PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 19, 2026

NEW ISSUE

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Township, under existing statutes and court decisions, and assuming compliance with certain tax covenants described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the Township, under existing statutes, interest on the Notes is not included in gross income under the New Jersey Gross Income Tax Act. See "Tax Matters" herein for a description of certain other provisions of the Code that may affect the tax treatment of interest on the Notes for certain noteholders.

$25,471,830 BOND ANTICIPATION NOTES
of the
TOWNSHIP OF WEST MILFORD,
IN THE COUNTY OF PASSAIC
NEW JERSEY

(Non-callable) (Tax Exempt)
Interest rate: _____%
Reoffered to yield: _____%

Dated: September 10, 2026 **Due: September 10, 2027**

The $25,471,830 Bond Anticipation Notes (the "Notes") of the Township of West Milford (the "Township") are payable as to principal and interest at the maturity of the Notes upon presentation and surrender at the office of the Chief Financial Officer of the Township, 1480 Union Valley Road, West Milford, New Jersey 07480, the paying agent. The Notes will be issued in the form of one certificate for the aggregate principal amount of the Notes and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York, which will act as Securities Depository. See "DESCRIPTION OF THE NOTES – Book-Entry System" herein.

The Notes are issued, together with the funds on hand, to: (i) fund various capital improvements, including payment at maturity of bond anticipation notes issued to finance such projects; and (ii) pay for expenses incurred in connection with the issuance of the Notes.

The Notes are not subject to redemption prior to maturity.

In the opinion of Bond Counsel to the Township, the Notes constitute valid and legally binding obligations of the Township and all the taxable property within the Township is subject ultimately to the levy of *ad valorem* taxes for the payment of principal and interest on the Notes, without limitation as to rate or amount; provided, however, that the rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases. See "Noteholders' Remedies in the Event of Default" and "Municipal Bankruptcy" herein.

The Notes are offered when, as and if issued and received by the purchaser and subject to approval of legality by Hawkins Delafield & Wood LLP, Newark, New Jersey, Bond Counsel to the Township. Certain legal matters will be passed upon for the Township by Fred Semrau, Esq., Boonton, New Jersey, Counsel to the Township. Delivery of definitive Notes will be made on or about September 10, 2026.

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

Dated: August ____, 2026

TOWNSHIP OF WEST MILFORD
Municipal Building
1480 Union Valley Road
West Milford, New Jersey 07480

MAYOR

Michele Dale
December 31, 2027

TOWNSHIP COUNCIL

MEMBER	**TERM EXPIRES**
Ada Erik	December 31, 2027
Michael Chazukow	December 31, 2026
Kevin Goodsir	December 31, 2028
Rudy Hass	December 31, 2028
Marilyn Lichtenberg	December 31, 2027
David Mardsen	December 31, 2026

TOWNSHIP OFFICIALS

TOWNSHIP ADMINISTRATOR
William Senande

TOWNSHIP CLERK
William Senande

CHIEF FINANCIAL OFFICER
Ellen Mageean

CONSULTANTS AND ADVISORS

TOWNSHIP ATTORNEY
Fred Semrau, Esq.
Boonton, New Jersey

TOWNSHIP AUDITOR
Wielkotz & Company, LLC
Pompton Lakes, New Jersey

BOND COUNSEL
Hawkins Delafield & Wood LLP
Newark, New Jersey

No dealer, broker, salesman or other person has been authorized by the Township of West Milford to give any information or to make any representations, other than those contained in this Official Statement, and if any is given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. 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 offer, solicitation or sale.

The information which is set forth herein has been provided by the Township of West Milford and by other sources, but the information provided by such other sources is not guaranteed as to accuracy or completeness by the Township of West Milford. References in this Official Statement to State of New Jersey statutes, laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of or exceptions to statements made herein. Copies of such above-mentioned documents may be inspected at the offices of the Township of West Milford during normal business hours. This Official Statement is submitted in connection with the sale of the Notes referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

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

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township of West Milford since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE NOTES, THE PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL, IN THE OPEN MARKET, SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT
OF THE
TOWNSHIP OF WEST MILFORD
IN THE COUNTY OF PASSAIC
NEW JERSEY
RELATING TO
$25,471,830 BOND ANTICIPATION NOTES

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page hereof and the Appendices attached hereto, is furnished by the Township of West Milford (the "Township"), in the County of Passaic (the "County"), a public body corporate and politic of the State of New Jersey (the "State"), to provide certain information relating to the Township and the $25,471,830 Bond Anticipation Notes (the "Notes"), including their general description, the purposes of the issue, a summary of borrowing procedures, certain matters affecting the financing, certain legal matters, historical financial and economic information on the Township and other information pertinent to the Notes. This Official Statement should be read in its entirety in order to make an informed investment decision.

All financial and other information presented herein has been provided by the Township from its records except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and is not necessarily indicative of future or continuing trends in the financial position or other affairs of the Township. The summaries of and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute, report or instrument.

The Notes will be issued in the principal amount of $5,000 or integral multiples of $1,000 in excess thereof, except for one necessary odd denomination in the Notes. Interest on the Notes is calculated on the basis of the 30 day month and a 360 day year. Both the principal and interest on the Notes will be payable in lawful money of the United States of America.

The Township has never defaulted on the payment of its debt service according to available records.

The Notes **will not** be designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

MARKET PROTECTION

The Township does not expect to issue any additional temporary debt within 90 days of the settlement date for the Notes. The Township does not plan on selling permanent bonds for the balance of 2026.

AUTHORIZATIONS FOR THE NOTES

The Notes are authorized and are issued pursuant to the laws of the State, including the Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"). The Notes are authorized by various bond ordinances adopted by the Township Council of the Township and a resolution of the Township Council adopted on August 12, 2026. The issuance of the Notes does not require voter approval through a referendum. Sale of the Notes was approved by a resolution of the Township Council. 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 any person shall be barred from questioning the sale, execution, or delivery of the Notes by the Township.

The following table sets forth the ordinance number, par amount authorized, purpose, and the par amount of Notes sold.

Ordinance Number	Funding Amount Authorized	Purpose	Notes to be Issued
2020-07	$2,433,900	Various Improvements	$1,946,550
2021-14	3,169,000	Various Improvements	2,782,290
2022-21	1,428,000	Improvement of Various Roads	1,277,680
2022-22	4,857,000	Various Improvements	4,374,660
2023-12	3,899,000	Various Improvements	3,709,900
2024-20	5,130,000	Various Improvements	2,759,750
2025-02	342,000	Improvement of Westbrook Road	342,000
2025-15	3,899,000	Various Improvements	3,899,000
2026-13	4,380,000	Various Improvements	4,380,000
			$25,471,830

PURPOSE OF ISSUE

The Notes are issued, together with funds on hand, to: (i) fund various capital improvements, including payment at maturity on September 11, 2026 of $25,471,830 bond anticipation notes issued to finance such projects; and (ii) pay for expenses incurred in connection with the issuance of the Notes.

DESCRIPTION OF THE NOTES

Term

The Notes shall be dated and shall bear interest from September 10, 2026 and will mature in the amount and on the date set forth on the cover page of this Official Statement. Interest on the Notes is payable at maturity at the interest rate set forth on the cover page hereof.

Denomination and Place of Payment

The Notes will be issued in the principal amount of $5,000 or integral multiples of $1,000 in excess thereof, except for one necessary odd denomination in the Notes. Principal of and interest on the Notes are payable at the office of the paying agent(s) set forth on the cover page hereof.

Non-Callable Feature

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

Book-Entry System

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

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent to vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails on 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, redemption price 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. DTCs practice is to credit Direct Participants' accounts upon 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 Direct Participants and Indirect 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 Direct Participant or Indirect Participant and not of DTC, the Paying Agent or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

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

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

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

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 shall apply: (i) the Notes may be exchanged for an equal aggregate principal amount of the Notes in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Township/Paying Agent; (ii) the transfer of any Notes may be registered on the books maintained by the Township/Paying Agent for such purposes only upon the surrender thereof to the Township/Paying Agent together with the duly executed assignment in form satisfactory to the Township/Paying Agent; and (iii) for every exchange or registration of transfer of Notes, the Township/Paying Agent may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Notes. Interest on the Notes will be payable by check or draft mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the Record Date next preceding an Interest Payment Date.

SECURITY FOR THE NOTES

In the opinion of Bond Counsel to the Township the Notes are valid and legally binding obligations of the Township and all the taxable real property within the Township is subject to the levy of ad valorem taxes for the ultimate payment of the principal of and interest on the Notes without limitation as to rate or amount; provided, however, that the rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases. See "Noteholders' Remedies in the Event of Default" and "Municipal Bankruptcy" herein.

At the maturity date of the Notes, the Township anticipates that the Notes will be paid from the proceeds of the sale of long-term bonds or from the proceeds of renewal notes. In the event that the Township does not have market access for the sale of either long-term bonds or renewal notes, its ability to make timely payment of the principal of the Notes would be significantly impaired.

SEASONAL BORROWING

The Township has not borrowed in anticipation of taxes this year, and has no plans to issue debt in this manner during the remainder of the year.

LONG TERM FINANCING

The Township has no plans on selling permanent bonds for the balance of 2026.

INVESTMENT OF TOWNSHIP FUNDS

Township funds are invested strictly in accordance with the provisions of State law, in particular N.J.S.A. 40A:5-15.1. The Township is not authorized and has not invested Township funds in derivative products or reverse repurchase agreements.

PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Legal Framework

The Local Bond Law governs the issuance of bonds and notes by municipalities to finance certain municipal capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of such projects.

Debt Limits

The authorized bonded indebtedness of the Township is limited by statute, subject to exceptions noted below, to an amount equal to 3 ½% of its State equalized valuation basis. The equalized valuation basis of the Township is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements, and certain Class II railroad property within its boundaries as annually determined by the State Board of Taxation. The Township is within its 3 ½% debt limit.

Exceptions to Debt Limit

Except for the funding of certain notes, the authorization of certain bonds for municipal utility purposes, if the utilities are self-liquidating, and certain formula allowances, the debt limit of the Township may be exceeded with the approval of the Local Finance Board, Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Board"), a state regulatory agency. If all or any part of a proposed debt authorization would exceed its debt limit, the Township must apply to the Board for an extension of credit. If the Board determines that a proposed debt authorization would not materially impair the ability of the Township to meet its obligations, or to provide essential services, or makes other statutory determinations, approval is granted. In regards to this financing, the Township has not applied to the Board for an extension of credit.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit. Pursuant to law, the Township has deducted the full amount of outstanding school debt.

School Debt Limit

State law (N.J.S.A. 18A:14-2 et seq.) permits the authorization of debt of the Township for purposes of the school district not in excess of its limit of 4% of the equalized valuation basis, except that debt of the Township for purposes of the school district may be authorized in excess of such limit by using the available borrowing capacity of the Township. If such debt is in excess of the remaining borrowing capacity of the Township, the proposed debt authorization must be approved by the State Commissioner of Education, the Board, and a majority of voters of the school board.

Short Term Financing (N.J.S.A. 40A:2-8(a))

A local governmental unit may issue bond anticipation notes to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or resolution so provides. Any such note is designated a "bond anticipation note". Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance, as the same may be amended and supplemented, creating such capital expenditures. Bond anticipation notes, which are full faith and credit obligations of the issuer, may be issued for a period not exceeding one year and may be renewed from time to time for a period that does not exceed one year. Such notes shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original note, provided, however, no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes at least equal to the first legally payable installment of the bonds in anticipation of which these notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations.

Assessment Bonds

Assessment bonds may be issued in annual serial installments with the first principal payment due within two years and the final principal payment due within twenty years of an issue's date. No principal payment may be larger than a prior year's principal payment.

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

Refunding bonds may be issued pursuant to the Local Bond Law for the purpose of paying, funding or refunding outstanding bonds, including emergency appropriations, temporary emergency appropriations, advance funding of pension obligations as part of an early retirement program, offered by the State, the actuarial liabilities of a non-State administered public employee pension system, amounts owing to others for taxes levied and for paying the cost of issuance of refunding bonds. The Board must consent to the authorization for the issuance of refunding bonds and approve the maturity schedule thereof, provided, however, that the issuance of refunding bonds to realize debt service savings on outstanding obligations does not require Board approval when authorized by conditions set forth in rules and regulations of the Board and upon a resolution adopted by a two-thirds vote of the full membership of the governing body of the local unit.

Tax Anticipation Notes (N.J.S.A. 40A:4-64)

The issuance of tax anticipation notes is limited in amount by law to collectively 30% of the tax levy plus 30% of realized miscellaneous revenues of the next preceding fiscal year and must be paid in full within 120 days of the close of a local government unit's current fiscal year.

APPROPRIATION NOT REQUIRED FOR PAYMENTS ON DEBT

It is not necessary to have an appropriation in order to release money for debt service on obligations. N.J.S.A. 40A:4-57 says "No officer, board, body or commission shall, during any fiscal year, expend money (except to pay notes, bonds or interest thereon), incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such purpose". 40A:2-4 states "The power and obligation of a local governmental unit to pay any and all bonds and notes issued by it pursuant to this Chapter, or any act of which this Chapter is a revision, shall be unlimited...".

STATUTORY REQUIREMENTS

Set forth below is a summary of various statutory requirements relevant to the Township's budget process. This summary does not purport to be complete, and reference should be made to the statutes referred to for a complete statement of the provisions thereof.

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

Under N.J.S.A. 40A:4-1 et seq., every local unit must adopt an operating budget in the form required by the New Jersey Division of Local Government Services (the "Division"). Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division (the "Director") prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations. Among other restrictions, the Director 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 nondisbursement items. Anticipated tax revenue is limited to the same proportion as actual cash collections or to the total levy in the previous year, and the reserve amount must be factored into the budget to make up for the expected shortfall in actual collections. Anticipated nontax revenue is limited to the amount actually realized the previous year; the Director is empowered to permit higher levels of anticipation, should there be sufficient statutory or other evidence to substantiate that such anticipation is reasonable.

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

The operating budgets of local units must be in balance, i.e., the total of anticipated revenue must equal the total appropriations. If, in any year, the Township's expenditures exceed its realized revenue for that year, then such excess (deficit) must be raised in the succeeding year's budget.

The Township is required to forward to the County Board of Taxation (the "County Board") a certified copy of its operating budget, as adopted, not later than April 10 of the then current fiscal year. In the event the County Board has not received a copy of the budget resolution or other evidence showing the amount to be raised by taxation for the purposes of a taxing district, the Director shall transmit to the County Board a certificate setting forth the amount required for the operation of the Township for that fiscal year. The operating budget of the preceding year shall constitute and limit the appropriations for the then current year with suitable adjustments for debt service, other mandatory charges, and changes in revenue, but excluding the amount to be raised by taxes for school purposes where required to be included in the Township budget.

The certificate shall be prepared by using the revenue and appropriations appearing in the adopted budget of the preceding year with suitable adjustments to include, without limitation: (a) any amounts required for principal and interest of indebtedness falling due in the fiscal year, and (b) any deferred charges, including a deficit, if any, or statutory expenditures required to be raised in the fiscal year.

Appropriation "Caps"

Chapter 89 of the Pamphlet Laws of 1990 of New Jersey, extended and amended Chapter 203 of the Pamphlet Laws of 1986 of New Jersey and Chapter 68 of the Pamphlet Laws of 1976, of New Jersey (N.J.S.A. §40A:4-45.3), commonly referred to as the "CAP Law". The CAP Law places limits on county tax levies and municipal expenditures. This limitation is commonly referred to as a "CAP". The actual calculation of the "CAP" is somewhat complex and the actual "CAP" computations are prepared by the Division and distributed to each municipality. In addition to the "CAP" increase in expenditures, other increases allowable include increases funded by increased service fees, proceeds from the sale of municipal assets and increased expenditures mandated by State and federal laws. Appropriations for items excluded from the "CAP" computation, including debt service requirements, may be set at any necessary level and are not subject to the "CAP". The "CAP" may be exceeded if approved by referendum of the voters of the municipality.

In summary, in determining the "CAP" for each budget year, the prior year's total general appropriations are reduced by certain statutory-type appropriations with the resulting balance multiplied by 2.5% or the cost-of-living adjustment (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, computed and published quarterly by the United States Department of Commerce) (the "Cost-of-Living Adjustment"), whichever is less, thereby producing the basic "CAP", which then may be increased by certain known increases in revenues and State or federal expenditures mandated after August 18, 1976. If the Cost-of-Living Adjustment is equal to or less than 2.5%, a municipality may, by the adoption of an ordinance, elect to increase its final appropriations by a percentage rate greater than the Cost-of-Living Adjustment, but not to exceed 3.5% A municipality may, by referendum, increase its final appropriations by a higher percentage rate.

Property Tax Levy Cap

Chapter 44 of the Pamphlet Laws of 2010 imposes restrictions upon the allowable annual increase in the tax levy. In general, municipalities have their tax levies limited to a 2% increase. The tax levy is subject to certain adjustments, including the sum of new ratables. In addition, the following exclusions are added to the calculation of the adjusted tax levy: increases in amounts required to be raised by taxation for capital expenditures, including debt service as defined by law; increases in pension contributions and accrued liability for pension contributions in excess of 2%; increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The law also authorizes a municipality to submit public questions to the voters for approval (by affirmative vote of at least 50% to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

Miscellaneous Revenues

N.J.S.A. 40A:4-26 provides that "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine, upon application by the local governmental unit's 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 governmental unit."

In addition, budget amendments must be approved by the Director, except for federal and state grant-in-aid offsetting appropriations.

Real Estate Taxes

N.J.S.A. 40A:4-29 which governs the anticipation of delinquent tax collections, provides that: "The maximum that may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local governmental unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

N.J.S.A. 40A:4-41 provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in a municipality and payable in a fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by December 31 of such preceding fiscal year."

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

> The levy required to balance the budget, divided by the prior year's percentage of current tax collection (or lesser percent) levied, will equal the total taxes to be levied for the current Fiscal Year.

Deferral of Current Expenses

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the Township Council. With minor exceptions set forth below, such appropriations must be included in full in the following year's budget.

Under the amended CAP law emergency resolutions aggregating less than 3% of the previous year's final current operating appropriations may be raised in the portion of the Township's budget outside the CAP if approved by at least two-thirds of the members of the Council and the Director. Emergency appropriations that aggregate more than 3% of the previous year's final current operating appropriations must be raised within the CAP. Emergency resolutions for debt service, capital improvements, the Township's share of federal or state grants and other statutorily permitted items are outside the CAP.

The exceptions are certain enumerated quasi-capital projects such as ice and snow removal and repair of flood damage to streets, roads and bridges which may be amortized over three years and tax map preparation, revision of ordinances, and master plan preparation which may be amortized over five years.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism over expenditure needs. Transfers between major appropriation accounts are prohibited by N.J.S.A. 40A:4-58, until the last two months of the year. However, no transfers may be made under this section from appropriations for contingent expenses, deferred charges, cash deficit of the preceding year, reserve for uncollected taxes, down payments, the capital improvement fund, or interest and redemption charges. Although budget transfers among subaccounts (line items) within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

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

Local Fiscal Affairs Law

N.J.S.A. 40A:5-1 et seq. regulates the nonbudgetary financial activities of local governmental units. The Chief Financial Officer of every local unit must file annually with the Director a verified statement of the financial condition of the local unit and all constituent boards, agencies and commissions.

An annual independent audit of the local governmental unit's accounts for the previous year must be performed by a New Jersey licensed Registered Municipal Accountant. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of a local governmental unit's financial procedures and must be filed with the Director prior to June 1 or each year. A synopsis of the Audit Report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion. The entire annual audit report is filed with the Municipal Clerk and is available for review during business hours.

Capital Budget

In accordance with the Local Budget Law, each local governmental unit must adopt and annually revise a six-year capital program budget. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local governmental unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the items were detailed.

FINANCIAL OPERATIONS

Basis of Accounting

The accounting policies of the Township conform to the accounting principals applicable to local governmental units which have been prescribed by the Division. The following is a summary of the significant policies:

Basis of Accounting - 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 the State. Expenditures are recorded on the accrual basis. Appropriation reserves covering unexpended appropriation balances are automatically created on December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred or entered into during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Fixed Assets - Property and equipment purchased throughout the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

Current Fund

The Township's finances its operations primarily through the Current Fund. All tax receipts and most revenues are paid into the Current Fund and substantially all expenditures made by appropriations are paid from the Current Fund. The Township operates on a January 1 to December 31 fiscal year.

General Expenditures

Expenditures are comprised of those made for general Township purposes, certain expenditures made from restricted Federal, State and private grants, certain Federal or State mandated expenditures, deferred charges, debt service and capital improvements. Budgeted expenditures for general Township purposes include payments made primarily in support of the Township's various departments.

Tax Collection Procedure

A local governmental unit is the entity responsible for the leving and collection of taxes on all taxable property within its borders, including the tax levies for the county and the school district. The leving of taxes is for a fiscal year, which starts July 1 and ends June 30. The collection of taxes to support a local governmental unit's current budget requirement is based upon a calendar year, January 1 to December 31.

Property taxes are based on a municipality's assessor's valuation of real property, as confirmed by the tax board of the county in which a municipality is situated. The taxes for municipal, local and regional school districts and a county cover the current calendar year. Turnover of the tax monies by a municipality to a school district are based on school needs and are generally made on a periodic basis throughout the year. A municipality remits 100% of the county taxes, payable quarterly on the 15th days of February, May, August and November.

Tax bills for the second half of the current calendar year and an estimate, based on 50% of the current fiscal year's tax levy, for the first half of the following calendar year are mailed annually in June and are due August and November in the current calendar year, and February and May of the following calendar year. Delinquent payments are subject to an interest penalty of 8% on the first $1,500 of delinquency and 18% on amounts exceeding $1,500. Unpaid taxes are subject to tax sales as of July 1 following the year of levy, in accordance with State statutes. Tax liens are subsequently subject to foreclosure proceedings in order to enforce tax collections or acquire title to the property.

NOTEHOLDERS' REMEDIES IN THE EVENT OF DEFAULT

Neither the Notes nor the proceedings with respect thereto specifically provide any remedies to the noteholders if the Township defaults in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the noteholders upon the occurrence of such default. Upon any default in the payment of the principal of or interest on a Note, a noteholder could, among other things, seek to obtain a writ of mandamus from a court of competent jurisdiction requiring the Township to levy and collect a tax upon all taxable property within the Township, without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Notes as the same shall come due. The mandamus remedy, however, may be impractical and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies. See the caption "Municipal Bankruptcy" herein.

MUNICIPAL BANKRUPTCY

Any county, municipality, school district or other political subdivision of the State has the power to file a petition with any United States court or courts in bankruptcy under the federal bankruptcy act for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts, provided that the approval of the Municipal Finance Commission of New Jersey has been obtained. The powers of the Municipal Finance Commission of New Jersey have been vested in the New Jersey Local Finance Board.

Bankruptcy proceedings by the Township could have adverse effects on the noteholders including (1) delay in the enforcement of their remedies, (2) subordination of their claims to those supplying goods and services to the Township after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (3) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes. The federal bankruptcy act contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors, such as the holders of general obligation indebtedness or the Notes, such creditors will have the benefit of their original claim or the "indubitable equivalent". The effect of these and other provisions of the federal bankruptcy act cannot be predicted and may be significantly affected by judicial interpretation.

The above references to the federal bankruptcy act are not to be construed as an indication that the Township expects to resort to the provisions of the federal bankruptcy act or that, if it did, such action would be approved by the Municipal Finance Commission.

ABSENCE OF MATERIAL LITIGATION

To the best knowledge of the Township or the Township Attorney, Fred Semrau, Esq., there is no litigation pending or threatened, restraining or enjoining the issuance or the delivery of the Notes now being offered for sale, or the levy or the collection of any taxes to pay the principal of or the interest on said Notes, or in any manner questioning the authority or the proceedings for the issuance of said Notes or for the levy or the collection of said taxes, or contesting the corporate existence or the boundaries of the Township or the title of any other present officers. A certificate to such effect will be executed by the Township's Attorney and delivered to the original purchaser of the Notes at the closing. Moreover, to the best knowledge of the Township Attorney, no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters relating to the authorization, issuance, sale and delivery of the Notes are subject to the approval of Hawkins Delafield & Wood LLP, Bond Counsel to the Township, whose approving opinion will be delivered with the Notes substantially in the form as set forth in Appendix C. Certain legal matters will be passed upon for the Township by its Attorney, Fred Semrau, Esq.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Township, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however interest on the Notes is included in the "adjusted financial statements income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Township in connection with the Notes, and Bond Counsel has assumed compliance by the Township with certain provisions and procedures set forth in the Arbitrage and Use of Proceeds Certificate of the Township to be delivered in connection with the issuance of the Notes.

In addition, in the opinion of Bond Counsel to the Township, under existing statutes, interest on the Notes is not included in gross income under the New Jersey Gross Income Tax Act.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. By executing its Arbitrage and Use of Proceeds Certificate to be delivered concurrently with the delivery of the Notes, the Township will certify that, to the extent it is empowered and allowed under applicable law, it will comply with certain applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

The Notes are not taken into account (subject to certain limitations) in determining the portion of a financial institution's interest expense subject to the pro rata interest disallowance rule of Section 265(b) of the Code for costs of indebtedness incurred or continued to purchase or carry certain tax-exempt obligations. The Notes, however, are taken into account in the calculation of the amount of a financial institution's preference items under Section 291 of the Code.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Note Premium

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "note premium" on that Note (a "Premium Note"). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the note premium over the remaining term of the Premium Note, based on the owner's yield over the remaining term of the Premium Note determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such note). An owner of a Premium Note must amortize the note premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the note premium allocable to that period. In the case of a tax-exempt Premium Note, if the note premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Notes should consult their own tax advisors regarding the treatment of note premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of note premium on, sale, exchange, or other disposition of Premium Notes.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes will not be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

SECONDARY MARKET DISCLOSURE

In order to assist the purchaser in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12"), the Township has undertaken in a written instrument for the benefit of the holders of the Notes to provide to the Municipal Securities Rulemaking Board (the "MSRB") in a timely manner not in excess of ten (10) business days after the occurrence of the specified event, the notices required to be provided by Rule 15c2-12 and described below (the "Notices").

The Notices include notices of any of the following events with respect to the Notes: (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 of determinations with respect to the tax status of the Notes, or other material events affecting the tax-exempt status of the Notes; (7) modifications to rights of holders of the Notes, if material; (8) note calls (other than mandatory sinking fund redemptions) if material and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Notes, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Township; (13) the consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation (as defined in Rule 15c2-12) of the Township, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar items of a financial obligation of the Township, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Township, any of which reflect financial difficulties.

The sole and exclusive remedy for breach or default under the undertaking to provide continuing disclosure described above is an action to compel specific performance of the undertaking of the Township, and no person, including any holder of the Notes, may recover monetary damages thereunder under any circumstances. In addition, if all or any part of Rule 15c2-12 ceases to be in effect, for any reason, then the information required to be provided under the undertaking, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, shall no longer be required to be provided.

The undertaking may be amended or modified without consent of the holders of the Notes under certain circumstances set forth in the undertaking. Copies of the undertaking, when executed by the Chief Financial Officer of the Township, upon the delivery of the Notes, will be on file at the office of the Township Clerk.

The Township has taken steps to ensure timely filings and has appointed Phoenix Advisors, LLC, a division of First Security Municipal Advisors Inc., to serve as continuing disclosure agent.

CERTAIN 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 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 conducts 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 cyber security 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.

FINANCIAL STATEMENTS

The audited financial statements of the Township as of December 31, 2025 have been provided by Wielkotz & Company, LLC, independent certified public accountants, as stated in their Independent Auditors' Report appearing in Appendix B hereto.

PREPARATION OF OFFICIAL STATEMENT

Wielkotz & Company, LLC, Auditor for the Township, has assisted in the preparation of this Official Statement with information obtained from Township documents and from other sources, including publicly available sources, considered reliable, but Wielkotz & Company, LLC, does not make any warranty or other representation with respect to the accuracy and completeness of such information.

Wielkotz & Company, LLC takes responsibility for the audited financial statements to the extent specified in the Independent Auditor's Report.

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

Hawkins Delafield & Wood LLP and Fred Semrau, Esq. have not participated in the preparation of the financial or statistical information contained in this Official Statement, nor have they verified the accuracy, completeness or fairness thereof and, accordingly, express no opinion with respect thereto.

LEGAL MATTERS

The delivery of the Notes will be subject to the final approving opinion of Hawkins Delafield & Wood LLP, Newark, New Jersey. Such opinion will accompany the Notes and will be to the effect that the Notes are valid and legally binding obligations of the Township, and the Township has the power and obligation to levy ad valorem taxes upon all taxable property of said Township for the payment of the Notes and the interest thereon without limitation as to rate or amount.

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

UNDERWRITING

The Notes have been purchased from the Township at a public sale by __________________ at a price of $__________________. The Notes are being offered for sale at the yield set forth on the cover of this Official Statement, which yield may be changed from time to time by the purchaser without notice.

CLOSING CERTIFICATES

The purchaser will be furnished, at the time the Notes are delivered, certificates in form satisfactory to Bond Counsel evidencing (a) the proper execution and delivery of the Notes, (b) receipt and payment therefor, and (c) the absence of litigation now pending or, to the knowledge of the officers signing the Notes, threatened to restrain or enjoin the issuance or delivery of the Notes.

Upon request, the Township will state in a certificate signed on its behalf by its Chief Financial Officer and delivered at the closing, that to such official's knowledge the descriptions and statements in this Official Statement, on the date of this Official Statement, are true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading.

ADDITIONAL INFORMATION

Additional information may be obtained from the Township of West Milford, Municipal Building, 1480 Union Valley Road, West Milford, New Jersey, 07480, attention: Ellen Mageean, Chief Financial Officer (973-728-2752).

MISCELLANEOUS

All summaries and explanations of provisions of laws, statutes or documents herein do not purport to summarize or describe all of the provisions thereof, and reference is made to said laws, statutes or documents for further information.

The economic, debt and other summaries which appear in Appendix A attached hereto have been prepared from publicly available sources of information described in said Appendix.

This Official Statement is not to be construed as a contract or agreement between the Township and the purchaser or holder 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 made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township since the date hereof.

The Township of West Milford,
in the County of Passaic County, New Jersey

By: /s/____
Ellen Mageean
Chief Financial Officer

APPENDIX A

DESCRIPTION OF
THE TOWNSHIP OF WEST MILFORD
TOGETHER WITH
CERTAIN ECONOMIC AND DEBT INFORMATION

APPENDIX A

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THE TOWNSHIP OF WEST MILFORD

General Information

The Township, established in 1834 by the State's Legislature, is in the northwestern portion of Passaic County, bordered on the north by the municipality of Greenwood Lake in New York State, by the County of Sussex in the west, by the County of Morris on its southern border and by the Boroughs of Ringwood and Wanaque, New Jersey on its eastern border.

The Township, approximately 78 square miles or 49,920 acres in area, is the largest municipality in the County and one of the largest in the State. Within its borders are approximately 55 lakes, the larger ones being Greenwood Lake (southern portion), Upper Greenwood Lake, Pinecliff Lake and Echo Lake, and four reservoirs (Oak Ridge, Charlotteburg, Clinton and Monksville). Approximately 8.00% of the Township's area consists of water, leaving approximately 71.76 square miles in land area, the topography of which is generally hilly and mountainous. Presently, 27.00% of the Township is developed. The remaining 73.00% consists of City of Newark watershed area (34%), "Green Acres" land (30%), County land (3%), and privately owned land (6%).

Type of Government

In 2002, the Township held an election to change the form of government. Effective January 1, 2004, the Township of West Milford changed its form of Government to the Mayor Council administrator Plan, created by N.J.S.A. 40:69A-149.1 et seq. Under this plan, the Mayor and six Councilmen are elected at partisan elections for terms of four years and three years, respectively. Council terms are staggered; therefore, an election is held annually in the Township.

Township Officials

Township Administrator/Clerk

Mr. William Senande is the Administrator/Clerk of the Township. Mr. Senande is responsible for the daily operations of the Township, the preparation and distribution of Township ordinances, resolutions and legal notices in addition to licenses and permits.

Chief Financial Officer

Ms. Ellen Mageean is the Chief Financial Officer and is responsible for the maintenance of the Township's finances. Ms. Mageean had been the Acting Chief Financial Officer since January 1, 2017 and Chief Financial Officer since August 14, 2019.

Health Care Facilities

Hospital facilities are available at Chilton Memorial Hospital in Pompton Plains (est. 15 miles), St. Anthony's General Hospital in Warwick, New York (est. 12 miles), St. Barnabas Hospital, a major burn center, Livingston, Essex County (est. 35 miles) and Valley Hospital, Paramus, Bergen County (est. 35 miles).

Within the Township are two volunteer first aid squads.

EDUCATIONAL FACILITIES

The West Milford School District (the "District") was established in June of 1901. The District is co-terminous with the borders of the Township. The Board of Education of the Township of West Milford (the "Board") governs the operations of the District. The District's fiscal year-end is June 30th.

The Board is composed of nine members elected by the legally qualified voters in the District for three-year terms on a staggered basis. The President and Vice-President are chosen for one-year terms from among the members.

The Board presently operates one senior high school, one middle school, six elementary schools, an administrative building and three buildings for a transportation office, a transportation garage and a maintenance building plus two sheds.

The Board operates school buses and automobiles to transport pupils.

The District's student capacity is 5,249. As of October 15, 2025, there are 3,075 students enrolled.

MUNICIPAL SERVICES

Police Department

The Police Department consists of a Chief of Police, one Captain, three Lieutenants, six Sergeants, four Detectives and thirty-nine uniformed officers. Equipment includes approximately twelve patrol vehicles, four detective bureau vehicles, four administrative vehicles, two special operations unit trucks, two undercover vehicles and one school resource officer vehicle.

Fire Department

The Fire Department is staffed by voluntary firemen operating from six firehouses. There are nineteen pieces of apparatus which include 7 pumpers, 6 tankers, 1 ladder truck and 5 rescue units.

Solid Waste Removal,

The Township contracts to a private hauler the pick-up of solid waste. The solid waste contract expires December 31, 2029. The recycling contract expires December 31, 2029.

Department of Public Works Department

Within the Township are approximately 196.2 miles of roads and highways of which the DPW maintains 75 miles of roads. The DPW is staffed by one director, one inspector, six foremen and thirty employees. In addition to road maintenance, the DPW is also responsible for maintenance of Township motor vehicles and equipment.

Utilities

Electricity and gas are provided by Public Service Electric and Gas Company, First Energy Company, and Rockland Electric Company from New York State. Telephone service is provided by various providers and cable television by Cablevision.

Water and Wastewater System

The majority of the water supply and wastewater disposal is from individually operated wells and septic systems. The practice of the Township in the past has been to upgrade such water and wastewater systems and then for a nominal fee turn over these systems to the West Milford Township Municipal Utilities Authority (the "Authority"), established by the Township on February 4, 1964. The Authority was purchased in December 2018 by Suez Water New Jersey Inc. (now Veolia Water) who is providing these services to the Township.

Transportation Facilities

Intrastate and interstate public transportation is provided by several bus companies. Within the Township is a Township operated two bus shuttle system, at no charge to users, serving virtually all areas of the Township.

The major highway serving the southern portion of the Township is State Route 23 which connects directly with east/west Federal Route 46 and Interstate Route 80. North/South Interstate Route 287 intersects Route 23 just south of the Township and will provide interstate route access to New England and south to Washington, D.C.

Recreational Facilities

The Township operates a 47-acre recreation center which includes swimming, picnicking and ballfields at the Bubbling Springs recreation area, the former KOA and the former Lake Melody. Other recreation areas are Echo Lake Park, Brown's Point on Greenwood Lake, and Hillcrest School which has extended senior citizen activities. The primary recreation program facility is the Hillcrest Recreation Center, operating a diverse recreation program year round. Additional facilities include ballfields, and multi-purpose playgrounds maintained in conjunction with the Township's school sites. The coordination and supervision of the Township's recreation activities and facilities are under the direction of a recreation director.

The Township also maintains a Free Public Library.

Land Development

Within the Township are approximately 11,562 parcels of real estate (see "Real Property Net Assessed Valuation by Classification"). The majority of residences are single family detached homes.

Sources for the above information were from various Township documents and departments in addition to the sources noted.

RETIREMENT SYSTEMS

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one or two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by the State. The Division of Pensions within the Treasury Department of the State is the Administrator of the funds with the benefit and contribution levels set by the state. The Township is enrolled in the Public Employees' Retirement System and the Police and Firemen's Retirement System. The Township is current in its payments to the two retirement systems and the Federal Social Security System ("OASI").

Public Employee's Retirement System

The Public Employees' Retirement System ("PERS") includes approximately 96 permanent employees. PERS is evaluated every year. Employee rates for contribution are normally determined by the rate applicable at the age of enrollment.

Defined Contribution Retirement Plan

There are currently twenty-eight employees enrolled in the Defined Contribution Retirement Plan ("DCRP").

Police and Firemen's Retirement System

There are approximately forty-four employees covered under the Police and Firemen's Retirement System ("PFRS").

Retirement Benefit Payments

The Township budgeted or paid the following amounts for retirement benefit payments for the years 2025-2021.

Systems	2025	2024	2023	2022	2021
PERS	$1,183,852	$1,185,393	$1,053,732	$1,000,455	$993,974
PFRS	1,902,741	1,795,403	1,651,351	1,560,800	1,639,319
OASI	675,503	675,101	662,459	646,541	617,282
DCRP	17,448	14,638	10,117	6,051	9,606
	$3,779,544	$3,670,535	$3,377,659	$3,213,847	$3,260,181

Source: The Township's audited financial statements.

COLLECTIVE BARGAINING REPRESENTATION

Certain Township employees are represented by bargaining agents which are shown below together with termination dates of current contracts.

Employee Classification	Bargaining Representation	Termination Date
Police Officers	Police Benevolent Association	12/31/2028
Clerical	Local Guild	12/31/2026
Department of Public Works	State, County & Municipal Employees	12/31/2025

Source: The Township.

INSURANCE

The Township participates in a self-insured/re-insured program through the Morris Joint Insurance Fund and the Municipal Excess Liability Fund.

TREND OF NEW CONSTRUCTION

Year	Number of Building Permits	Value of Construction
2025	1,487	$43,606,845
2024	1,482	24,307,904
2023	1,541	28,449,310
2022	1,598	25,439,956
2021	1,694	21,508,696

Source: Construction Code Official

MAJOR REAL PROPERTY TAXPAYERS

Taxpayer	2026 Assessed Valuation
City of Newark	$43,193,200
Tenneco Pipeline	25,284,400
Inserra/WM LLC	16,000,000
Tennessee Gas Pipeline	11,462,300
HCRI NY-NJ Properties LLC	10,634,000
Sprint-Overland Park	5,271,700
NSA Property Holding	4,262,000
KYH Properties, LLC	3,912,700
Veolia NJ	3,912,700
Milford Manor LLC	3,850,000
	$127,783,000

Proportion of Total 2026 Real Property Assessed Valuation of the Township ($2,741,578,200): 4.49%

Source: The Township's Tax Assessor.

NET ASSESSED AND EQUALIZED PROPERTY VALUATIONS

Real Property Net Assessed Valuation by Classification

Classification	2026	2025	2024	2023	2022
Residential	$2,400,592,800	$2,396,731,300	$2,396,851,900	$2,392,565,100	$2,387,634,300
Apartment	1,563,600	1,563,600	1,543,600	1,543,600	1,543,600
Farm	52,289,400	53,361,000	51,810,900	51,429,100	50,349,000
Commercial	185,658,200	188,741,500	181,146,000	180,891,700	181,104,800
Industrial	40,770,400	40,770,400	40,946,700	41,256,700	41,136,500
Vacant Land	69,464,100	69,246,800	69,279,100	69,872,200	70,996,600
SubTotal	2,750,338,500	2,750,414,600	2,741,578,200	2,737,558,400	2,732,764,800
Exempt:					
Public	211,258,700	211,659,900	211,758,400	211,023,500	210,969,500
Other	101,907,300	97,390,000	91,689,800	87,392,900	86,594,100
Total	$313,166,000	$3,059,464,500	$3,045,026,400	$3,035,974,800	$3,030,328,400

Net Assessed and Equalized Valuations

Classification	2026	2025	2024	2023	2022
Net Assessed Valuation:					
Real Property	$2,750,338,500	$2,750,414,600	$2,741,578,200	$2,737,558,400	$2,732,764,800
Personal Tangible Property			100	100	100
Total	$2,750,338,500	$2,750,414,600	$2,741,578,300	$2,737,558,500	$2,732,764,900
Percent Increase/(Decrease) Over Previous Year	(.028)%	0.32%	0.15%	0.18%	0.11%
Equalized Valuation:					
Equalization Ratio	N/A	59.14%	65.46%	71.22%	79.58%
Equalized Valuation	N/A	4,650,684,139	4,192,654,943	3,847,902,737	3,447,279,420
Percent Increase/(Decrease) Over Previous Year	N/A	10.92%	8.96%	11.62%	9.38%

Source: County of Passaic Abstract of Ratables for years shown, and the Township Tax Duplicates.
N/A - Not Available

LEVY AND COLLECTION OF TAXES
As of December 31 for Years Shown

The levy and collection of taxes are based upon a calendar year. The Township is the political entity responsible for the levying and collection of taxes on all taxable real property within its borders, including the tax levies for the County and the school district.

Property taxes are based on an assessor's valuation of real property and are levied for a calendar year. The taxes for Township, Local School District, and County purposes are combined into one tax levy which is apportioned on the tax bill by rate and amount for taxpayer information only. Taxes levied for the purpose of the Local School District cover the current calendar year. Turnover of the tax monies by the Township to a school district are based on school needs and are generally made on a periodic basis throughout the year. The Township remits 100% of the County taxes, payable quarterly on the 15th days of February, May, August and November.

Tax bills for the second half of the current year's tax levy, and an estimate based on 50% of the levy for the first half of the following year, are mailed annually in June and are due in quarterly installments on the first days of August, November, February and May. Delinquent payments are subject to an interest penalty of 8% on the first $1,500 of delinquency and 18% on amount exceeding $1,500. Unpaid taxes are subject to tax sale as of July 1 following the year of levy, in accordance with statutes of the State of New Jersey. Tax liens are subsequently subject to foreclosure proceedings in order to enforce tax collections or acquire title to property.

Tax Rate Apportionment
(Per $100 of Assessed Valuation)

						Municipal		
Year	Municipal	Municipal Library	County	County Open Space	Local School	Garbage District	Open Space	Tax Rate
2025	$.817	$.056	$.800	$.017	$2.504	$.115	$.020	$4.329
2024	.806	.051	.764	.015	2.398	.126	.020	4.180
2023	.811	.047	.768	.015	2.290	.124	.020	4.075
2022	.817	.041	.780	.014	2.196	.121	.020	3.989
2021	.819	.038	.752	.011	2.160	.106	.005	3.891

Tax Levy Apportionment

Year	Municipal(2)	Municipal Library	County and County Open Space(1)	Local School(1)	Garbage District	Tax Levy
2025	$23,011,208	$1,545,246	$22,467,510	$68,852,891	$3,145,496	$119,022,351
2024	22,637,936	1,394,009	21,368,924	65,741,758	3,434,653	114,577,280
2023	22,753,149	1,279,024	21,468,032	61,345,962	3,374,411	110,220,578
2022	22,886,773	1,143,409	21,657,376	60,015,033	3,292,605	108,995,196
2021	22,487,664	1,054,049	20,818,276	58,960,514	2,881,910	106,202,413

(1) The Township is required, under State statutes, to remit to the County and the School District 100% of the respective tax levies.
(2) Includes Township Open Space.
Source: Township's audited financial statements, and the Township.

Tax Collection Experience

Year	Tax Levy(1)	Current Levy Collected Amount	Current Levy Collected Percent	Delinquent Taxes Collected	Total Tax Collected Amount	Total Tax Collected Percent	Reserve for Uncollected Taxes
2025	$119,220,826	$117,607,096	98.64%	$1,486,029	$119,093,125	99.89%	$2,300,000
2024	114,739,100	113,412,759	98.84	1,246,956	114,659,715	99.93	2,300,000
2023	111,265,360	110,404,416	98.78	1,318,828	111,723,244	99.96	2,300,000
2022	109,388,072	107,905,424	98.64	1,070,777	108,976,201	99.62	2,300,000
2021	106,423,311	105,130,969	98.79	1,248,393	106,379,362	99.96	2,275,000

Source: The Township's audited financial statements.
(1) Includes added and omitted taxes.

Tax Liens and Delinquent Taxes

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percent of Tax Levy
2025	$1,018,685	$1,404,955	$2,423,643	2.03%
2024	1,002,108	1,452,579	2,454,687	2.14
2023	939,405	1,312,128	2,251,533	2.01
2022	1,257,913	1,339,068	2,596,981	2.37
2021	1,422,062	1,039,696	2,461,758	2.31

Tax Title Liens

Year	Balance January 1	Added by Sales and Transfers	Tax Liens Collected	Other Credits	Balance December 31
2025	$1,002,108	$77,285	$37,504	$23,201	$1,018,688
2024	939,405	65,522	2,819	-	1,002,108
2023	1,257,913	80,710	30,628	368,590	939,405
2022	1,422,062	110,062	47,736	226,475	1,257,913
2021	1,487,467	158,544	34,977	188,972	1,422,062

Foreclosed Property

Year	Balance Dec. 31
2025	$5,398,500
2024	6,141,300
2023	6,560,100
2022	6,319,900
2021	6,204,500

Source: Township audited financial statements.

CURRENT FUND REVENUE SOURCES

Year	Budget Requirement(1)	Revenue Surplus Appropriated	Miscellaneous Revenues Collected	Delinquent Taxes Collected	Non-Budget Revenue Realized	Tax Levy Realized
2025	$39,970,274	$5,900,000	$9,671,432	$1,486,029	$400,654	$24,856,928
2024	41,534,159	7,818,806	10,543,897	1,246,956	252,487	25,136,952
2023	41,851,117	3,681,788	14,408,116	1,318,828	210,707	24,636,538
2022	35,506,447	3,215,395	8,227,027	1,070,777	193,200	24,608,960
2021	35,966,278	3,725,684	8,157,349	1,248,393	996,280	24,552,063

(1) Current year's budget increase is limited to the lesser of the Index Rate or a 3.5% increase over the immediately preceding year's final appropriations after giving effect to ratable growth or specified exemptions or emergencies.

Source: The Township's audited financial statements.

CURRENT FUND BALANCES
AND
AMOUNTS UTILIZED IN SUCCEEDING YEAR'S BUDGET

Year	Balance As of December 31	Utilized in Budget Of Succeeding Year Amount	Percent
2025	$9,141,373	$6,790,000	74.28%
2024	10,886,064	5,900,000	54.20
2023	12,215,109	7,818,806	64.01
2022	10,011,785	3,681,788	36.77
2021	8,766,179	3,215,395	36.68

Source: The Township's audited financial statements.

STATE AID

Year	Franchise Gross (Energy) Receipts Tax	Other Aid	Consolidated Municipal Property	Total
2025	$2,350,634	$857,544	$	$3,208,178
2024	2,350,638	1,099,840		3,450,478
2023	2,350,638	1,099,839		3,450,477
2022	2,322,938	838,777		3,161,715
2021	2,322,938	838,777		3,161,715

Source: The Township's audited financial statements.

COMPARISON OF
MUNICIPAL PURPOSE TAX LEVY
TO
ANNUAL DEBT SERVICE REQUIREMENT

Year	Municipal Purpose Tax Levy(2)	Debt Service Requirement(1)	Percent of Debt Service To Tax Levy
2025	$22,461,113	$3,404,040	15.16%
2024	23,483,629	4,225,168	17.99
2023	23,483,629	3,874,977	16.50
2022	23,483,629	2,807,128	11.95
2021	23,394,269	4,631,844	19.80

(1) Includes General Purpose Bonds, Interest on Assessment Bonds, Green Trust Debt and Bond Anticipation Note principal and interest.
(2) Does not include Garbage District Tax Levy or Open Space Levy.
Source: The Township's audited financial statements, and the Township.

DEBT INFORMATION
As of December 31, 2025

The Township's debt incurring capacity is limited by statute to 3.50% of its statutory equalized valuation. The levy of taxes to pay annual debt service requirements is not limited by any State statute or law.

Appropriation Not Required for Payments on Debt

It is NOT necessary to have an appropriation in order to release money for debt service on obligations. N.J.SA. 40A:4-57 states "No officer, board, body or commission shall, during any fiscal year, expend money (except to pay notes, bonds or interest thereon), incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such purpose". 40A:2-4 states "The power and obligation of a local governmental unit to pay any and all bonds and notes issued by it pursuant to this Chapter, or any act of which this Chapter is a revision, shall be unlimited...".

The following schedules set forth information on the amounts of debt authorized but unissued, debt issued and outstanding, the Township's remaining borrowing capacity and annual debt service requirements. After the date noted above, the debt information and statistics noted on the following pages may vary from the figures shown because of either a reduction or an increase in the amounts of debt for each of the political entities noted.

STATUTORY DEBT INFORMATION
As Of December 31, 2025

School Purpose:	
Bonds and Notes Issued	$2,475,000
Authorized/Unissued Debt	-
Total Gross Debt	2,475,000
Deductions	2,475,000
Net Debt for School Purposes	-
Municipal Purpose:	
Bonds and Notes Issued	36,325,185
Authorized/Unissued Debt	2,448,412
Loan Payable - Green Trust	235,582
Total Debt for Municipal Purpose	39,009,179
Deductions	203,267
Net Debt for Municipal Purpose	38,805,912
Total Gross Statutory Debt	41,484,179
Total Statutory Deductions	2,678,267
Total Net Statutory Debt	$38,805,912

STATUTORY BORROWING POWER
As of December 31, 2025

Statutory Equalized Valuation (1)	$4,612,565,273
Statutory Borrowing Power (2)	161,439,785
Statutory Net Debt	38,805,912
Remaining Statutory Borrowing Power	$122,633,873
Net Debt to Statutory Equalized Valuation	.841%

(1) Average of the immediately preceding three years (2025, 2024, and 2023) as calculated by State.
(2) 3 ½% of the State's equalized valuation.
Source: The Township.

AUTHORIZED BUT UNISSUED DEBT
As Of December 31, 2025

Purpose	**Amount Authorized to be Funded**
Improvement of Stowaway Bridge	$19,162
Various Improvements	2,370,250
Purchase of Fire Equipment	59,000
	$2,448,412

TEMPORARY DEBT ISSUED AND OUTSTANDING
As Of December 31, 2025

Purpose	**Interest Rate**	**Original Issue Date**	**Maturity Date**	**Amount Outstanding**
Various Improvements	3.75%	Various	09/11/26	$21,850,185
				$21,850,185

PERMANENT DEBT ISSUED AND OUTSTANDING
As Of December 31, 2025

Purpose	**Interest Rate**	**Issue Date**	**Final Maturity Date**	**Amount Outstanding**
Assessment Loan NJDEP	2.0%	11/01/04	12/31/30	$235,582
General Bonds of 2016	2.00-3.00%	02/20/16	01/15/36	3,970,000
General Bonds of 2022	2.25-3.00%	08/31/22	09/15/32	10,505,000
Total Permanent Debt Issued and Outstanding				$14,710,582

Source: The Township.

ANNUAL DEBT SERVICE REQUIREMENTS
FOR
ASSESSMENT LOAN - NJDEP

	Total Principal	Total Interest	Total
2026	$45,260.08	$4,486.47	$49,746.55
2027	46,169.80	3,576.74	49,746.54
2028	47,097.82	2,648.73	49,746.55
2029	48,044.49	1,702.07	49,746.56
2030	49,010.18	736.37	49,746.55
	$235,582.37	$13,150.38	$248,732.75

Excludes temporary debt. See "Permanent Debt Issued and Outstanding by Purpose".

ANNUAL DEBT SERVICE REQUIREMENTS
AND
GENERAL PURPOSE TAX SUPPORTED BONDS

	Total Principal	Total Interest	Total
2026	$1,685,000.00	$418,625.00	$2,103,625.00
2027	1,735,000.00	371,325.00	2,106,325.00
2028	1,785,000.00	322,525.00	2,107,525.00
2029	1,850,000.00	271,287.50	2,121,287.50
2030	1,915,000.00	216,425.00	2,131,425.00
2031-2035	5,125,000.00	345,450.00	5,470,450.00
2036	380,000.00	5,700.00	385,700.00
	$14,475,000.00	$1,951,337.50	$16,426,337.50

Source: Township's audited financial statements and the Township.

DIRECT AND OVERLAPPING DEBT
ISSUED AND OUTSTANDING
DECEMBER 31, 2025

	Gross Direct Debt	Overlapping Debt
Direct Debt:		
Township:		
Bonds, Notes & Loans	$36,560,767	
Authorized Not Issued	2,448,412	
Overlapping Debt:		
School District		$2,475,000
County of Passaic (1)		15,068,675
Passaic County Utilities Authority (1)		1,934,516
Total Direct Debt:		
Gross	39,009,179	
Deductions	203,267	
Net	$38,805,912	
Total Overlapping Debt:		19,478,191
Deductions		2,475,000
Net		$17,003,191

Source: The political entities shown.

DEBT RATIOS

	Direct Debt		Overlapping Debt	
	Gross	Net	Gross	Net
Per Capita (2)	$1,569	$1,561	$783	$684
Equalized Valuation	0.846%	0.841%	0.422%	0.369%

(1) The Township's share of the County's outstanding debt is derived by dividing the Township's 2025 equalized valuation by the County's 2025 equalized valuation as obtained from the County's abstract of ratables.
(2) U.S. Bureau of Census, 2020 estimate 24,862.
Source: The political entities shown.

APPENDIX B

EXCERPTS FROM
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2025

WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of West Milford
West Milford, New Jersey 07480

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Township of West Milford in the County of Passaic, as of December 31, 2025 and 2024, the related statement of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the Township of West Milford as of December 31, 2025 and 2024, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and Government Auditing Standards, issued by the Comptroller General of the United States. 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 of West Milford, 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 adverse audit opinion.

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of West Milford on the basis of the financial reporting provisions 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 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.

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

As described in Note 17 of the financial statement, the Township participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of $4,263,424.92 and $3,908,350.08 for 2025 and 2024, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*" paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2025 and 2024, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2025 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 of West Milford'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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement 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 judgement, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of West Milford's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 25-12 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2026 on our consideration of the Township of West Milford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal

W&CO

control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of West Milford's internal control over financial reporting and compliance.

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. 413

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

June 8, 2026

W&CO

Township of West Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	Ref.	2025	2024
Assets			
Current Fund:			
Cash	A-4	17,654,033.91	19,280,477.12
Change Funds	A-5	550.00	700.00
Due to State of NJ:			
Senior Citizens and Veterans	A-14	389.06	9,260.19
		17,654,972.97	19,290,437.31
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	1,404,955.24	1,452,578.68
Tax Title Liens Receivable	A-8	1,018,688.28	1,002,108.10
Property Acquired for Taxes - Assessed Valuation	A-9	5,398,500.00	6,141,300.00
Revenue Accounts Receivable	A-11	6,601.64	9,171.83
Interfund Receivables:			
Federal and State Grant Fund	A-12	2,774,703.65	876,957.05
Other Trust Fund	A-12	121,200.00	37,810.80
General Capital Fund	A-12	6,789.73	
		10,731,438.54	9,519,926.46
		28,386,411.51	28,810,363.77
Federal and State Grant Fund:			
Grants Receivable	A-21	5,385,808.94	5,804,918.32
		5,385,808.94	5,804,918.32
		33,772,220.45	34,615,282.09

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

Township of West Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	Ref.	2025	2024
Liabilities, Reserves and Fund Balance			
Current Fund:			
Appropriation Reserves	A-3/A-13	3,352,721.56	2,199,256.57
Encumbrances Payable	A-15	1,459,687.21	1,349,836.72
Prepaid Taxes	A-16	1,204,983.27	774,311.07
Interfunds Payable			
Open Space Trust	A-12	718.40	548,992.58
General Capital Fund	A-12		190,212.63
Assessment Trust Fund	A-12	5,452.20	1,167.40
Other Trust - Payroll	A-12	3,437.30	1,306.95
County Taxes Payable	A-18	29,322.11	26,351.54
Due to Garbage District	A-19	422,960.05	676,128.29
Due to State of NJ:			
Marriage Surcharge	A-20	775.00	725.00
Building Surcharge	A-20	7,375.00	7,067.00
Accounts Payable	A-20	279,286.01	274,771.23
Tax Overpayments	A-20	51,747.81	67,472.74
Deposits for the Redemption of Tax Sale Cert.	A-20	117,196.92	95,664.09
Reserve for:			
Sale of Property	A-20	646,449.29	1,255,070.09
MUA Collections	A-20	206,250.52	206,250.52
MUA Dissolution	A-20	101,332.07	101,332.07
Revaluation of Real Property	A-20	108,774.68	108,774.68
Tax Appeals	A-20	48,838.31	48,838.31
Tax Appeal Legal Fees	A-20	6,695.63	6,695.63
Technology Improvements	A-20	4,174.01	4,445.42
Tax Foreclosures	A-20	7,323.08	7,323.08
Tennessee Pipeline	A-20	159,512.00	159,512.00
Sale of Foreclosed Property	A-20	28,980.00	33,260.00
Salary Negotiations	A-20	225,511.04	225,511.04
Senior Housing	A-20	6,130.09	6,130.09
Wetlands Study	A-20	15,583.00	15,583.00
Housing Standards	A-20	12,383.25	12,383.25
		8,513,599.81	8,404,372.99
Reserve for Receivables	Contra	10,731,438.54	9,519,926.46
Fund Balance	A-1	9,141,373.16	10,886,064.32
		28,386,411.51	28,810,363.77
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-22	2,583,051.11	4,919,434.35
Unappropriated Reserve for Grants	A-23	28,054.18	8,526.92
Interfund - Current Fund	A-24	2,774,703.65	876,957.05
		5,385,808.94	5,804,918.32
		33,772,220.45	34,615,282.09

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

Township of West Milford, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	Ref.	2025	2024
Revenues and Other Income:			
Fund Balance Utilized	A-2	5,900,000.00	7,818,806.00
Miscellaneous Revenue Anticipated	A-2	9,671,431.97	10,543,896.72
Receipts from Delinquent Taxes	A-2	1,486,029.45	1,246,955.72
Receipts from Current Taxes	A-2	117,607,096.38	113,412,759.29
Non-Budget Revenue	A-2	400,654.29	252,487.26
Other Credits to Income:			
Interfunds Returned	A-12	914,767.85	11,865.63
Canceled Grant Reserves	A-12	25,209.63	23,468.95
Unexpended Balance of Appropriation Reserves	A-13	2,126,670.28	2,882,136.66
Unexpended Balance of Accounts Payable	A-20	106,658.30	62,126.74
Total Revenues and Other Income		138,238,518.15	136,254,502.97
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	14,267,840.00	13,833,879.00
Other Expenses	A-3	15,467,641.28	15,505,112.16
Capital Improvement Fund	A-3	507,686.00	1,705,000.00
Municipal Debt Service	A-3	3,396,439.10	4,225,165.90
Deferred Charges and Statutory Expenditures - Municipal	A-3	4,023,006.66	3,965,000.00
Refund of Prior Years Revenue			
Interfund Advances	A-12	2,902,693.38	914,767.85
Canceled Grant Receivable	A-12	23,300.62	23,468.95
Municipal Open Space Tax	A-12	550,813.40	548,992.58
Local District School Tax	A-17	67,297,325.00	64,209,325.00
County Taxes including Added Taxes	A-18	22,496,832.28	21,395,275.72
Garbage District Taxes	A-19	3,149,631.59	3,438,773.44
Total Expenditures		134,083,209.31	129,764,760.60

Township of West Milford, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	Ref.	2025	2024
Excess (Deficit) Revenue Over Expenditures		4,155,308.84	6,489,742.37
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year			
Statutory Excess to Fund Balance		4,155,308.84	6,489,742.37
Fund Balance, January 1,	A	10,886,064.32	12,215,127.95
		15,041,373.16	18,704,870.32
Decreased by:			
Fund Balance Utilized as Budget Revenue	A-2	5,900,000.00	7,818,806.00
Fund Balance, December 31,	A	9,141,373.16	10,886,064.32

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

Township of West Milford, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Ref.	Budget	Realized	Excess (Deficit)
Fund Balance Anticipated	A-1	5,900,000.00	5,900,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	25,000.00	32,453.30	7,453.30
Other	A-2	65,000.00	96,466.00	31,466.00
Fees and Permits	A-2	300,000.00	312,502.65	12,502.65
Fines and Costs:				
Municipal Court	A-11	110,000.00	114,151.26	4,151.26
Interest and Costs on Taxes	A-11	300,000.00	450,778.87	150,778.87
Interest and Costs on Assessments	A-11	5,000.00	5,477.89	477.89
Interest on Investments	A-11	700,000.00	731,882.95	31,882.95
Recreation Fees	A-11	525,000.00	436,620.77	(88,379.23)
Bus Fares	A-11	4,000.00	8,593.00	4,593.00
Uniform Fire Safety Act (Local Fees)	A-11	25,000.00	28,757.00	3,757.00
Energy Receipts Tax	A-11	2,350,638.00	2,350,637.67	(0.33)
Garden State Trust PILOT Funds	A-11	99,857.00	99,857.00	
Watershed Moratorium Aid	A-11	757,687.00	757,687.00	
Uniform Construction Code Fees	A-11	525,000.00	896,746.00	371,746.00
Clean Communities Program	A-21	91,474.85	91,474.85	
Municipal Alliance on Alcoholism and Drug Abuse	A-21	3,000.00	3,000.00	
National Opioids Grant	A-21	3,875.00	3,875.00	
Strengthening Local Public Health Grant	A-21	64,788.00	64,788.00	
NJDCA ROID Grant	A-21	10,000.00	10,000.00	
NJ Highlands Housing Elements & Fair Share	A-21	25,000.00	25,000.00	
NJ Highlands Stormwater Management Plan	A-21	50,000.00	50,000.00	
Local Recreation Improvement Grant	A-21	81,000.00	81,000.00	
Body Armor Replacement Fund	A-21	3,655.00	3,655.00	
Drive Sober or Get Pulled Over Grant	A-21	14,000.00	14,000.00	
Stigma Free Grant	A-21	1,998.00	1,998.00	
Recycling Tonnage Grant	A-21	28,559.43	28,559.43	
P.I.L.O.T. Program	A-11	350,000.00	340,087.93	(9,912.07)
Uniform Fire Safety Act	A-11	45,000.00	61,381.97	16,381.97
General Capital Surplus	A-11	146,515.00	146,515.00	
Cannabis Sales Revenue	A-11	219,000.00	417,741.53	198,741.53
HIF Dividend	A-11	709,314.00	709,320.00	6.00
Library Share of Debt Service	A-11	151,400.00	151,400.00	
Cable TV Franchise Fees	A-11	115,000.00	108,151.00	(6,849.00)
Cell Tower Lease Agreement	A-11	140,000.00	119,530.14	(20,469.86)
Reserve for Debt Service	A-11	918,154.00	917,342.76	(811.24)
Total Miscellaneous Revenues	A-1	8,963,915.28	9,671,431.97	707,516.69

Township of West Milford, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Ref.	Budget	Realized	(Deficit)
Receipts from Delinquent Taxes	A-1/A-2	1,100,000.00	1,486,029.45	386,029.45
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes		22,461,113.00	23,311,682.11	850,569.11
Minimum Library Tax		1,545,246.00	1,545,246.00	
	A-2	24,006,359.00	24,856,928.11	850,569.11
Budget Totals		39,970,274.28	41,914,389.53	1,944,115.25
Non-Budget Revenue	A-1/A-2		400,654.29	400,654.29
		39,970,274.28	42,315,043.82	2,344,769.54
Adopted Budget	A-3	39,676,452.00		
Appropriated by N.J.S. 40A:4-87	A-3	293,822.28		
		39,970,274.28		

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

Township of West Milford, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2025

Analysis of Realized Revenues

	Ref.		
Revenue from Collections	A-1/A-7		117,607,096.38
Allocated to School and County Taxes	A-7		95,050,168.27
Balance for Support of Municipal Budget Appropriations			22,556,928.11
Add : Appropriation - Reserve for Uncollected Taxe	A-3		2,300,000.00
Amount for Support of Municipal Budget Appropriations	A-2		24,856,928.11
Receipts from Delinquent Taxes:			
Delinquent Taxes	A-7	1,448,525.57	
Tax Title Liens	A-8	37,503.88	
	A-2		1,486,029.45
Licenses - Other:			
Clerk	A-11	61,910.00	
Sanitary Inspector	A-11	34,205.00	
Registrar	A-11	351.00	
	A-2		96,466.00
Fees and Permits:			
Clerk	A-11	71,061.00	
Police	A-11	53,156.65	
Registrar	A-11	10,770.00	
Sanitary Inspector	A-11	67,755.00	
Fire Inspector	A-11	67,305.00	
Board of Adjustment	A-11	31,355.00	
Planning Board	A-11	11,100.00	
	A-2		312,502.65

Township of West Milford, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2025

Analysis of Non-budget Revenues

	Ref.		
Miscellaneous Revenues Not Anticipated:			
Revenues Accounts Receivable:			
Clerk	A-11	1,331.25	
Sanitary Inspector	A-11	4,330.00	
Registrar	A-11	3,000.00	
Police	A-11	3,604.84	
Building Inspector	A-11	6,275.00	
Tax Assessor	A-11	500.00	
			19,041.09
Sales Contracts Receivable	A-10		128,400.00
Treasurer			
NSF Check Fee		1,220.00	
Foreclosed Property Sale Fee		12,950.00	
Sale of Assets		37,740.71	
Canceled and Foreclosed Tax Sale Premiums		122,200.00	
PILOT Admin Fee		7,538.23	
Tax Collector		160.00	
Senior Citizens & Vets Admin Fee		3,241.07	
Police Outside Service Administration Fee		27,684.40	
Refunds / Miscellaneous Reimbursements		40,478.79	
	A-4		253,213.20
	A-2		400,654.29

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

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Operations - within "CAPS"						
Office of Township Administrator						
Salaries and Wages		350,629.00	350,629.00	344,170.32	6,458.68	
Other Expenses		103,400.00	103,400.00	85,054.28	18,345.72	
Mayor and Council						
Salaries and Wages		172,000.00	172,000.00	171,999.76	0.24	
Other Expenses		5,300.00	5,300.00	3,963.56	1,336.44	
Office of Township Clerk						
Salaries and Wages		286,357.00	286,357.00	280,173.56	6,183.44	
Other Expenses		40,200.00	40,200.00	27,624.88	12,575.12	
Elections						
Salaries and Wages		1,500.00	1,500.00	1,160.64	339.36	
Other Expenses		41,800.00	41,800.00	39,645.00	2,155.00	
Division of Treasury						
Salaries and Wages		330,364.00	330,364.00	317,474.16	12,889.84	
Other Expenses		22,000.00	22,000.00	14,315.69	7,684.31	
Audit Services and Costs						
Annual Audit		43,000.00	43,000.00	43,000.00		
Additional Services		25,500.00	25,500.00	15,000.00	10,500.00	
Computerized Data Processing						
Salaries and Wages		196,552.00	196,552.00	195,172.93	1,379.07	
Other Expenses		72,275.00	72,275.00	60,548.18	11,726.82	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Division of Tax Collections						
Salaries and Wages		213,950.00	213,950.00	210,277.50	3,672.50	
Other Expenses		51,435.00	51,435.00	34,646.52	16,788.48	
Division of Assessment						
Salaries and Wages		211,673.00	211,673.00	193,764.81	17,908.19	
Other Expenses		18,140.00	18,140.00	16,921.17	1,218.83	
Office of Township Attorney						
Other Expenses		395,000.00	395,000.00	232,175.00	162,825.00	
Division of Engineering						
Salaries and Wages		322,556.00	346,556.00	345,080.78	1,475.22	
Other Expenses		103,700.00	103,700.00	82,053.17	21,646.83	
Division of General Services						
Salaries and Wages		17,500.00	1,500.00		1,500.00	
Other Expenses		216,000.00	216,000.00	159,548.62	56,451.38	
Veterans Bureau						
Salaries and Wages		1,335.00	1,335.00	1,222.21	112.79	
Other Expenses		150.00	150.00		150.00	
Historical Preservation Commission						
Salaries and Wages		1,560.00	1,560.00	1,500.00	60.00	
Other Expenses		1,000.00	1,000.00		1,000.00	
Planning Board						
Other Expenses		20,525.00	20,525.00	18,834.51	1,690.49	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Division of Comprehensive Planning						
Salaries and Wages		55,984.00	55,984.00	55,733.34	250.66	
Other Expenses		33,025.00	33,025.00	23,655.00	9,370.00	
Division of Zoning Administration						
Salaries and Wages		144,511.00	140,511.00	117,325.53	23,185.47	
Board of Adjustment						
Other Expenses		35,285.00	35,285.00	24,130.00	11,155.00	
Insurance:						
Other Insurance Premiums		1,225,000.00	1,225,000.00	1,175,235.88	49,764.12	
Group Insurance Plan for Employees		4,037,000.00	4,035,000.00	3,350,305.77	684,694.23	
Health Benefit Waiver		90,000.00	92,000.00	91,881.64	118.36	
Department of Police						
Division of Patrol						
Salaries and Wages		5,486,139.00	5,466,139.00	5,191,633.02	274,505.98	
Other Expenses		496,400.00	496,400.00	399,174.48	97,225.52	
Division of Administration						
Salaries and Wages		680,058.00	662,058.00	647,193.72	14,864.28	
Special Police & Special Police Matrons						
Salaries and Wages		47,000.00	47,000.00	41,460.62	5,539.38	
Other Expenses		9,475.00	9,475.00	1,998.59	7,476.41	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Division of Communications						
Salaries and Wages		383,098.00	403,098.00	393,599.95	9,498.05	
Other Expenses		500.00	500.00	80.00	420.00	
Office of Municipal Disaster - Control Director						
Salaries and Wages		12,500.00	7,500.00	2,500.02	4,999.98	
Other Expenses		100,600.00	100,600.00	58,774.36	41,825.64	
Aid to Volunteer Fire Companies (6)		130,000.00	130,000.00	120,000.00	10,000.00	
First Aid Organization Contribution		172,650.00	172,650.00	12,010.00	160,640.00	
Fire Prevention Bureau						
Salaries and Wages		170,130.00	175,130.00	171,364.55	3,765.45	
Other Expenses		19,300.00	19,300.00	13,639.70	5,660.30	
Department of Fire						
Salaries and Wages		11,100.00	11,100.00	9,730.86	1,369.14	
Other Expenses		323,650.00	323,650.00	238,424.99	85,225.01	
Municipal Prosecutor						
Salaries and Wages		39,541.00	39,541.00	39,540.02	0.98	
Other Expenses		600.00	600.00		600.00	
Division of Streets and Roads						
Salaries and Wages		2,313,118.00	2,313,118.00	2,169,222.60	143,895.40	
Other Expenses		1,310,100.00	1,216,825.00	976,434.28	240,390.72	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Division of Snow Removal						
Salaries and Wages		250,000.00	250,000.00	183,831.19	66,168.81	
Other Expenses		1,334,000.00	1,334,000.00	1,318,694.30	15,305.70	
Division of Public Property						
Salaries and Wages		102,000.00	102,000.00	81,383.84	20,616.16	
Other Expenses		392,500.00	411,775.00	394,776.93	16,998.07	
Fleet Maintenance						
Salaries and Wages		461,266.00	461,266.00	411,828.25	49,437.75	
Other Expenses		603,500.00	677,500.00	649,711.19	27,788.81	
Division of Health						
Other Expenses		19,000.00	19,000.00	6,877.95	12,122.05	
Bureau of Vital Statistics						
Salaries and Wages		45,998.00	45,998.00	45,997.90	0.10	
Other Expenses		2,000.00	2,000.00	345.13	1,654.87	
Housing Standards Bureau						
Other Expenses		8,000.00	8,000.00	2,100.00	5,900.00	
Division of Environmental Health						
Other Expenses		66,260.00	66,260.00	65,428.02	831.98	
Environmental Commission						
Salaries and Wages		2,000.00	2,000.00	1,650.00	350.00	
Other Expenses		2,000.00	2,000.00	450.00	1,550.00	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Division of Pound Keeper						
Other Expenses		105,000.00	105,000.00	105,000.00		
Senior Services						
Salaries and Wages		58,793.00	58,793.00	55,158.53	3,634.47	
Other Expenses		6,000.00	6,000.00	5,346.18	653.82	
Recreation Programs						
Salaries and Wages		139,687.00	139,687.00	136,924.97	2,762.03	
Other Expenses		143,500.00	143,500.00	91,123.29	52,376.71	
Department of Recreation						
Salaries and Wages		167,879.00	167,879.00	166,503.12	1,375.88	
Other Expenses		24,450.00	24,450.00	20,309.01	4,140.99	
Community Center						
Salaries and Wages		50,000.00	50,000.00	42,266.05	7,733.95	
Division of Parks Maintenance						
Salaries and Wages		438,237.00	443,237.00	441,198.39	2,038.61	
Bubbling Springs Recreation						
Salaries and Wages		280,000.00	291,000.00	290,425.60	574.40	
Other Expenses		75,000.00	69,000.00	68,683.22	316.78	
Municipal Court						
Salaries and Wages		275,160.00	275,160.00	265,043.78	10,116.22	
Other Expenses		37,900.00	37,900.00	16,353.60	21,546.40	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Public Defender						
Other Expenses		10,000.00	10,000.00	2,000.00	8,000.00	
Construction Official						
Salaries and Wages		442,117.00	446,117.00	428,571.74	17,545.26	
Other Expenses		52,300.00	52,300.00	43,272.10	9,027.90	
Celebration of Public Events						
Other Expenses		37,000.00	37,000.00	36,624.37	375.63	
Mass Transportation						
Salaries and Wages		49,548.00	49,548.00	42,422.76	7,125.24	
Accumulated Absences		50,000.00	50,000.00		50,000.00	
Street Lighting		84,000.00	84,000.00	76,534.47	7,465.53	
Electricity		143,600.00	168,600.00	153,001.64	15,598.36	
Telephone		150,000.00	150,000.00	140,955.31	9,044.69	
Natural Gas		59,900.00	59,900.00	49,506.47	10,393.53	
Gasoline		390,000.00	365,000.00	351,406.51	13,593.49	
Total Operations within "CAPS"		27,150,760.00	27,150,760.00	24,412,081.98	2,738,678.02	
Detail:						
Salaries and Wages	A-1	14,261,840.00	14,267,840.00	13,494,507.02	773,332.98	
Other Expenses	A-1	12,888,920.00	12,882,920.00	10,917,574.96	1,965,345.04	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		1,300,000.00	1,300,000.00	1,183,852.15	116,147.85	
Social Security System (O.A.S.I.)		700,000.00	700,000.00	675,503.27	24,496.73	
Police and Firemen's Retirement System		2,000,000.00	2,000,000.00	1,902,741.19	97,258.81	
Defined Contributions Retirement Program		18,000.00	18,000.00	17,448.06	551.94	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	4,018,000.00	4,018,000.00	3,779,544.67	238,455.33	
Total General Appropriations for Municipal Purposes within "CAPS"		31,168,760.00	31,168,760.00	28,191,626.65	2,977,133.35	
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library		1,545,246.00	1,545,246.00	1,272,529.50	272,716.50	
Reserve for Tax Appeals		50,000.00	50,000.00		50,000.00	
Emergency Services Volunteer Length of Service Award Program (P.L. 1997,c388)		140,000.00	140,000.00	88,000.00	52,000.00	
Shared Service Agreements						
Health Services						
Other Expenses		472,125.00	472,125.00	471,253.29	871.71	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Public and Private Programs Offset by Revenues						
Municipal Alliance on Alcoholism and Drug Abuse						
State Share		3,000.00	3,000.00	3,000.00		
ARP Firefighters Grant						
Recycling Tonnage Grant		28,559.43	28,559.43	28,559.43		
Local Recreation Improvement Grant		81,000.00	81,000.00	81,000.00		
NJDCA ROID Grant		10,000.00	10,000.00	10,000.00		
NJ Highlands Housing Elements & Fair Share		25,000.00	25,000.00	25,000.00		
NJ Highlands Stormwater Management Plan		50,000.00	50,000.00	50,000.00		
Drive Sober or Get Pulled Over		14,000.00	14,000.00	14,000.00		
Stigma Free Grant		1,998.00	1,998.00	1,998.00		
Clean Communities Program		91,474.85	91,474.85	91,474.85		
Strengthening Local Public Health Capacity Program		64,788.00	64,788.00	64,788.00		
Public and Private Programs Offset by Revenues (cont.)						
National Opioid Settlement		3,875.00	3,875.00	3,875.00		
Body Armor Replacement Fund		3,655.00	3,655.00	3,655.00		
Total Operations - Excluded from "CAPS"		2,584,721.28	2,584,721.28	2,209,133.07	375,588.21	
Detail:						
Other Expenses	A-1	2,584,721.28	2,584,721.28	2,209,133.07	375,588.21	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Capital Improvements:						
Capital Improvement Fund		310,000.00	310,000.00	310,000.00		
Purchase of Various Capital Equipment		197,686.00	197,686.00	197,686.00		
Total Capital Improvements Excluded from "CAPS"	A-1	507,686.00	507,686.00	507,686.00		
Municipal Debt Service:						
Payment of Bond Principal		1,635,000.00	1,635,000.00	1,635,000.00		
Payment of Bond Anticipation and Capital Notes		576,855.00	576,855.00	569,255.00		7,600.00
Interest on Bonds		457,875.00	457,875.00	457,875.00		
Interest on Notes		728,931.00	728,931.00	728,930.82		0.18
NJDEP Loan Interest		5,379.00	5,379.00	5,378.28		0.72
Total Municipal Debt Service-Excluded from "CAPS'	A-1	3,404,040.00	3,404,040.00	3,396,439.10		7,600.90
Deferred Charges:						
Amount to be Raised for Deficit in Assessment Cash		5,067.00	5,067.00	5,006.66		60.34
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	5,067.00	5,067.00	5,006.66		60.34
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		6,501,514.28	6,501,514.28	6,118,264.83	375,588.21	7,661.24

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2025

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Subtotal General Appropriations		37,670,274.28	37,670,274.28	34,309,891.48	3,352,721.56	7,661.24
Reserve for Uncollected Taxes		2,300,000.00	2,300,000.00	2,300,000.00		
Total General Appropriations		39,970,274.28	39,970,274.28	36,609,891.48	3,352,721.56	7,661.24
					A	
Adopted Budget	A-2		39,676,452.00			
Appropriated by (N.J.S.A. 40A:4-87)	A-2		293,822.28			
			39,970,274.28			
Analysis of Paid or Charged						
Reserve for Uncollected Taxes	A-2			2,300,000.00		
Cash Disbursed	A-4			32,472,853.99		
Encumbrances Payable	A-15			1,459,687.21		
Reserve for Grants	A-22			377,350.28		
				36,609,891.48		

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

Township of West Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	Ref.	2025	2024
Assets			
Assessment Fund:			
Cash - Treasurer	B-4/B-5	318,711.04	341,200.60
Assessments Receivable	B-6	601,671.82	186,259.74
Assessment Liens	B-7	2,000.00	2,000.00
Interfund - Current Fund	B-8	5,452.20	1,167.40
Amount to be Raised by Taxation:			
Cash Deficit	B-9	35,231.00	5,006.66
Prospective Assessments Funded	B-10		23,250.00
		963,066.06	558,884.40
Animal Control Trust Fund:			
Cash - Treasurer	B-4	45,177.58	21,897.51
		45,177.58	21,897.51
Other Trust Funds:			
Cash - Treasurer	B-4	4,378,333.63	4,321,880.48
Interfund - Current - Payroll Fund	B-8	3,437.30	1,306.95
		4,381,770.93	4,323,187.43
Open Space Trust Fund:			
Cash	B-4	3,891,028.72	2,844,649.05
Interfund - Current Fund	B-8	714.80	548,992.58
		3,891,743.52	3,393,641.63
Emergency Services Volunteer Length of Service Award Program - (Unaudited)			
Cash in Plan	B-4	4,175,424.92	3,908,350.08
Contributions Receivable	B-20	88,000.00	
		4,263,424.92	3,908,350.08
		13,545,183.01	12,205,961.05

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

Township of West Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

Liabilities, Reserves & Fund Balance	Ref.	2025	2024
Assessment Fund:			
Interfund - General Capital	B-8	490,618.94	32,469.00
Bond Anticipation Notes	B-11		44,831.00
Loan Payable - NJDEP - Gordon Lake	B-12	235,582.37	279,950.65
Reserve for Assessments and Liens	B-13	144,887.66	109,707.05
Fund Balance	B-1	91,977.09	91,926.70
		963,066.06	558,884.40
Animal Control Trust Fund:			
Reserve for Dog Fund Expenditures	B-14	26,667.96	21,889.11
Due to State Department of Health	B-15	4.20	8.40
Accounts Payable	B-16	18,505.42	
		45,177.58	21,897.51
Other Trust Fund:			
Interfund - Current Fund - Other Trust	B-8	121,200.00	37,800.00
Interfund - Current Fund - Escrow	B-8		10.80
Various Deposits Payable	B-18	618,608.16	602,554.16
Various Reserves	B-18	3,535,107.37	3,579,255.92
Payroll Deductions Payable	B-19	106,855.40	103,566.55
		4,381,770.93	4,323,187.43
Open Space Trust Fund:			
Municipal Open Space Tax	B-17	3,891,743.52	3,393,641.63
		3,891,743.52	3,393,641.63
Emergency Services Volunteer Length of Service Award Program - (Unaudited)			
Net Assets Available for Benefits	B-21	4,263,424.92	3,908,350.08
		4,263,424.92	3,908,350.08
		13,545,183.01	12,205,961.05

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

Exhibit B-1

Township of West Milford, N.J.

Comparative Schedule of Fund Balance - Regulatory Basis

Assessment Trust Fund

Year Ended December 31,

	Ref.	2025	2024
Balance - December 31, 2024	B	91,926.70	85,645.77
Increased by:			
Collection of Unpledged Assessments	B-13	50.39	6,280.93
Balance - December 31, 2025	B	91,977.09	91,926.70

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

Exhibit B-2

Township of West Milford, N.J.

Schedule of Revenues - Regulatory Basis

Assessment Trust Fund

Year Ended December 31, 2025

	Ref.	Budget Revenue	Realized
Assessment Cash		89,199.28	89,199.28
		B-3	

Exhibit B-3

Schedule of Expenditures - Regulatory Basis

Assessment Trust Fund

Year Ended December 31, 2025

	Ref.	Budget Appropriation	Expended
Payment of Bond Anticipation Notes	B-11	44,831.00	44,831.00
Payment of Loans	B-12	44,368.28	44,368.28
		89,199.28	89,199.28
		B-2	

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

Exhibit C

Township of West Milford , N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

	Ref.	2025	2024
Assets			
Cash	C-2/C-3	11,310,326.94	15,014,615.53
Various Receivables	C-4	1,205,335.00	254,695.42
Deferred Charges to Future Taxation:			
Funded	C-5	14,475,000.00	16,110,000.00
Deferred Charges to Future Taxation:			
Unfunded	C-6	24,298,597.06	21,072,640.00
Interfund - Assessment Trust Fund	C-12	490,618.94	32,469.00
Interfund - Current Fund	C-12		190,212.63
		51,779,877.94	52,674,632.58
Liabilities, Reserves and Fund Balance			
General Serial Bonds	C-7	14,475,000.00	16,110,000.00
Bond Anticipation Notes	C-8	21,850,185.00	18,178,440.00
Improvement Authorizations:			
Funded	C-9	2,552,498.49	3,153,728.20
Unfunded	C-9	11,828,654.23	13,413,301.39
Capital Improvement Fund	C-10	304,833.00	208,343.00
Various Reserves	C-11	60,014.13	993,139.58
Interfund - Current Fund	C-12	6,789.73	
Fund Balance	C-1	701,903.36	617,680.41
		51,779,877.94	52,674,632.58

Footnote: There were $2,448,412.06 and $2,894,200.00 of Bonds and Notes Authorized But Not Issued respectively per Exhibit C-13.

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

Exhibit C-1

Township of West Milford , N.J.

Comparative Statement of Fund Balance - Regulatory Basis

General Capital Fund

December 31,

	Ref.	2025	2024
Balance - January 1,	C	617,680.41	537,152.31
Increased by:			
Premium on Bonds and Bond Anticipation Notes	C-2	230,737.95	146,515.10
		848,418.36	683,667.41
Decreased by:			
Anticipated as 2025 Revenue	C-2	146,515.00	65,987.00
Balance - December 31,	C,C-3	701,903.36	617,680.41

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

Exhibit F

Township of West Milford , N.J.

Statement of General Fixed Assets - Regulatory Basis

December 31,

	2025	2024
General Fixed Assets:		
Construction in Progress	3,624,740.00	
Land and Buildings	27,022,500.00	27,492,300.00
Machinery and Equipment	22,793,511.27	22,337,879.27
	53,440,751.27	49,830,179.27
Investment in Fixed Assets	53,440,751.27	49,830,179.27

See accompanying notes to financial statements.

Exhibit G

Township of West Milford , N.J.

Comparative Balance Sheet - Regulatory Basis

Garbage District

December 31,

	Ref.	2025	2024
Assets			
Due from Current Fund	G-5	422,960.05	676,128.29
		422,960.05	676,128.29
Liabilities and Reserves			
Fund Balance	G-1	171,024.82	106,005.79
Appropriation Reserves	G-3/G-8	45,909.56	127,982.34
Commitments Payable	G-4	113,767.61	324,548.80
Reserve for Recycling	G-6	76,653.58	101,986.88
Reserve for Recycling Tonnage Grant	G-7	15,604.48	15,604.48
		422,960.05	676,128.29

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

Exhibit G-1

Township of West Milford , N.J.

Comparative Schedule of Fund Balance - Regulatory Basis

Garbage District

Year Ended December 31,

	Ref.		2025		2024
Balance - December 31, 2024	G		106,005.79		122,698.73
Increased by:					
Excess in Operating Revenues	G-2	4,135.59		4,120.44	
Canceled Commitments Payable	G-4	38,246.91		35,817.94	
Unexpended Appropriation Reserves	G-8	112,636.53		33,368.68	
			155,019.03		73,307.06
			261,024.82		196,005.79
Decreased by:					
Operating Surplus Anticipated	G-2		90,000.00		90,000.00
Balance - December 31, 2025	G		171,024.82		106,005.79

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

Exhibit G-2

Township of West Milford , N.J.

Statement of Revenues - Regulatory Basis

Garbage District

Year Ended December 31, 2025

	Ref.	Budget	Realized	(Deficit)
Operating Surplus Anticipated	G-1	90,000.00	90,000.00	
Reserve for Recycling	G-6	100,000.00	100,000.00	
Amount to be Raised by Taxation	G-5	3,145,496.00	3,149,631.59	4,135.59
Total Garbage District Revenues		3,335,496.00	3,339,631.59	4,135.59
				G-1

Exhibit G-3

Statement of Expenditures - Regulatory Basis

Garbage District

Year Ended December 31, 2025

	Budget	Modified by Transfers	Paid or Charged	Reserved
Salaries and Wages	159,346.00	144,346.00	127,174.08	17,171.92
Other Expenses	76,150.00	96,150.00	96,017.20	132.80
Contractual Services	2,100,000.00	2,100,000.00	2,100,000.00	
Disposal Fees	1,000,000.00	995,000.00	966,395.16	28,604.84
Total Garbage District Expenditures	3,335,496.00	3,335,496.00	3,289,586.44	45,909.56
				G

	Ref.	
Commitments Payable	G-4	113,767.61
Interfund Current Fund	G-5	3,175,818.83
		3,289,586.44

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

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Township of West Milford have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Township of West Milford (the "Township") operates under a Mayor and Council administrative plan created by N.J.S.A. 40:69A-149.1 et. sq. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the Public Library, Volunteer Fire Department and the First Aid Squad which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Township has the following funds:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Assessment Trust - This fund deals with the handling of special assessment levies against property for the cost of an improvement, the whole or a part of which costs are levied against the property receiving the benefit.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal Control Trust Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

Payroll Fund - Receipts and disbursements of payroll withholding that the Township collects on the behalf of various agencies as their agents.

Emergency Services Volunteer Length of Service Award Program - This fund is used to account for the cumulative amount of each participant's length of service awards, including any income, gains, losses, or increases or decreases in market value attributable to the investment of the participant's length of service awards.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Garbage District Fund - This fund is used to account for resources and expenditures for the collection and disposal of solid waste in the Township.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

General Fixed Asset Account Group - To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the Township of West Milford. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of $1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the fiscal year levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the current fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Township is not required to adopt budgets for the following funds:

General Capital Fund
Trust Fund

The governing body shall introduce and approve the annual budget not later than March 31, of the fiscal year. The budget shall be adopted not later than April 30, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item(salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Administration has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2025, the Township Council increased the original budget by $293,822.28. This increase was funded by additional grants allotted the Township. In addition, several budget transfers were approved by the governing body.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

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

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

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

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

Interfunds - 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. GAAP does not require the establishment of an offsetting reserve.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

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

Inventories - 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 balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Township of West Milford has developed a fixed assets accounting and reporting system as promulgated by the Division of Local Government Services which differs in certain respects from generally accepted accounting principles.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

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

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates - The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data have not been presented in all statements and notes because their inclusion would make certain statements and notes unduly complex and difficult to understand.

Recently Issued Accounting Pronouncements

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

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

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

Recently Issued Accounting Pronouncements, (continued)

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its' effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. Management is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.

In September 2024, the Government Accounting Standards Board issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement will provide users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025. Management is currently reviewing the provisions of this Statement and its effect on the financial statements of the Township.

In December 2025, the Government Accounting Standards Board issued GASB Statement No. 105, *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. The Township is determining what effects, if any, this pronouncement will have on future financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Basic Financial Statements

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

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2025, $-0- of the Township's bank balance of $38,165,035.00 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Concentration of Credit Risk

The Township places no limit on the amount the Township may invest in any one issuer.

Unaudited Investments

As more fully described in Note 16, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by AIG, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2025 and 2024 amounted to $4,175,424.92 and $3,908,350.08, respectively.

The following investments represent 5% or more of the total invested with AIG on December 31, 2025 and 2024:

	2025	2024
Index Funds	$505,798.35	$464,301.10
Money Market Funds	1,029,079.60	1,010,675.69
Fixed Income	468,234.74	461,883.03
Growth and Income	1,165,998.52	1,041,310.08
Value Funds	453,832.95	452,482.25
All Others	552,480.76	477,697.93
	$4,175,424.92	$3,908,350.08

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NOTE 3. LONG TERM DEBT

Long-term debt as of December 31, 2025 consisted of the following:

	Balance Dec. 31, 2023	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds Payable:					
General Obligation Debt	$16,110,000.00	$	$1,635,000.00	$14,475,000.00	$1,685,000.00
Other Liabilities:					
NJDEP Loan	279,950.65		44,368.28	235,582.37	45,260.08
Compensated Absences Payable	1,550,532.68	360,734.19	202,151.70	1,709,115.17	
	$17,940,483.33	$360,734.19	$1,881,519.98	$16,419,697.54	$1,730,260.08

SUMMARY OF MUNICIPAL DEBT

	Year 2025	Year 2024	Year 2023
Issued:			
General:			
Bonds, Loans and Notes	$36,325,185.00	$34,288,440.00	$34,571,615.00
Assessment:			
Bonds, Loans and Notes	235,582.37	324,781.65	400,744.70
Total Issued	36,560,767.37	34,613,221.65	34,972,359.70
Less:			
Funds Temporarily Held to Pay Bonds and Notes			
General	791.61	918,134.37	1,836,288.37
Assessment	202,475.78	222,978.96	236,587.13
Total Deductions	203,267.39	1,141,113.33	2,072,875.50
Net Debt Issued	36,357,499.98	33,472,108.32	32,899,484.20
Authorized But Not Issued:			
General:			
Bonds and Notes	2,448,412.06	2,894,200.00	464,950.00
Total Authorized But Not Issued	2,448,412.06	2,894,200.00	464,950.00
Net Bonds and Notes Issued and Authorized But Not Issued	$38,805,912.04	$36,366,308.32	$33,364,434.20

NOTE 3. LONG TERM DEBT, (continued)

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statements and indicates a statutory net debt of .841%.

	Gross Debt	Deductions	Net Debt
Local School District	$2,475,000.00	$2,475,000.00	$
Assessment Debt	235,582.37	202,475.78	33,106.59
General Debt	38,773,597.06	791.61	38,772,805.45
	$41,484,179.43	$2,678,267.39	$38,805,912.04

Net Debt $38,805,912.04 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, $4,612,565,273.00 = .841%.

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

3 ½% of Equalized Valuation Basis (Municipal)	$161,439,784.56
Net Debt	38,805,912.04
Remaining Borrowing Power	$122,633,872.52

The Township's long term debt consisted of the following at December 31, 2025:

Paid by Assessment Fund:	
Loan Payable - NJDEP - dated November 1, 2004 with an interest rate of 2% payable in installments through 2030	$235,582.37
Paid by Current Fund:	
General Bonds - General Bonds of 2016 with an interest rate of 2%-3% issued January 20, 2016 due through January 15, 2036	3,970,000.00
General Bonds - General Bonds of 2022 with an interest rate of 2.25%-3.00% issued August 31, 2022 due through September 15, 2032	10,505,000.00
	$14,710,582.37

NOTE 3. LONG TERM DEBT, (continued)

General capital and assessment serial bonds are direct obligations of the Township which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Township and/or assessment revenues.

The Township did not have any authorized but not issued debt.

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING

	General Bonds		
Year	Principal	Interest	Total
2026	$1,685,000.00	$418,625.00	$2,103,625.00
2027	1,735,000.00	371,325.00	2,106,325.00
2028	1,785,000.00	322,525.00	2,107,525.00
2029	1,850,000.00	271,287.50	2,121,287.50
2030	1,915,000.00	216,425.00	2,131,425.00
2031-2035	5,125,000.00	345,450.00	5,470,450.00
2036	380,000.00	5,700.00	385,700.00
	$14,475,000.00	$1,951,337.50	$16,426,337.50

NOTE 4. BOND ANTICIPATION NOTES

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

NOTE 4. BOND ANTICIPATION NOTES, (continued)

On December 31, 2025, the Township had $21,850,185.00 in outstanding general capital bond anticipation notes maturing on September 11, 2026 at an interest rate of 3.75%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2025.

	Beginning Balance	Additions	Reductions	Ending Balance
Notes Payable:				
Jefferies LLC	$18,223,271.00	$	$18,223,271.00	$
Truist Securities		21,850,185.00		21,850,185.00
	$18,223,271.00	$21,850,185.00	$18,223,271.00	$21,850,185.00

NOTE 5. LOAN AGREEMENTS

The Township of West Milford has entered into loan agreements with the State of New Jersey Department of Environmental Protection. The loans are payable over 26 years from November 1, 2004, the date of the final drawdown payment, through November 1, 2030. The loans of $2,702,000.00 are at an interest rate of 2.00%.

Following are the remaining maturities and debt schedules for the outstanding principal and interest on the loan:

Year	Principal	Interest	Total
2026	$45,260.08	$4,486.47	$49,746.55
2027	46,169.80	3,576.74	49,746.54
2028	47,097.82	2,648.73	49,746.55
2029	48,044.49	1,702.07	49,746.56
2030	49,010.18	736.37	49,746.55
	$235,582.37	$13,150.38	$248,732.75

NOTE 6. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2025, the Township had the following deferred charges on the balance sheets of the various funds.

Assessment Trust Fund:	
Cash Deficit	$35,231.00

The appropriations in the Budget are no less than that required by the statute.

NOTE 7. LOCAL DISTRICT SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the School District.

The Township has elected to defer school taxes.

The calculation of the Local District School Tax balances and deferrals are as follows:

	Balance	
	2025	2024
Balance of Tax	$34,426,442.00	$32,870,876.00
Deferred	34,426,442.00	32,870,876.00
Taxes Payable	$0.00	$0.00

NOTE 8. PENSION PLANS

Description of Plans:

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's annual financial statements, which can be found at www.nj.gov/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. 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 $1/55^{th}$ 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 $1/60^{th}$ of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit 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

NOTE 8. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS), (continued)

Benefits Provided, (continued)

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.

Police and Firemens' Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's annual financial statements, which can be found at www.nj.gov/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 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, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

NOTE 8. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012. The Township of West Milford opted for this deferral in the amount of $890,136.00.

Of this amount, $376,797.00 represents the Public Employees' Retirement System deferral and $513,339.00 represents the Police and Firemens' Retirement System deferral.

NOTE 8. PENSION PLANS, (continued)

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS.

The Township's contribution to the various plans, equal to the required contributions for each year, were as follows:

Year	PERS	PFRS	DCRP
2025	$1,191,622.00	$1,830,850.00	$17,448.06
2024	1,181,892.00	1,716,214.00	14,638.39
2023	1,038,456.00	1,570,007.00	10,116.76

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NOTE 8. PENSION PLANS, (continued)

Contribution Requirements, (continued)

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

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

Public Employees Retirement System (PERS)

At June 30, 2025, the Township had a liability of $9,637,985.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2024, the Township's proportion was .0783662028 percent, which was a decrease of .0092066695 percent from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the Township recognized pension expense of $1,183,852.15.

NOTE 8. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

At June 30, 2025, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$274,797	$10,299
Changes of assumptions	1,522	111,038
Net difference between projected and actual earnings on pension plan investments		803,681
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	416,440	1,173,707
Total	$692,759	$2,098,725

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2025) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2026	$178,506
2027	(372,583)
2028	(287,507)
2029	(168,296)
2030	1,181

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.15, 5.08, 5.08, 5.04, 5.13, and 5.16 years for 2025, 2024, 2023, 2022, 2021, and 2020 amounts, respectively.

NOTE 8. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2025 and June 30, 2024 are as follows:

	June 30, 2025	June 30, 2024
Collective deferred outflows of resources	$1,093,964,592	$1,079,580,780
Collective deferred inflows of resources	1,921,744,319	1,611,322,898
Collective net pension liability	12,298,650,125	13,588,045,796
Township's Proportion	0.0783662028%	0.0875728723%

Actuarial Assumptions

The collective total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which rolled forward to June 30, 2025. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	3.25-7.75% (based on years of service)
Investment Rate of Return	7.00 Percent

NOTE 8. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2016 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2016 General Below-Median Income Healthy Retiree mortality table with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2016 Non-Safety Disabled Retiree mortality table with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Mortality improvement based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2024.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025) 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 real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2025 are summarized in the following table:

NOTE 8. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.55%
Non-U.S. Developed Market Equity	12.75%	8.77%
International Small Cap Equity	1.25%	8.77%
Emerging Market Equity	5.50%	10.30%
Private Equity	13.00%	12.00%
Real Estate	8.00%	10.78%
Real Assets	3.00%	7.90%
High Yield	4.50%	6.63%
Private Credit	8.00%	9.00%
Investment Grade Credit	7.00%	5.47%
Cash Equivalents	2.00%	3.61%
U.S. Treasuries	4.00%	3.61%
Risk Mitigation Strategies	3.00%	7.26%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 8. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2025, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2025		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Township's proportionate share of the pension liability	$13,193,828	$9,637,985	$6,607,463

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retireement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At June 30, 2025, the Township had a liability of $12,986,346 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025.The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2025, the Township's proportion was .1294875188 percent, which was a decrease of .0028720715 percent from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the Township recognized pension expense of $1,830,850.00.

NOTE 8. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

At June 30, 2025, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in actual and expected experience	$1,063,927	$246,816
Changes of assumptions	649,574	164,173
Net difference between projected and actual earnings on pension plan investments		636,169
Changes in proportion and differences between Township contributions and proportionate share of contributions	764,619	1,118,371
Total	$2,478,120	$2,165,529

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2025) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2026	$725,940
2027	(207,665)
2028	(107,336)
2029	57,027
2030	198,377

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.86, 6.09, 6.16, 6.22, 6.17, and 5.90 years for 2025, 2024, 2023, 2022, 2021, and 2020 amounts, respectively.

NOTE 8. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2025 and June 30, 2024 are as follows:

	June 30, 2025	June 30, 2024
Collective deferred outflows of resources	$1,956,190,968	$1,350,388,724
Collective deferred inflows of resources	1,441,590,785	1,421,121,200
Collective net pension liability	10,029,033,268	10,326,599,453
Township's Proportion	0.1294875188%	0.1323595903%

Actuarial Assumptions

The collective total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which rolled forward to June 30, 2025. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.50%
Wage	3.00%
Salary Increases:	All Future Years 4.00 – 17.50% based on years of service
Investment rate of return:	7.00%

NOTE 8. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Mortality Rates

Employee mortality rates were based on the Pub-2016 Safety Employee mortality tables projected generationally from 2016 with Scale MP-2021. 5% of deaths are assumed to be accidental. Healthy annuitants, mortality rates were 100% of the Pub-2016 Safety Retiree Below Median amount-weighted mortality tables for males and 98% of the Pub-2016 Safety Retiree Below Median amount-weighted mortality tables for females, projected generationally from 2016 with Scape MP-2021 mortality projection. For contingent annuitants, mortality rates were 100% of the Pub-2016 Contingent Survivor Below Median amount-weighted mortality tables for males and 102% Pub-2016 Contingent Survivor Below Median amount-weighted tables for females, projected generationally from 2016 with Scale MP-2021. Disability mortality rates were 134% of the Pub-2016 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2016 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2016 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2024.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025) is determined by the State Treasurer, after consultation with the PFRS Board of Trustees, and 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 real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2025 are summarized in the following table:

NOTE 8. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 8. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2025, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2025		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Township's proportionate share of the pension liability	$18,891,830	$12,986,346	$8,059,313

Special Funding Situation PFRS

Under N.J.S.A. 43:16A-15, the Township is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions 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 Township by the State 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. Accordingly, the Township's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At June 30, 2025 and 2024, the State proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is $2,636,194 and $2,694,665, respectively. For the years ended June 30, 2025 and 2024, the pension system has determined the State's proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is $312,466 and $310,000, respectively, which is the same as the actual contributions the State made on behalf of the Township of $312,466 and $309,999 respectively. The State's proportionate share attributable to the Township was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Township's financial statements.

NOTE 8. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

NOTE 9. OTHER POST EMPLOYMENT BENEFITS

In addition to the pension described in Note 8, the Township provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, 1981 at its cost.

Since the Township is not in the SHB plan, as per GASB 75, actuarial reports are due every two years. The following information is based on the actuarial report as of December 31, 2024. The Township paid $2,129,589 towards retiree health benefits in 2025.

General Information about the OPEB Plan

The Township's defined benefits OPEB plan provides OPEB for all employee's that (1) have retired on disability pension and (2) employees who have retired with at least 15 years of service to the Township. The plan is a single-employer defined benefit OPEB plan administered by the Township. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Employees Covered by Benefit Terms: At December 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	168
Active employees	111
	279

NOTE 9. OTHER POST EMPLOYMENT BENEFITS, (continued)

Total OPEB Liability

At December 31, 2024, the Township had a liability of $63,123,742 for its OPEB liability. The OPEB liability was measured as of December 31, 2024 and was determined by an actuarial valuation as of that date.

OPEB Expense

For the year ended December 31, 2024, the Township recognized OPEB expense of $4,025,361.

Actual Assumptions and Other Inputs

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Basis of Valuation

This valuation has been conducted as of December 31, 2024 based upon census, plan design and cost information provided by The Fund. Census includes 168 retirees and spouses currently receiving retiree benefits, and 111 active participants of whom 7 are eligible to retire as of the valuation date. The average age of the active population is 44 and the average age of the retiree population is 69.

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard Number 75.

Demographic assumptions were selected based on those used in by the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2023 report from Cheiron. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP number OPEB requirements taken from the July 1, 2023 GASB 75 report from Aon Consultants.

NOTE 9. OTHER POST EMPLOYMENT BENEFITS, (continued)

Key Actuarial Assumptions

Mortality	*PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021*
Turnover	*NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility*
Assumed Retirement Age	*At first eligibility after the completion of 25 years of service*
Full Attribution Period	*Service to Assumed Retirement Age*
Annual Discount Rate	*4.08% Based on the Bond Buyer 20 Index December 31, 2024* *4.83% Based on the Bond Buyer 20 Index December 31, 2025*
CPI Increase	*2.5%*
Rate of Salary Increase	*2.5%*
Medical Travel	*Medical: 7.5% in 2025, reducing by .05% per annum through 2029, then 0.25% per annum, leveling at 4.5% per annum in 2023* *Prescription Drug: 12.75% in 2025, 12.25% in 2026, 11.25% in 2027, 10% in 2028, reducing by 1.00% per annum, leveling at 4.5% per annum in 2034* *Medicare Advantage: 4.5% per annum* *Dental and Vision: 3.5% per annum*
Medical Cost Aging Factor	*NJ SHBP Medical Morbidity Rates*

- Attribution period – The attribution period begins with the date of hire and ends with full benefits eligibility date.

- Per capita cost methods – The valuation reflects per capita net premium costs based on actual 2024 medical premiums and the plan option selected. Plan selections are assumed to remain unchanged in retirement. The age specific cost was derived based on per person costs at the average age of the active population (44) and scaled to each age based on the medical cost aging factors until age 65. At age 65, Medicare Advantage becomes the primary payor of medical benefits and aging factors are not applied.

- Retiree contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the

NOTE 9. OTHER POST EMPLOYMENT BENEFITS, (continued)

Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employees contribution as reported by the Township increased annually by the rate of medical trend.

- Actuarial valuation method – Entry Age Normal Funding Method based on a level percentage of salary. 2024 salaries were reported as $9.876 million.

Changes in Net OPEB Liability FYE 2022

Discount Rate (Proj.)	**4.08%** FYE 12/31/2024
Investment Return Rate (Proj.)	**N/A; Index will apply**

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at 1/1/2023	$58,433,123	$	$58,433,123
Change	4,690,619		4,690,619
Balances at 12/31/2024	$63,123,742	$	$63,123,742

TOTAL GASB #75 Expense for FYE 2023

A) GASB #75 Regular Expense

Service Cost	$681,115
Interest Cost	1,899,407
Recognition of Experience Changes	506,196
Recognition of Assumption Changes	938,643
GASB #75 Annual OPEB Cost Regular Expense	$4,025,361

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Township's Net OPEB liability as well as what the Township's Net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 3.08%	At Current Discount Rate 4.08%	1% Increase 5.08%
Township's Net OPEB Liability	$71,110,981	$63,123,742	$56,656,742

NOTE 9. OTHER POST EMPLOYMENT BENEFITS, (continued)

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

The following presents the Township's Net OPEB liability as well as what the Township's Net OPEB liability would be if it were calculated using a medical inflation rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Healthcare Trend Rate	1% Increase
Township's Net OPEB Liability	$57,137,746	$63,123,742	$70,460,162

NOTE 10. FUND BALANCES

Fund balances as of December 31, 2025 and 2024 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2026 and 2025 were as follows:

	2026	2025
Current Fund	$6,790,000.00	$5,900,000.00
Garbage District	$120,000.00	$90,000.00

NOTE 11. FIXED ASSETS

The following is a summary of changes in the general fixed asset account group for the year 2025:

	Balance Dec. 31, 2024	Additions	Deletions	Balance Dec. 31, 2025
Construction in Progress	$	$3,624,740.00	$	$3,624,740.00
Land and Buildings	27,492,300.00		469,800.00	27,022,500.00
Machinery and Equipment	22,337,879.27	830,869.00	375,237.00	22,793,511.27
	$49,830,179.27	$4,455,609.00	$845,037.00	$53,440,751.27

NOTE 12. ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick and vacation time, which may be taken as time off or paid at a later date at an agreed upon rate. This amounted to $1,709,115.17 as of December 31, 2025. It is expected that the payments will be budgeted as the amounts are used.

NOTE 13. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2025 consist of the following:

$2,774,703.65	Due to Current Fund from Federal and State Grant Fund for grant expenditures paid by Current Fund.
121,200.00	Due to Current Fund from Other Trust Fund for Current Fund receipts deposited in Other Trust Fund.
6,789.73	Due to Current Fund from General Capital Fund for General Capital expenditures paid by Current Fund.
5,452.20	Due to Assessment Trust Fund from Current Fund for Assessment Trust Fund receipts deposited in Current Fund.
3,437.30	Due to Other Trust Payroll Fund from Current Fund for Current Fund expenditures paid by Other Trust Payroll Fund.
714.80	Due to Open Space Trust Fund from Current Fund for Open Space Receipts deposited in Current Fund.
490,618.94	Due to General Capital Fund from Assessment Trust Fund for Assessment Trust Fund expenditures paid by General Capital Fund.
422,960.05	Due to Garbage Fund from Current Fund for garbage tax levy.
$3,825,876.67	

NOTE 14. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance Dec 31, 2025	Balance Dec 31, 2024
Prepaid Taxes	$1,204,983.27	$774,311.07
Cash Liability for Taxes Collected in Advance	$1,204,983.27	$774,311.07

NOTE 15. RISK MANAGEMENT

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2023 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Township of West Milford is currently a member of the Morris County Joint Insurance Fund (the "Fund"). The Fund provides their members with Liability, Property and Workers' Compensation and Employer Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self administered group of municipalities established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund is elected.

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

NOTE 15. RISK MANAGEMENT, (continued)

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Financial statements for the Fund is available at the office of the Fund's Administrator, Inservco, Inc.

The Township, along with eight (8) other municipalities, is enrolled in the North Jersey Municipal Employee Benefits Fund (the"Plan"). The Plan, which is administered by the Insurance Design Administrators, had a limit of liability of $125,000.00 per employee with an aggregate stop loss of $5,000,000.00 per individual lifetime.

Financial statements of the Plan are available at the office of the Executive Director, PERMA, Inc.

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 Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and previous two years:

Year Ended Dec. 31,	Interest Earnings/ Township Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2025	$11,860.53	$21,150.13	$4,632.18	$496,605.27
2024	11,509.87	21,314.59	19,344.17	468,226.79
2023	5,749.19	19,752.75	23,780.95	454,746.50

NOTE 16. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On September 24, 2001, the Division of Local Government Services approved the Township's LOSAP plan, provided by Variable Annuity Life Insurance Company (VALIC). The purpose of this plan is to enhance the Township's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

VALIC will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall have minimum and maximum contribution requirements as follows: the minimum contribution for each participating active volunteer member shall be $100 per year of active emergency service and the maximum contribution for each active volunteer member shall be $1,150 per year of active emergency service, subject to periodic increases as permitted. The Township's contribution shall be included in the current year's budget.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2025 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 17. COMMITMENTS AND CONTINGENT LIABILITIES

We are advised by the Township Counsel that the Township is involved in several legal suits that are either covered by the Township's insurance carrier or normal for a Township this size. We are also advised of the following:

A. Newark v. West Milford: This matter involves tax appeals for the years 2014-2025 filed in connection with the watershed property situated in the Township that is owned by the City of Newark, which altogether has an assessed value of approximately $43,263,400. Appeals on this property have been filed by both the Township, seeking an increase to the assessments of the property, and by the City of Newark, seeking a reduction to these assessments. In 2024, after years of litigation, the New Jersey Tax Court issued a judgement in the Township's favor regarding tax years 2014-2021, resulting in no tax refund to the City of Newark from the Township. This decision has now been affirmed by the Appellate Division, but the City of Newark has indicated that it will be seeking review by the Supreme Court of New Jersey. The Township is in a very strong position because of the opinion issued by the Tax Court, and as has now been affirmed by the Appellate Division, but it is still important to note that, if the City of Newark were successful in obtaining a reversal of the decision of the Tax Court, then the Township could technically be obligated to refund taxes in an amount exceeding $10,000,000.

B. The Township is involved in several other tax appeals. The tax refund exposure is not known at this time.

NOTE 18: SUBSEQUENT EVENT

The Township has evaluated subsequent events through June 8, 2026, the date which the financial statements were available to be issued, no items were noted for disclosure.

APPENDIX C

FORM OF APPROVING LEGAL OPINION

HAWKINS

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September 10, 2026

Township Council of The
Township of West Milford, in the
County of Passaic, New Jersey

Ladies and Gentlemen:

We have acted as bond counsel to The Township of West Milford, in the County of Passaic, a municipal corporation of the State of New Jersey (the "Township"), and have examined a record of proceedings relating to the issuance by the Township of a Bond Anticipation Note in the denomination of $25,471,830 (the "Note"). The Note is dated September 10, 2026, matures on September 10, 2027 and bears interest at the rate of _______ per centum (______%) per annum payable at maturity, is issued in registered form, is transferable as therein provided, and is issued pursuant to the Local Bond Law of the State of New Jersey, and by virtue of a bond ordinance or ordinances of the Township and a resolution of its governing body adopted August 12, 2026.

The Note is a temporary obligation issued in anticipation of the issuance of bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Note in order that interest on the Note be and remain excluded from gross income under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of the Township delivered in connection with the issuance of the Note which contains provisions and procedures regarding compliance with the requirements of the Code. By said Arbitrage and Use of Proceeds Certificate, the Township has certified that, to the extent it is empowered and allowed under applicable law, it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest paid on the Note is excludable from gross income under Section 103 of the Code. In rendering this opinion, we have assumed that the Township will comply with the provisions and procedures set forth in its Arbitrage and Use of Proceeds Certificate.

In our opinion, the Note is a valid and legally binding obligation of the Township, payable in the first instance from the proceeds of the sale of the bonds in anticipation of the issuance of which the Note is issued but, if not so paid, payable ultimately from ad valorem taxes which may be levied upon all the taxable property within the Township without limitation as to rate or amount. The enforceability of rights or remedies with respect to the Note may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

In our opinion, under existing statutes and court decisions, interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however interest on the Note is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in our opinion, under existing statutes, interest on the Note is not included in gross income under the New Jersey Gross Income Tax Act.

Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the Township other than the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to the purchaser of the Note.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We have examined the executed Note above described and, in our opinion, the form of the Note and its execution are regular and proper.

Very truly yours,