	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	107,500.00	107,500.00	107,500.00			
Purchase of Police SUVs/ALPR	325,880.00	325,880.00	294,348.71	15,450.00	16,081.29	
Park Improvements	142,000.00	142,000.00	142,000.00			
Street Paving	323,500.00	323,500.00	55,893.03	250,786.97	16,820.00	
Handguns and Holsters	45,000.00	45,000.00	45,000.00			
Total Capital Improvements - Excluded from "CAPS"	943,880.00	943,880.00	644,741.74	266,236.97	32,901.29	-

(continued)

TOWNSHIP OF PEMBERTON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Municipal Debt Service - Excluded from "CAPS"						
Payment of Bond Principal	\$ 960,000.00	\$ 960,000.00	\$ 960,000.00			
Payment of Bond Anticipation Notes and Capital Notes	69,725.00	69,725.00	69,725.00			
Interest on Bonds	767,306.26	767,306.26	766,218.15			\$ 1,088.11
Interest on Notes	191,115.00	191,115.00	190,584.12			530.88
Green Trust Loan Program:						
Green Acres Loans - Principal	16,820.00	16,820.00	16,820.00			
Capital Lease Obligations	284,646.43	284,646.43	282,979.13			1,667.30
NJDEP - Environmental Protection Loans - Principal	405,954.66	405,954.66	405,954.66			
NJDEP - Environmental Protection Loans - Interest	88,333.18	88,333.18	88,333.18			
Total Municipal Debt Service - Excluded from "CAPS"	2,783,900.53	2,783,900.53	2,780,614.24	-	-	3,286.29
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	3,946,698.39	5,365,389.60	5,055,018.31	\$ 268,011.97	\$ 39,073.03	3,286.29
Subtotal General Appropriations	25,907,452.77	27,473,143.98	26,130,493.52	556,272.29	783,091.88	3,286.29
Reserve for Uncollected Taxes	1,435,000.00	1,435,000.00	1,435,000.00			
Total General Appropriations	\$ 27,342,452.77	\$ 28,908,143.98	\$ 27,565,493.52	\$ 556,272.29	\$ 783,091.88	\$ 3,286.29
Appropriation by 40A:4-87		\$ 1,418,691.21				
Appropriation by 40A:4-53		147,000.00				
Budget		<u>27,342,452.77</u>				
		<u>\$ 28,908,143.98</u>				
Reserve for Federal and State Grants			\$ 1,535,845.21			
Reserve for Uncollected Taxes			1,435,000.00			
Disbursed			<u>24,594,648.31</u>			
			<u>\$ 27,565,493.52</u>			

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF PEMBERTON
TRUST FUND
Statements of Assets, Liabilities and Reserves -- Regulatory Basis
As of December 31, 2024 and 2023

<u>ASSETS</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Animal Control Fund:			
Cash	SB-1	\$ 36,805.55	\$ 28,517.35
Other Funds:			
Cash	SB-1	4,067,396.21	4,483,504.09
Due from Current Fund	SB-8	365,003.60	360,331.65
		<u>4,432,399.81</u>	<u>4,843,835.74</u>
		<u>\$ 4,469,205.36</u>	<u>\$ 4,872,353.09</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u> 			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-2	\$ 24,410.60	\$ 27,268.80
Due to Current Fund	SB-4	12,394.95	1,121.35
Due to State of New Jersey	SB-3		127.20
		<u>36,805.55</u>	<u>28,517.35</u>
Other Funds:			
Due to State of New Jersey - DCA Fees	SB-6	27,432.00	15,731.00
Due to Third Party Inspections	SB-7	126,408.40	50,679.40
Reserve for Special Law Enforcement	SB-5	17,955.13	21,975.68
Reserve for Public Defender	SB-5	1,809.10	288.10
Reserve for Self Insurance	SB-5	501,376.64	358,347.55
Reserve for Employee Healthcare Insurance	SB-5	402,173.24	405,649.65
Reserve for N.J. Unemployment Compensation	SB-5	86,411.61	90,801.77
Reserve for Escrow Deposits	SB-5	288,622.46	326,227.36
Reserve for RCA Trust	SB-5	24,742.57	24,742.57
Reserve for Tax Sale Premiums	SB-5	512,139.32	866,639.32
Reserve for Compensated Absences	SB-5	121,909.16	70,220.93
Reserve for Flexible Spending	SB-5	6,013.87	6,013.87
Reserve for Uniform Construction Code	SB-5	178,504.81	452,027.44
Reserve for Off-Duty Police	SB-5	90,460.03	39,839.93
Reserve for Affordable Housing	SB-5	1,465,756.35	1,555,550.28
Reserve for POAA	SB-5	674.00	658.00
Reserve for Payroll Deductions	SB-5	169,602.01	188,508.16
Reserve for Tax Title Lien Redemption	SB-5	94,208.45	113,087.06
Reserve for Storm Recovery	SB-5	84,008.40	104,535.36
Reserve for Seized Funds	SB-5	7,920.57	7,920.57
Reserve for Fire Safety	SB-5	11,032.14	11,542.54
Reserve for Performance Bonds	SB-5	53,337.10	53,337.10
Reserve for Small Cities	SB-5	56,925.00	56,925.00
Reserve for Carry Permits	SB-5	18,600.00	8,550.00
Reserve for K-9 Donations	SB-5	5,227.45	4,037.10
Reserve for UEZ	SB-5	10,000.00	10,000.00
Reserve for Green Acres	SB-5	69,150.00	
		<u>4,432,399.81</u>	<u>4,843,835.74</u>
		<u>\$ 4,469,205.36</u>	<u>\$ 4,872,353.09</u>

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

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2024 and 2023

<u>Assets</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Cash	SC-1	\$ 4,594,069.38	\$ 1,704,529.20
Due from Current Fund	SC-1	190,584.09	646,595.00
Due from Federal and State Grant Fund	SC-2	143,500.50	572,540.00
Due from Water Operating Fund	SD-18		79,475.00
Deferred Charges to Future Taxation--Funded	SC-3	18,918,800.07	20,567,620.73
Deferred Charges to Future Taxation--Unfunded	SC-4	10,075,571.00	8,059,075.00
Due from Green Acres - Loan Receivable	C	550,000.00	550,000.00
Federal and State Grants Receivable	C	784,000.00	784,000.00
		<u>\$ 35,256,525.04</u>	<u>\$ 32,963,834.93</u>

Liabilities, Reserves and Fund Balance

Serial Bonds	SC-12	\$ 14,575,000.00	\$ 15,535,000.00
Bond Anticipation Notes	SC-11	7,996,100.00	4,247,000.00
Green Trust Program Loan Payable	SC-9	126,149.91	142,969.91
NJ Environmental Protection Loans Payable	SC-10	4,111,687.66	4,517,642.32
Capital Improvement Fund	SC-6	199,339.49	201,640.49
Capital Leases Payable	SC-8	105,962.50	372,008.50
Reserve for Encumbrances	SC-7	1,732,325.25	1,627,410.20
Improvement Authorizations:			
Funded	SC-5	2,094,256.30	2,171,473.94
Unfunded	SC-5	3,084,495.56	2,266,816.97
Due to Water Capital Fund	SC-1		65,512.60
Reserve for Grants Receivable	C	550,000.00	550,000.00
Reserve for Green Acres - Loan Receivable	C	550,000.00	550,000.00
Fund Balance	C-1	131,208.37	716,360.00
		<u>\$ 35,256,525.04</u>	<u>\$ 32,963,834.93</u>

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

TOWNSHIP OF PEMBERTON
GENERAL CAPITAL FUND
Statement of General Capital Fund Balance - Regulatory Basis
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 716,360.00
Increased by:	
Premium on BAN Issue	<u>64,848.37</u>
	781,208.37
Decreased by:	
Appropriated to 2024 Budget Revenue	<u>650,000.00</u>
Balance Dec. 31, 2024	<u><u>\$ 131,208.37</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
 As of December 31, 2024 and 2023

<u>ASSETS</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Operating Fund:			
Cash--Treasurer	SD-1	\$ 385,849.43	\$ 730,524.26
Due Water Utility Capital Fund	SD-19	65,000.00	31,000.00
		<u>450,849.43</u>	<u>761,524.26</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	269,986.07	276,432.85
Water Utility Liens	SD-5	34.60	715.99
		<u>270,020.67</u>	<u>277,148.84</u>
Total Operating Fund		<u>720,870.10</u>	<u>1,038,673.10</u>
Capital Fund:			
Cash	SD-1	86,416.58	20,512.85
Due From General Capital Fund	SD-1		65,512.60
Due From NJEIT	SD-12	1,464,500.00	1,464,500.00
Due from Federal and State Grant Fund:			
American Rescue Plan Act 2021	SD-16	1,044,812.43	
Due From Pinelands Infrastructure Trust Fund	D	1,171,600.00	1,171,600.00
Fixed Capital	SD-7	10,960,416.23	10,960,416.23
Fixed Capital Authorized and Uncompleted	SD-8	8,099,000.00	7,614,000.00
Total Capital Fund		<u>22,826,745.24</u>	<u>21,296,541.68</u>
		<u>\$ 23,547,615.34</u>	<u>\$ 22,335,214.78</u>

(Continued)

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
As of December 31, 2024 and 2023

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4 & SD-9	\$ 62,423.38	\$ 116,035.16
Reserve for Encumbrances	SD-10	56,309.50	57,816.48
Overpayment of Rents	SD-6	107,713.37	90,366.67
Fire Hydrant Security Deposit	D	1,000.00	1,000.00
Due to General Capital Fund	SD-1		79,475.00
Accrued Interest on Serial Bonds and Notes	SD-13	52,324.29	50,091.19
Accounts Payable	SD-11	76,119.18	54,783.19
		<u>355,889.72</u>	<u>449,567.69</u>
Reserve for Receivables	D	270,020.67	277,148.84
Fund Balance	D-1	94,959.71	311,956.57
		<u>720,870.10</u>	<u>1,038,673.10</u>
Total Operating Fund			
Capital Fund:			
Serial Bonds	SD-23	1,910,000.00	1,980,000.00
Loans Payable	SD-22	375,552.29	409,087.31
Financed Purchase Payable	SD-21	139,037.50	307,991.50
NJ Environmental Infrastructure Loan Payable	SD-12	1,464,500.00	1,464,500.00
Bond Anticipation Notes	SD-20	755,900.00	
Capital Improvement Fund	SD-14	14,882.00	14,882.00
Reserve for Encumbrances	SD-15	3,556,966.56	779,689.09
Due Water Utility Operating Fund	SD-19	65,000.00	31,000.00
Improvement Authorizations:			
Funded	SD-16	78,929.59	563,185.33
Unfunded	SD-16	529,764.53	1,921,613.05
Due to Current Fund	SD-1		102,000.00
Reserves for:			
Amortization	SD-17	10,949,159.44	10,676,670.42
Deferred Amortization	SD-18	2,980,267.00	2,980,267.00
Fund Balance	D-2	6,786.33	65,655.98
		<u>22,826,745.24</u>	<u>21,296,541.68</u>
		<u>\$ 23,547,615.34</u>	<u>\$ 22,335,214.78</u>

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

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Statements of Operations and Changes in Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2024 and 2023

<u>Revenue and Other Income Realized</u>	<u>2024</u>	<u>2023</u>
Operating Fund Balance Utilized	\$ 220,276.15	\$ 125,000.00
Rents	1,866,458.23	1,927,030.51
Miscellaneous	27,819.90	21,925.78
Water Capital Fund Surplus	65,000.00	
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	97,445.28	150,637.84
Total Income	2,276,999.56	2,224,594.13
<u>Expenditures</u>		
Operating	1,687,490.44	1,632,720.00
Debt Service	393,229.83	347,823.20
Deferred Charges and Statutory Expenditures	193,000.00	59,000.00
Total Expenditures	2,273,720.27	2,039,543.20
Excess in Revenue	3,279.29	185,050.93
<u>Fund Balance</u>		
Balance Jan. 1	311,956.57	251,905.64
Decreased by:	315,235.86	436,956.57
Utilized in Operating Budget	220,276.15	125,000.00
Balance Dec. 31	\$ 94,959.71	\$ 311,956.57

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

TOWNSHIP OF PEMBERTON
WATER UTILITY CAPITAL FUND
Statement of Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2024

Balance Dec. 31, 2023	\$ 65,655.98
Increased by:	
Premium on Notes Issued	<u>6,130.35</u>
	71,786.33
Decreased by:	
Appropriated to 2024 Budget Revenue	<u>65,000.00</u>
Balance Dec. 31, 2024	<u><u>\$ 6,786.33</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2024

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 220,276.15	\$ 220,276.15	
Rents	1,927,030.51	1,866,458.23	\$ (60,572.28)
Special Item:			
Additional Rents	73,000.00		(73,000.00)
Miscellaneous	21,925.78	27,819.90	5,894.12
Water Capital Fund Surplus	65,000.00	65,000.00	
	<u>\$ 2,307,232.44</u>	<u>\$ 2,179,554.28</u>	<u>\$ (127,678.16)</u>

Analysis of Realized Revenue

Rents:	
Consumer Accounts Receivable	\$ 1,865,675.92
Water Utility Liens	<u>782.31</u>
Consumer Accounts Receivable	<u>\$ 1,866,458.23</u>
Miscellaneous:	
Interest on Investments	<u>\$ 27,819.90</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF PEMBERTON
WATER UTILITY FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 832,900.00	\$ 837,900.00	\$ 827,154.73			\$ 10,745.27
Other Expenses	865,335.71	860,335.71	744,090.67	\$ 56,309.50	\$ 59,935.54	
Total Operating	1,698,235.71	1,698,235.71	1,571,245.40	56,309.50	59,935.54	10,745.27
Debt Service:						
Payment of Bond Principal	103,535.02	103,535.02	103,535.02			
Interest on Bonds	103,108.13	103,108.13	85,118.32			17,989.81
Interest on Notes	25,000.00	25,000.00	20,222.91			4,777.09
Burlington County Bridge Commission - Financed Purchase	184,353.58	184,353.58	184,353.58			
Total Debt Service	415,996.73	415,996.73	393,229.83	-	-	22,766.90
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	130,000.00	130,000.00	130,000.00			
Social Security System (O.A.S.I.)	63,000.00	63,000.00	60,512.16		2,487.84	
Total Deferred Charges and Statutory Expenditures	193,000.00	193,000.00	190,512.16	-	2,487.84	-
	<u>\$ 2,307,232.44</u>	<u>\$ 2,307,232.44</u>	<u>\$ 2,154,987.39</u>	<u>\$ 56,309.50</u>	<u>\$ 62,423.38</u>	<u>\$ 33,512.17</u>
Interest on Bonds			\$ 85,118.32			
Interest on Notes			20,222.91			
Disbursed			<u>2,049,646.16</u>			
			<u>\$ 2,154,987.39</u>			

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
As of December 31, 2024 and 2023

<u>ASSETS</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Operating Fund:			
Cash	SE-1	\$ 2,780,472.76	\$ 3,619,646.02
Due Sewer Capital Fund	E	1,240,000.00	1,240,000.00
		<u>4,020,472.76</u>	<u>4,859,646.02</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SE-4	350,191.68	278,891.52
Sewer Utility Liens	SE-5	13,127.86	11,476.52
		<u>363,319.54</u>	<u>290,368.04</u>
Total Operating Fund		<u>4,383,792.30</u>	<u>5,150,014.06</u>
Capital Fund:			
Cash	SE-1	332,869.75	257,269.75
Fixed Capital	SE-6	24,307,876.64	23,749,756.04
Fixed Capital Authorized and Uncompleted	SE-7	2,270,000.00	2,270,000.00
Total Capital Fund		<u>26,910,746.39</u>	<u>26,277,025.79</u>
		<u>\$ 31,294,538.69</u>	<u>\$ 31,427,039.85</u>

(Continued)

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
As of December 31, 2024 and 2023

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-3 & SE-8	\$ 943,533.32	\$ 1,605,125.55
Accounts Payable	SE-10	128,591.38	483,341.92
Reserve for Encumbrances	SE-9	918,653.90	702,537.61
Sewer Overpayments	SE-11	4,711.64	4,607.88
Prepaid Sewer Rents	SE-12	649,307.88	651,739.95
		<u>2,644,798.12</u>	<u>3,447,352.91</u>
Reserve for Receivables	E	363,319.54	290,368.04
Fund Balance	E-1	1,375,674.64	1,412,293.11
		<u>4,383,792.30</u>	<u>5,150,014.06</u>
Total Operating Fund			
		<u>4,383,792.30</u>	<u>5,150,014.06</u>
Capital Fund:			
Capital Improvement Fund	SE-14	620,000.00	540,000.00
Reserve for Encumbrances	SE-16		11,300.00
Due Sewer Operating Fund	E	1,240,000.00	1,240,000.00
Improvement Authorizations:			
Unfunded	SE-16	692,869.75	685,969.75
Reserve for:			
Amortization	SE-13	24,307,876.64	23,749,756.04
Deferred Amortization	SE-15	50,000.00	50,000.00
		<u>26,910,746.39</u>	<u>26,277,025.79</u>
Total Capital Fund		<u>26,910,746.39</u>	<u>26,277,025.79</u>
		<u>\$ 31,294,538.69</u>	<u>\$ 31,427,039.85</u>

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

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statements of Operations and Changes in Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2024 and 2023

<u>Revenue and Other Income Realized</u>	<u>2024</u>	<u>2023</u>
Operating Fund Balance Utilized	\$ 1,800,000.00	\$ 1,800,000.00
Rents	3,125,358.48	2,626,185.16
Miscellaneous	153,651.22	239,893.34
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,656,775.83	703,364.88
	<u>6,735,785.53</u>	<u>5,369,443.38</u>
Total Income		
	<u>6,735,785.53</u>	<u>5,369,443.38</u>
<u>Expenditures</u>		
Operating	3,363,313.00	3,116,640.00
Capital Improvements	1,386,091.00	1,660,000.00
Deferred Charges and Statutory Expenditures	223,000.00	213,000.00
	<u>4,972,404.00</u>	<u>4,989,640.00</u>
Total Expenditures		
	<u>4,972,404.00</u>	<u>4,989,640.00</u>
Excess in Revenue	1,763,381.53	379,803.38
<u>Fund Balance</u>		
Balance Jan. 1	1,412,293.11	2,832,489.73
	<u>3,175,674.64</u>	<u>3,212,293.11</u>
Decreased by:		
Utilized in Operating Budget	1,800,000.00	1,800,000.00
	<u>1,800,000.00</u>	<u>1,800,000.00</u>
Balance Dec. 31	<u>\$ 1,375,674.64</u>	<u>\$ 1,412,293.11</u>

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

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2024

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 1,800,000.00	\$ 1,800,000.00	
Rents	3,172,404.00	3,125,358.48	\$ (47,045.52)
Miscellaneous		153,651.22	153,651.22
	<u>\$ 4,972,404.00</u>	<u>\$ 5,079,009.70</u>	<u>\$ 106,605.70</u>

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable	\$ 3,124,000.75
Sewer Utility Liens	1,357.73
	<u>\$ 3,125,358.48</u>

Miscellaneous:

Interest on Investments	\$ 87,906.31
Interest on Delinquent Accounts	63,842.83
Miscellaneous	1,902.08
	<u>\$ 153,651.22</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF PEMBERTON
SEWER UTILITY FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 1,079,650.00	\$ 1,079,650.00	\$ 943,078.17		\$ 136,571.83	
Other Expenses	2,283,663.00	2,283,663.00	1,636,165.50	\$ 415,303.85	232,193.65	
Total Operating	3,363,313.00	3,363,313.00	2,579,243.67	415,303.85	368,765.48	-
Capital Improvements:						
Capital Improvement Fund	80,000.00	80,000.00	80,000.00			
Capital Outlay	1,306,091.00	1,306,091.00	242,565.56	503,350.05	560,175.39	
Total Capital Improvements	1,386,091.00	1,386,091.00	322,565.56	503,350.05	560,175.39	-
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	140,000.00	140,000.00	140,000.00			
Social Security System (O.A.S.I.)	83,000.00	83,000.00	68,407.55		14,592.45	
Total Deferred Charges and Statutory Expenditures	223,000.00	223,000.00	208,407.55	-	14,592.45	-
	<u>\$ 4,972,404.00</u>	<u>\$ 4,972,404.00</u>	<u>\$ 3,110,216.78</u>	<u>\$ 918,653.90</u>	<u>\$ 943,533.32</u>	<u>-</u>
Disbursed			<u>\$ 3,110,216.78</u>			

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF PEMBERTON
GENERAL FIXED ASSETS ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts--Regulatory Basis
For the Year Ended December 31, 2024

	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Additions</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
General Fixed Assets:			
Land	\$ 17,662,841.30	\$ 72,000.00	\$ 17,734,841.30
Buildings and Improvements	15,238,479.45	456,164.45	15,694,643.90
Equipment	13,198,272.67	814,108.93	14,012,381.60
Total General Fixed Assets	<u>\$ 46,099,593.42</u>	<u>\$ 1,342,273.38</u>	<u>\$ 47,441,866.80</u>
Total Investment in General Fixed Assets	<u>\$ 46,099,593.42</u>		<u>\$ 47,441,866.80</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Pemberton (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on March 10, 1846 from portions of New Hanover Township, Northampton Township, and Southampton Township. The Township, located in Burlington County, New Jersey, has a total area of approximately sixty-two and a half square miles, and is located approximately thirty-two miles from the City of Philadelphia. According to the 2020 census, the population is 26,903.

The Township is governed under the Mayor-Council form of government, comprised of the Mayor and a five-member Township Council, all of whom are elected directly by the voters in partisan elections to serve four-year terms of office on a staggered basis, with two or three seats coming up for election during even-numbered years. At an annual reorganization meeting, the Committee selects one of its members to serve as Mayor and another as Deputy Mayor. The functions of the Council, as the governing body, are legislative and establishing policy. Administrative responsibilities are assigned to the Township Administrator.

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

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

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

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

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

Water Utility Operating and Capital Funds - The water utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water operations.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation - In accordance with the *Requirements*, the Township accounts for its financial transactions through the use of separate funds and an account group which are described as follows (Cont'd):

Sewer Utility Operating and Capital Funds - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned sewer operations.

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

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

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

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

Cash, 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.

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

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

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

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

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.

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

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

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

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements and contributed capital.

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

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

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

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

Fund Balance - Fund balances included in the current fund, water utility operating fund and sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

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

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Pemberton Township School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from January 1 to December 31, increased by the amount deferred at December 31, 2023 and decreased by the amount deferred at December 31, 2024.

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

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

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

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

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

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

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

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

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

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

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

Because of the implementation of GASB Statement No. 101, the Township has updated the measurement of compensated absences in accordance with the Statement (note 11).

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2024, the Township's bank balances of \$20,608,179.24 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 19,452,815.82
Uninsured and Uncollateralized	<u>1,155,363.42</u>
Total	<u>\$ 20,608,179.24</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$ 3.065</u>	<u>\$ 2.876</u>	<u>\$ 2.662</u>	<u>\$ 2.553</u>	<u>\$ 2.745</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.112	\$ 1.103	\$ 1.046	\$ 1.039	\$ 1.027
County	0.403	0.372	0.340	0.345	0.353
County Open Space	0.048	0.031	0.027	0.021	0.021
County Library	0.035	0.034	0.030	0.031	0.320
District School Tax	1.467	1.336	1.219	1.117	1.024

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2024	\$ 1,472,102,823.00
2023	1,478,046,135.00
2022	1,483,357,540.00
2021	1,485,282,318.00
2020	1,487,698,988.00

Note 3: PROPERTY TAXES (CONT'D)

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

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2024	\$ 45,270,292.95	\$ 43,925,160.36	97.03%
2023	42,623,990.41	41,488,434.82	97.34%
2022	39,639,504.04	38,331,532.89	96.70%
2021	38,006,534.81	36,933,830.56	97.18%
2020	36,685,697.27	35,358,875.39	96.38%

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>
2024	\$ 2,495,819.61	\$ 1,161,305.02	\$ 3,657,124.63	8.08%
2023	2,344,399.22	1,004,318.47	3,348,717.69	7.86%
2022	2,303,730.40	1,110,301.64	3,414,032.04	8.61%
2021	2,147,717.90	971,056.70	3,118,774.60	8.21%
2020	2,025,953.28	1,161,101.43	3,187,054.71	8.69%

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

<u>Year</u>	<u>Number</u>
2024	491
2023	491
2022	492
2021	480
2020	463

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2024	\$ 23,998,350.00
2023	23,998,350.00
2022	23,998,350.00
2021	23,998,350.00
2020	23,998,350.00

Note 5: WATER UTILITY SERVICE CHARGES

The following is a five-year comparison of water utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2024	\$ 276,432.85	\$ 715.99	\$ 1,859,330.06	\$ 2,136,478.90	\$ 1,866,458.23
2023	474,929.12	2,163.97	1,728,534.24	2,205,627.33	1,928,478.49
2022	193,525.50	1.51	2,214,967.47	2,408,494.48	1,931,401.39
2021	507,569.04	1.51	1,513,451.06	2,021,021.61	1,827,494.60
2020	455,028.31	1,318.64	1,851,343.63	2,307,690.58	1,800,120.03

Note 6: SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2024	\$ 278,891.52	\$ 11,476.52	\$ 3,197,730.91	\$ 3,488,098.95	\$ 3,125,358.48
2023	288,763.26	20,619.79	3,268,053.37	3,577,436.42	3,287,068.38
2022	313,455.37	16,601.41	3,184,066.41	3,514,123.19	3,204,740.04
2021	320,843.50	13,963.50	3,220,832.67	3,555,639.67	3,227,770.80
2020*	-	-	4,183,693.63	4,183,693.63	3,866,777.63

* First year township assumed sewer utility services.

Note 7: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2024	\$ 2,997,978.88	\$ 1,900,000.00	63.38%
2023	2,924,642.52	1,900,000.00	64.97%
2022	2,445,060.80	1,570,000.00	64.21%
2021	2,496,617.20	1,570,000.00	62.89%
2020	1,657,777.27	1,200,000.00	72.39%

Water Utility Operating Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2024	\$ 94,959.71	-	
2023	311,956.57	\$ 220,276.15	70.61%
2022	251,905.64	125,000.00	49.62%
2021	142,424.42	142,000.00	99.70%
2020	234,918.66	175,000.00	74.49%

Sewer Utility Operating Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2024	\$ 1,375,674.64	\$ 769,367.00	55.93%
2023	1,412,293.11	1,800,000.00	127.45%
2022	2,832,489.73	1,800,000.00	63.55%
2021	2,764,294.28	2,200,000.00	79.59%
2020	4,069,593.95	1,600,000.00	39.32%

Note 8: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 12,394.95	\$ 992,722.47
Federal and State Grant	437,134.78	1,188,312.93
Trust - Animal Control		12,394.95
Trust - Other	365,003.60	
General Capital	334,084.59	
Water Utility - Operating	65,000.00	
Water Utility - Capital	1,044,812.43	65,000.00
Sewer Utility - Operating	1,240,000.00	
Sewer Utility - Capital		1,240,000.00
	<u>\$ 3,498,430.35</u>	<u>\$ 3,498,430.35</u>

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

Note 9: PENSION PLANS

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

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

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

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

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

Contributions

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

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

The Employer's contractually required contribution rate for the year ended December 31, 2024 was 17.54% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 is \$1,066,609.00, and is payable by April 1, 2025. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 was \$990,682.00, which was paid on April 1, 2024.

Employee contributions to the Plan for the year ended December 31, 2024 were \$460,710.57.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2024 was 0.56% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2024, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was \$34,339.00. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$33,483.00.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

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

The Employer's contractually required contribution rate for the year ended December 31, 2024 was 30.59% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 is \$1,290,779.00, and is payable by April 1, 2025. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 was \$1,394,118.00, which was paid on April 1, 2024.

Employee contributions to the Plan for the year ended December 31, 2024 were \$433,221.87.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2024 was 5.18% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2024, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was \$218,555.00, and is payable by April 1, 2025. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$243,829.00, which was paid on April 1, 2024.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

For the year ended December 31, 2024, employee contributions totaled \$7,391.06, and the Employer's contributions were \$4,703.40. There were no forfeitures during the year.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Public Employees' Retirement System**

Pension Liability - As of December 31, 2024, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was \$10,651,072.00. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2024 measurement date, the Employer's proportion was 0.0783856069%, which was an increase of 0.0042620158% from its proportion measured as of June 30, 2023.

Pension (Benefit) Expense - For the year ended December 31, 2024, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date was \$668,060.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2024, the Employer's contribution to PERS was \$990,682.00, and was paid on April 1, 2024.

For the year ended December 31, 2024, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2024 measurement date, was \$34,339.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System**

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

Proportionate Share of Net Pension Liability	\$ 9,636,335.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	1,899,783.00
	<u>\$ 11,536,118.00</u>

Pension Liability (Cont'd) - The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2024 measurement date, the Employer's proportion was 0.0933156600%, which was a decrease of 0.0114106700% from its proportion measured as of June 30, 2023. Likewise, at June 30, 2024, the State of New Jersey's proportion, on-behalf of the Employer, was 0.0933158300%, which was a decrease of 0.0114105900% from its proportion, on-behalf of the Employer, measured as of June 30, 2023.

Pension (Benefit) Expense - For the year ended December 31, 2024, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date was \$231,629.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2024, the Employer's contribution to PFRS was \$1,394,118.00, and was paid on April 1, 2024.

For the year ended December 31, 2024, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2024 measurement date, was \$218,555.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 213,361.00	\$ 607,082.00	\$ 820,443.00	\$ 28,356.00	\$ 329,894.00	\$ 358,250.00
Changes of Assumptions	13,232.00	15,233.00	28,465.00	121,185.00	283,003.00	404,188.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	493,861.00	75,422.00	569,283.00
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	1,289,073.00	659,906.00	1,948,979.00	606,805.00	1,672,098.00	2,278,903.00
Contributions Subsequent to the Measurement Date	533,305.00	645,390.00	1,178,695.00	-	-	-
	<u>\$ 2,048,971.00</u>	<u>\$ 1,927,611.00</u>	<u>\$ 3,976,582.00</u>	<u>\$ 1,250,207.00</u>	<u>\$ 2,360,417.00</u>	<u>\$ 3,610,624.00</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amounts of \$533,305.00 and \$645,390.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2025. These amounts were based on an estimated April 1, 2026 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2024 to the Employer's year end of December 31, 2024.

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

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

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2025	\$ (125,710.00)	\$ (753,958.00)	\$ (879,668.00)
2026	639,209.00	226,888.00	866,097.00
2027	(256,675.00)	(275,083.00)	(531,758.00)
2028	(4,582.00)	(131,117.00)	(135,699.00)
2029	13,217.00	(130,779.00)	(117,562.00)
Thereafter	-	(14,147.00)	(14,147.00)
	<u>\$ 265,459.00</u>	<u>\$ (1,078,196.00)</u>	<u>\$ (812,737.00)</u>

Actuarial Assumptions

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

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

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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

Police and Firemen's Retirement System

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

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

<u>PERS</u>	<u>Long-Term</u>		<u>PFRS</u>	<u>Long-Term</u>	
	<u>Target</u>	<u>Expected Real</u>		<u>Target</u>	<u>Expected Real</u>
<u>Asset Class</u>	<u>Allocation</u>	<u>Rate of Return</u>	<u>Asset Class</u>	<u>Allocation</u>	<u>Rate of Return</u>
U.S. Equity	28.00%	8.63%	U.S. Large-Cap Equity	24.00%	6.90%
Non-US Developed Markets Equity	12.75%	8.85%	U.S. Small/Mid Cap Equity	4.00%	7.40%
International Small Cap Equity	1.25%	8.85%	Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Emerging Market Equity	5.50%	10.66%	Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Private Equity	13.00%	12.40%	Emerging Markets Large-Cap Equity	6.00%	9.60%
Real Estate	8.00%	10.95%	Emerging Markets Small-Cap Equity	1.50%	9.60%
Real Assets	3.00%	8.20%	U.S. Treasury Bond	7.00%	4.10%
High Yield	4.50%	6.74%	U.S. Corporate Bond	5.00%	5.90%
Private Credit	8.00%	8.90%	U.S. Mortgage-Backed Securities	5.00%	4.40%
Investment Grade Credit	7.00%	5.37%	Global Multisector Fixed Income	6.00%	6.50%
Cash Equivalents	2.00%	3.57%	Cash	2.00%	3.40%
U.S. Treasuries	4.00%	3.57%	Real Estate Core	3.00%	5.10%
Risk Mitigation Strategies	3.00%	7.10%	Real Estate Non-Core	4.00%	6.50%
			Infrastructure	3.00%	7.00%
			Private Debt/Credit	8.00%	9.10%
			Private Equity	10.00%	10.10%
	<u>100.00%</u>			<u>100.00%</u>	

Note 9: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

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

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

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability	<u>\$ 14,152,656.00</u>	<u>\$ 10,651,072.00</u>	<u>\$ 7,671,243.00</u>

Note 9: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability	\$ 13,768,178.00	\$ 9,636,334.00	\$ 6,195,414.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>2,714,367.00</u>	<u>1,899,783.00</u>	<u>1,221,413.00</u>
	<u>\$ 16,482,545.00</u>	<u>\$ 11,536,117.00</u>	<u>\$ 7,416,827.00</u>

Pension Plan Fiduciary Net Position

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

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the Net Pension Liability	0.0783856069%	0.0741235911%	0.0801285108%	0.0706841885%	0.0702334939%
Proportionate Share of the Net Pension Liability	\$ 10,651,072.00	\$ 10,736,338.00	\$ 12,092,495.00	\$ 8,373,602.00	\$ 11,453,246.00
Covered Payroll (Plan Measurement Period)	\$ 6,149,472.00	\$ 5,658,696.00	\$ 5,755,500.00	\$ 5,060,072.00	\$ 5,019,256.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	173.20%	189.73%	210.10%	165.48%	228.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%
	<u>Measurement Date Ended June 30,</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.0672908751%	0.0671176728%	0.0646437171%	0.0644596135%	0.0643038790%
Proportionate Share of the Net Pension Liability	\$ 12,124,795.00	\$ 13,215,135.00	\$ 15,048,024.00	\$ 19,091,089.00	\$ 14,508,227.00
Covered Payroll (Plan Measurement Period)	\$ 4,781,856.00	\$ 4,502,400.00	\$ 4,465,688.00	\$ 4,375,360.00	\$ 4,450,528.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	253.56%	293.51%	336.97%	436.33%	325.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)***

	<u>Year Ended December 31,</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 1,066,609.00	\$ 990,682.00	\$ 1,010,459.00	\$ 827,794.00	\$ 768,319.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,066,609.00)</u>	<u>(990,682.00)</u>	<u>(1,010,459.00)</u>	<u>(827,794.00)</u>	<u>(768,319.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 6,079,394.00	\$ 5,990,713.00	\$ 5,594,886.00	\$ 5,647,259.00	\$ 5,073,315.00
Contributions as a Percentage of Covered Payroll	17.54%	16.54%	18.06%	14.66%	15.14%
	<u>Year Ended December 31,</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 654,542.00	\$ 667,604.00	\$ 598,855.00	\$ 572,650.00	\$ 555,648.00
Contribution in Relation to the Contractually Required Contribution	<u>(654,542.00)</u>	<u>(667,604.00)</u>	<u>(598,855.00)</u>	<u>(572,650.00)</u>	<u>(555,648.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 4,901,022.00	\$ 4,805,687.00	\$ 4,537,203.00	\$ 4,472,456.00	\$ 4,443,449.00
Contributions as a Percentage of Covered Payroll	13.36%	13.89%	13.20%	12.80%	12.50%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Ten Plan Years)***

	<u>Measurement Date Ended June 30,</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the Net Pension Liability	0.0933156600%	0.1047263300%	0.0968701500%	0.0990578593%	0.1072449210%
Proportionate Share of the Net Pension Liability	\$ 9,636,335.00	\$ 11,570,984.00	\$ 11,088,103.00	\$ 7,240,290.00	\$ 13,857,458.00
State's Proportionate Share of the Net Pension Liability	<u>1,899,783.00</u>	<u>2,132,088.00</u>	<u>1,973,357.00</u>	<u>2,036,330.00</u>	<u>2,150,614.00</u>
Total	<u>\$ 11,536,118.00</u>	<u>\$ 13,703,072.00</u>	<u>\$ 13,061,460.00</u>	<u>\$ 9,276,620.00</u>	<u>\$ 16,008,072.00</u>
Covered Payroll (Plan Measurement Period)	\$ 3,488,620.00	\$ 3,876,520.00	\$ 3,481,212.00	\$ 3,479,552.00	\$ 3,700,472.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	276.22%	298.49%	318.51%	208.08%	374.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.66%	70.16%	68.33%	77.26%	63.52%
	<u>Measurement Date Ended June 30,</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.1062671755%	0.1049570704%	0.1160395007%	0.1287311105%	0.1294353088%
Proportionate Share of the Net Pension Liability	\$ 13,004,784.00	\$ 14,202,422.00	\$ 17,914,256.00	\$ 24,590,935.00	\$ 21,559,411.00
State's Proportionate Share of the Net Pension Liability	<u>2,053,480.00</u>	<u>1,929,164.00</u>	<u>2,006,548.00</u>	<u>2,065,029.00</u>	<u>1,890,688.00</u>
Total	<u>\$ 15,058,264.00</u>	<u>\$ 16,131,586.00</u>	<u>\$ 19,920,804.00</u>	<u>\$ 26,655,964.00</u>	<u>\$ 23,450,099.00</u>
Covered Payroll (Plan Measurement Period)	\$ 3,601,724.00	\$ 3,440,740.00	\$ 3,710,968.00	\$ 4,162,728.00	\$ 4,270,348.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	361.07%	412.77%	482.74%	590.74%	504.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.00%	62.48%	58.60%	52.01%	56.31%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Ten Years)***

	<u>Year Ended December 31,</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 1,290,779.00	\$ 1,394,118.00	\$ 1,259,848.00	\$ 1,154,484.00	\$ 1,198,109.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,290,779.00)</u>	<u>(1,394,118.00)</u>	<u>(1,259,848.00)</u>	<u>(1,154,484.00)</u>	<u>(1,198,109.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 4,219,185.00	\$ 3,694,668.00	\$ 3,822,371.00	\$ 3,495,358.00	\$ 3,482,301.00
Contributions as a Percentage of Covered Payroll	30.59%	37.73%	32.96%	33.03%	34.41%
	<u>Year Ended December 31,</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 1,073,416.00	\$ 1,026,110.00	\$ 1,026,971.00	\$ 1,049,597.00	\$ 1,052,116.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,073,416.00)</u>	<u>(1,026,110.00)</u>	<u>(1,026,971.00)</u>	<u>(1,049,597.00)</u>	<u>(1,052,116.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 3,714,147.00	\$ 3,538,150.00	\$ 3,430,145.00	\$ 3,795,939.00	\$ 4,202,207.00
Contributions as a Percentage of Covered Payroll	28.90%	29.00%	29.94%	27.65%	25.04%

Note 9: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

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

Changes in Assumptions

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

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

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms

None.

Changes in Assumptions

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

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**General Information about the State Health Benefit Local Government Retired Employees Plan**

Plan Description and Benefits Provided - The Township does not provide postemployment benefits to its retirees; however, the State of New Jersey (the "State") provides these benefits to certain Township retirees and their dependents under a special funding situation as described below.

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

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

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

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

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

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

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

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Employer, is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the Employer, is (\$1,149,327.00) for the year ended December 31, 2024, representing 27.24% of the Employer's covered payroll.

OPEB Liability and OPEB Expense

OPEB Liability - At December 31, 2024, the State's proportionate share of the net OPEB liability associated with the Employer was \$11,863,024.00. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

The State's proportion of the net OPEB liability, associated with the Employer, was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2023 through June 30, 2024. For the June 30, 2024 measurement date, the State's proportion on-behalf of the Employer was 0.243262%, which was an increase of 0.014696% from its proportion measured as of the June 30, 2023 measurement date.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions**

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

Salary Increases:

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

Mortality:

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

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

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

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

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

The health care trend assumptions used is as follows:

Fiscal Year Ending	Annual Rate of Increase					
	Medical Trend			Prescription Drug Trend		
	Pre-65	PPO Post-65	HMO Post-65	Pre-65	Post-65	EGWP
2025	7.50%	2.42%	2.25%	12.75%	12.25%	21.78%
2026	7.00%	19.38%	20.15%	12.25%	11.75%	10.92%
2027	6.50%	22.62%	23.58%	11.25%	10.75%	8.19%
2028	6.00%	14.93%	15.47%	10.00%	9.75%	9.79%
2029	5.50%	12.87%	13.31%	9.00%	9.00%	8.92%
2030	5.25%	11.35%	11.71%	8.00%	8.00%	5.74%
2031	5.00%	10.16%	10.46%	7.00%	7.00%	4.87%
2032	4.75%	9.18%	9.44%	6.00%	6.00%	6.00%
2023	4.50%	6.54%	6.65%	5.00%	5.00%	5.00%
2034 and Later	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The net OPEB liability, calculated using a discount rate of 3.93%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease <u>(2.93%)</u>	Current Discount Rate <u>(3.93%)</u>	1% Increase <u>(4.93%)</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>\$ 13,819,144.00</u>	<u>\$ 11,863,024.00</u>	<u>\$ 10,296,345.00</u>

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>\$ 10,033,697.00</u>	<u>\$ 11,863,024.00</u>	<u>\$ 14,215,025.00</u>

OPEB Plan Fiduciary Net Position

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

Supplementary OPEB Information

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)****Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the Employer (Last Eight Plan Years)**

	Measurement Date Ended June 30,			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021 (a)</u>
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%
Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	11,863,024.00	7,974,881.00	10,055,774.00	-
Total	\$ 11,863,024.00	\$ 7,974,881.00	\$ 10,055,774.00	\$ -
Covered Payroll (Plan Measurement Period)	\$ 4,002,318.00	\$ 3,687,807.00	\$ 3,717,880.00	\$ 3,411,401.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	296.40%	216.25%	270.47%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.89%	-0.79%	-0.36%	0.28%
	Measurement Date Ended June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%
Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	10,117,879.00	8,526,184.00	10,277,699.00	13,745,187.00
Total	\$ 10,117,879.00	\$ 8,526,184.00	\$ 10,277,699.00	\$ 13,745,187.00
Covered Payroll (Plan Measurement Period)	\$ 3,636,136.00	\$ 3,667,381.00	\$ 3,374,546.00	\$ 3,640,449.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	278.26%	232.49%	304.57%	377.57%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%	1.98%	1.97%	1.03%

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)****Other Notes to Supplementary OPEB Information**

Changes in Benefit Terms - The actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024, included changes due to employers adopting and /or changing Chapter 48 provisions.

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	3.93%	2020	2.21%
2023	3.65%	2019	3.50%
2022	3.54%	2018	3.87%
2021	2.16%	2017	3.58%

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

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

There were no changes to mortality projections.

Note 11: COMPENSATED ABSENCES

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

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

The Township has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2024, the balance of the fund was \$121,909.16. It is estimated that, at December 31, 2024, accrued benefits for compensated absences are valued at \$1,652,315.86.

Note 12: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 13: CAPITAL DEBT**General Improvement Bonds**

BCBC Pooled Loan Revenue Bonds, Series 2014 – On January 2, 2014, the Township issued \$6,595,000.00 of BCBC Pooled Loan Revenue Bonds, with interest rates ranging from 3.375% - 5.00%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is November 1, 2033.

General Improvement Bonds, Series 2023 – On May 30, 2023, the Township issued \$11,555,000.00 of general improvement bonds, with interest rates ranging from 3.00% - 5.00%. the bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is February 15, 2035.

Note 13: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,120,000.00	\$ 609,618.76	\$ 1,729,618.76
2026	1,170,000.00	558,225.00	1,728,225.00
2027	1,220,000.00	504,175.00	1,724,175.00
2028	1,285,000.00	442,050.00	1,727,050.00
2029	1,350,000.00	376,550.00	1,726,550.00
2030-2034	7,215,000.00	935,350.00	8,150,350.00
2035	1,215,000.00	18,225.00	1,233,225.00
	<u>\$ 14,575,000.00</u>	<u>\$ 3,444,193.76</u>	<u>\$ 18,019,193.76</u>

Water Utility Improvement Bonds

Water Utility Improvement Bonds, Series 2023 – On May 30, 2023, the Township issued \$1,980,000.00 of general improvement bonds, with interest rates ranging from 3.00% - 5.00%. the bonds were issued for the purpose of funding various water utility capital projects in the Township. The final maturity of the bonds is February 15, 2043.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 70,000.00	\$ 74,893.76	\$ 144,893.76
2026	70,000.00	71,393.76	141,393.76
2027	70,000.00	67,893.76	137,893.76
2028	70,000.00	64,393.76	134,393.76
2029	80,000.00	60,643.76	140,643.76
2030-2034	465,000.00	244,293.80	709,293.80
2035-2039	560,000.00	152,040.65	712,040.65
2040-2043	525,000.00	42,056.25	567,056.25
	<u>\$ 1,910,000.00</u>	<u>\$ 777,609.50</u>	<u>\$ 2,687,609.50</u>

Note 13: CAPITAL DEBT (CONT'D)**Water Utility Debt - New Jersey Environmental Infrastructure Loans**

On May 15, 2012, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$130,904.00, at no interest, from the fund loan, and \$104,257.00 at interest rates ranging from 2.11% - 3.13% from the trust loan. The proceeds were used to fund various utility capital projects. Semiannual debt payments are due February 1st and August 1st through 2031.

On December 22, 2016, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$223,333.00, at no interest, from the fund loan, and \$210,000.00 at interest rates ranging from 4.00% - 5.00% from the trust loan. The proceeds were used to fund various utility capital projects. Semiannual debt payments are due February 1st and August 1st through 2036.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 33,651.02	\$ 7,401.20	\$ 41,052.22
2026	33,778.02	6,775.42	40,553.44
2027	33,911.02	6,141.06	40,052.08
2028	34,080.02	5,572.34	39,652.36
2029	34,259.02	4,993.92	39,252.94
2030-2034	153,161.27	15,412.86	168,574.13
2035-2036	52,711.92	1,800.00	54,511.92
	<u>\$ 375,552.29</u>	<u>\$ 48,096.80</u>	<u>\$ 423,649.09</u>

General Debt - New Jersey Department of Environmental Protection Loans

In 2011, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$2,624,906.35 at an interest rate of 2.00%. The proceeds were used to fund various utility capital projects. Semiannual debt payments are due January 28th and July 28th through January, 2031.

In 2016, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$3,656,623.04 at an interest rate of 2.00%. The proceeds were used to fund various utility capital projects. Semiannual debt payments are due March 1st and September 1st through March, 2035.

In 2016, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$1,327,113.89 at an interest rate of 2.00%. The proceeds were used to fund various utility capital projects. Semiannual debt payments are due March 1st and September 1st through March, 2035.

Note 13: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Department of Environmental Protection Loans (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the New Jersey Department of Environmental Protection loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 414,114.33	\$ 80,173.47	\$ 494,287.80
2026	422,438.03	71,849.78	494,287.81
2027	430,929.04	63,358.78	494,287.82
2028	439,590.72	54,697.09	494,287.81
2029	448,426.48	45,861.33	494,287.81
2030-2034	1,792,296.62	107,854.76	1,900,151.38
2035	163,892.44	1,638.93	165,531.37
	<u>\$ 4,111,687.66</u>	<u>\$ 425,434.14</u>	<u>\$ 4,537,121.80</u>

General Debt - New Jersey Green Acres Loans

On 2006, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$327,989.91, at an interest rate of 0.00%. The proceeds were used to fund various capital projects. Semiannual debt payments are due June 28th and December 28th through June, 2032.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 16,820.00	-	\$ 16,820.00
2026	16,820.00	-	16,820.00
2027	16,820.00	-	16,820.00
2028	16,820.00	-	16,820.00
2029	16,820.00	-	16,820.00
2030-2032	42,049.91	-	42,049.91
	<u>\$ 126,149.91</u>	<u>-</u>	<u>\$ 126,149.91</u>

Note 13: CAPITAL DEBT (CONT'D)

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 26,808,937.57	\$ 24,814,620.73	\$ 26,119,459.97
Water Utility:			
Bonds, Loans and Notes	3,180,489.79	2,697,078.81	1,986,875.00
Total Issued	<u>29,989,427.36</u>	<u>27,511,699.54</u>	<u>28,106,334.97</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	2,087,171.00	3,818,825.00	1,962,900.00
Water Utility:			
Bonds, Loans and Notes	485,000.00	755,900.00	292,900.00
Sewer Utility:			
Bonds and Loans	2,220,000.00	2,220,000.00	2,220,000.00
Total Authorized but not Issued	<u>4,792,171.00</u>	<u>6,794,725.00</u>	<u>4,475,800.00</u>
Total Issued and Authorized but not Issued	<u>34,781,598.36</u>	<u>34,306,424.54</u>	<u>32,582,134.97</u>
<u>Deductions</u>			
Water Utility:			
Self-Liquidating	1,782,169.99	3,452,978.81	2,279,775.00
Sewer Utility:			
Self-Liquidating	2,220,000.00	2,220,000.00	2,220,000.00
Total Deductions	<u>4,002,169.99</u>	<u>5,672,978.81</u>	<u>4,499,775.00</u>
Net Debt	<u>\$ 30,779,428.37</u>	<u>\$ 28,633,445.73</u>	<u>\$ 28,082,359.97</u>

Note 13: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.511%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Water Utility	\$ 3,665,489.79	\$ 1,782,169.99	\$ 1,883,319.80
Sewer Utility	2,220,000.00	2,220,000.00	
General	28,896,108.57		28,896,108.57
	<u>\$ 34,781,598.36</u>	<u>\$ 4,002,169.99</u>	<u>\$ 30,779,428.37</u>

Net Debt \$30,779,428.37 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$2,037,105,435.67 equals 1.511%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 71,298,690.25
Less: Net Debt	<u>30,779,428.37</u>
Remaining Borrowing Power	<u>\$ 40,519,261.88</u>

**Calculation of "Self-Liquidating Purpose,"
Water Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 2,179,554.28
Deductions:	
Operating and Maintenance Costs	\$ 1,880,490.44
Debt Service per Water Fund	<u>393,229.83</u>
Total Deductions	<u>2,273,720.27</u>
Deficit in Revenue	<u>\$ (94,165.99)</u>

Note 13: CAPITAL DEBT (CONT'D)

**Calculation of "Self-Liquidating Purpose,"
Sewer Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 5,079,009.70
Deductions:	
Operating and Maintenance Costs	<u>\$ 3,586,313.00</u>
Total Deductions	<u>3,586,313.00</u>
Excess in Revenue	<u>\$ 1,492,696.70</u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

<u>Description</u>	<u>Balance December 31, 2024</u>	<u>2025 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorization	\$ 147,000.00	\$ 29,400.00

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

Note 15: RISK MANAGEMENT

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of the activity and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ 1,459.11	\$ 5,849.27	\$ 86,411.61
2023	1,820.53	11,367.38	90,801.77
2022	225.24	2,071.39	100,348.62

Note 15: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The Township is a member of the Burlington County Insurance Pool Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations. The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report which can be obtained on the Fund's website:

Burlington County Municipal Joint Insurance Fund (www.burlcojif.org)

Note 16: CONTINGENCIES

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

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

Note 17: CONCENTRATIONS

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

Note 18: RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

Sewer Utility Operating Fund – Upon observation of the subsidiary listings for prepaid sewer rents, it was noted that the balances for prepaid sewer rents were not recorded on the financial statements as of December 31, 2023 and were instead, part of sewer utility operating fund balance.

The cumulative effect on the financial statements as reported as of December 31, 2023 is as follows:

Sewer Utility Fund:***Statement of Assets, Liabilities, Reserves and Fund Balance – regulatory Basis***

<u>Account</u>	<u>Balance Dec. 31, 2023 as Previously Reported</u>	<u>Prior Period Adjustment</u>	<u>Balance Dec. 31, 2023 Restated</u>
Liabilities, Reserves, and Fund Balance - Sewer Utility Operating Fund:			
Liabilities:			
Prepaid Sewer Rents	-	\$ 651,739.95	\$ 651,739.95
Total Liabilities	<u>\$ 2,795,612.95</u>	<u>651,739.96</u>	<u>3,447,352.91</u>
Fund Balance	<u>\$ 2,064,033.06</u>	<u>\$(651,739.95)</u>	<u>\$ 1,412,293.11</u>

APPENDIX C

FORM OF APPROVING LEGAL OPINION

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

May ____, 2026

Mayor and Township Council
of the Township of Pemberton
Pemberton, New Jersey

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Township Council of the Township of Pemberton, in the County of Burlington (the "Township"), a municipal corporation organized and existing under the laws of the State of New Jersey, and other proofs submitted to us relative to the authorization, sale, issuance, execution and delivery of the \$14,335,000 aggregate principal amount of Bond Anticipation Notes, Series 2026, consisting of \$10,157,000 General Improvement Notes, Series 2026 (the "General Improvement Notes"), \$3,258,000 Water Utility Notes, Series 2026 (the "Water Utility Notes"), and \$920,000 Sewer Utility Notes, Series 2026 (the "Sewer Utility Notes", and together with the General Improvement Notes and the Water Utility Notes, the "Notes"), of the Township. The Notes are dated May 20, 2026, mature May 19, 2027, and bear interest at the rate of _____ and _____ hundredths per centum (____%) per annum.

The Notes are issued in fully registered book-entry form, without certificates, initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Individual purchases of the Notes will be made in denominations of \$5,000 each or any integral multiple of \$1,000 in excess thereof, through book entries made on the books and records of DTC and its participants. So long as DTC or its nominee is the registered owner of the Notes, payments of principal of and interest on the Notes will be made by the Township or a duly designated paying agent directly to Cede & Co., as nominee for DTC, which will, in turn, remit such payments to DTC Participants, which will, in turn, remit such payments to the beneficial owners of the Notes. The Notes are not subject to redemption prior to their stated date of maturity.

The Notes are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”); (ii) various bond ordinances duly adopted by the Township Council of the Township (the “Ordinances”), approved by the Mayor, as applicable, and published as required by law, and (iii) a resolution duly adopted by the Township Council of the Township on April 15, 2026 (the “Resolution” and together with the Ordinances, the “Authorization Proceedings”).

The General Improvement Notes are being issued to (i) refund, on a current basis, an \$8,741,000 principal portion of prior general improvement notes issued in the principal amount of \$9,747,000 on May 22, 2025 and maturing May 21, 2026 (the “Prior General Improvement Notes”) (the remaining amount of the Prior General Improvement Notes will be paid with cash on hand and a 2026 budgetary appropriation totaling the amount of \$1,006,000), and (ii) temporarily finance various general capital acquisitions and improvements in and for the Township in the amount of \$1,416,000, including paying the costs associated with the issuance of the General Improvement Notes. The Water Utility Notes are being issued to (i) refund, on a current basis, prior water utility notes issued in the principal amount of \$948,000 on May 22, 2025 and maturing May 21, 2026 and (ii) temporarily finance various water utility acquisitions and improvements in and for the Township in the amount of \$2,310,000, including paying the costs associated with the issuance of the Water Utility Notes. The Sewer Utility Notes are being issued to refund, on a current basis, prior sewer utility notes issued in the principal amount of \$920,000 on May 22, 2025 and maturing May 21, 2026.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the authorization, sale, issuance, execution and delivery of the Notes pursuant to, as applicable, the Local Bond Law and the Authorization Proceedings, (ii) the Notes have been duly authorized, executed and delivered and constitute valid and legally binding general obligations of the Township, which are enforceable in accordance with their terms, and (iii) the Township has pledged its full faith and credit for the payment of the principal of and interest on the Notes and, unless paid from other sources, all the taxable property within the Township is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Notes.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Notes for interest thereon to be and remain excludable from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Notes. The Township has covenanted in a tax certificate related to the Notes to maintain the exclusion of the interest on the Notes from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Township with the provisions of the Code and the aforementioned covenants in its tax certificate, interest on the Notes is not includable for Federal income tax purposes in the gross income of the owners of the Notes pursuant to Section 103 of the Code. The Notes are not “specified private activity bonds” within the meaning of Section 57 of the

Code and, therefore, the interest on the Notes will not be treated as a preference item for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Notes and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state, local or foreign tax consequences of the ownership or disposition of the Notes. Furthermore, we express no opinion as to any Federal, state, local or foreign tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is rendered on the basis of Federal law and the laws of the State of New Jersey as enacted and construed on the date hereof.

We have examined the form of the executed Note and, in our opinion, the form of the Note is regular and proper.

Very truly yours,

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

I, CANDICE PENNEWELL, Chief Financial Officer of the Township of Pemberton, in the County of Burlington (the "Township"), a municipal corporation organized and existing under the laws of the State of New Jersey, DO HEREBY CERTIFY in connection with the issuance of \$14,335,000 Bond Anticipation Notes, Series 2026 consisting of \$10,157,000 General Improvement Notes, Series 2026, \$3,258,000 Water Utility Notes, Series 2026, and \$920,000 Sewer Utility Notes, Series 2026 (collectively, the "Notes"), dated May 20, 2026 and maturing May 19, 2027, that pursuant to the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Rule"), specifically subsections (d)(3) and (b)(5)(i)(C) thereof, the Township will provide notice (the "Notice") to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system ("EMMA") as a Portable Document File (PDF file) to www.emma.msrb.org, of any of the following events with respect to the Notes and/or the Township herein described, as applicable: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (7) modifications to rights of security holders, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the securities, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Township; (13) consummation of a merger, consolidation, or acquisition, or sale of all or substantially all of the assets of the Township other than in the ordinary course of business, 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 change of name of a trustee, if material; (15) incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Noteholders, if material; or (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties (collectively, the "Listed Events").

"Financial Obligation" shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term *"Financial Obligation"* shall not include municipal securities as to which a final official statement has been provided to the MSRB, through the EMMA system, consistent with the Rule.

If the Township (a) has or obtains knowledge of the occurrence of any of the Listed Events not requiring a materiality determination, or (b) determines that the occurrence of a Listed Event requiring a materiality determination would be material to the Beneficial Owners of the Notes, the Township shall file a Notice of each such occurrence with the MSRB via EMMA in a timely manner not in excess of ten (10) business days.

The Township's obligations under this Certificate shall terminate upon the redemption, defeasance or payment in full of the Notes.

In the event the Township fails to comply with any provision of this Certificate, any Noteholder may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Township to comply with its obligations under this Certificate. Notwithstanding the above, the remedy for a breach of the provisions of this Certificate or the Township's failure to perform hereunder shall be limited to bringing an action to compel specific performance.

This Certificate shall inure solely to the benefit of the Township, the purchaser and the holders from time to time of the Notes, and shall create no further rights in any other person or entity hereunder.

The Township may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey. The Township shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the Township this _____ day of May, 2026.

**TOWNSHIP OF PEMBERTON,
IN THE COUNTY OF BURLINGTON,
STATE OF NEW JERSEY**

**CANDICE PENNEWELL,
Chief Financial Officer**

Acknowledged and Accepted by:

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

Authorized Signatory