OFFICIAL STATEMENT DATED MAY 8, 2025

NEW ISSUE **NOT RATED**

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, assuming continuing compliance by the Township (as hereinafter defined) with certain tax covenants described herein, under existing law, interest on the Notes (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations. In addition, interest on the Notes and any gain from the sale thereof are not included in the gross income of owners thereof under the New Jersey Gross Income Tax Act, as presently executed and construed. See "TAX MATTERS" herein.

$18,718,500
TOWNSHIP OF PENNSAUKEN
County of Camden, New Jersey
BOND ANTICIPATION NOTES OF 2025, SERIES A
Consisting of:
$14,985,000 General Capital Improvement Notes
$3,733,500 Golf Course Utility Notes
Interest Rate: 4.75%
Yield: 3.25%
CUSIP*: 708475TX6
(Non-Callable)

$780,000
TOWNSHIP OF PENNSAUKEN
County of Camden, New Jersey
SPECIAL EMERGENCY NOTES OF 2025, SERIES A
Interest Rate: 3.73%
Yield: 3.73%
(Non-Callable)

Dated: Date of Delivery **Due: May 22, 2026**

The: (i) $18,718,500 principal amount of Bond Anticipation Notes of 2025, Series A ("BAN" or "BANs"); and (ii) $780,000 principal amount of Special Emergency Notes of 2025, Series A ("SEN"; together with the BAN, the "Notes"), of the Township of Pennsauken, County of Camden, New Jersey ("Township"), and any interest thereon are payable from *ad valorem* taxes levied upon all the taxable property within the Township without limitation as to rate or amount, as more fully described herein. The BAN consists of: (i) $14,985,000 principal amount of General Capital Improvement Notes; and (ii) $3,733,500 principal amount of Golf Course Utility Notes.

The SEN will be issued in bearer form. The BANs will be issued as fully registered notes in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), which will maintain a book-entry system for recording ownership interests of DTC Participants. Individual purchases of beneficial ownership interests in the BANs may be made in book-entry form only on the records of DTC and its Participants and only in the principal amount of $5,000, or any integral multiple of $1,000 in excess thereof, or in such amount necessary to issue the principal amount of the BANs. Beneficial Owners of the BANs will not receive certificates representing their interests in the BANs. As long as Cede & Co. is the registered owner, as nominee of DTC, references in this Official Statement to the registered owners shall mean Cede & Co., and not the Beneficial Owners of the BANs.

Principal and interest on each series of the Notes will be payable by the Township or a duly designated paying agent (if any) at the respective maturity dates thereof. Each series of the Notes will bear interest at the respective rates per annum indicated above, commencing from their date of delivery. Interest on each series of the Notes will be payable on the maturity date thereof. While DTC is acting as securities depository for the BANs, the principal of and interest on the BANs will be payable by wire transfer to DTC or its nominee, which is obligated to remit such principal and interest payments to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such principal and interest payments to the Beneficial Owners of the BANs. The Notes are not subject to redemption prior to their respective maturity dates.

The BAN is authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2022-08, 2023-05, 2023-11, 2023-17, 2023-30, 2024-08, 2024-09 and 2024-11, each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May 8, 2025.

The SEN is authorized to be issued pursuant to: (i) the Local Budget Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented; (ii) ordinance 2023-09, duly and finally adopted by the Township Committee; (iii) a resolution adopted by the Township Committee on April 3, 2025; and (iv) a Certificate of Determination and Award, executed by the Chief Financial Officer of the Township on May 8, 2025.

The BAN is being issued by the Township to provide funds which, will be used to: (i) temporarily finance the costs of capital improvements and the acquisition of various capital equipment by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Township; (ii) temporarily finance the cost of various capital improvements for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the BAN.

The SEN is being issued by the Township to provide funds which, along with other available funds of the Township, will be used to: (i) temporarily finance the cost of a special emergency appropriation of the Township for a complete program of revaluation of real property by the repayment at maturity of the principal of certain special emergency notes heretofore issued by the Township; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the SEN.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision.

The Notes are offered when, as and if issued and subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Counsel, Christopher A. Orlando, Esquire, of the law firm of Parker McCay P.A., Mount Laurel, New Jersey. Acacia Financial Group, Inc., Mount Laurel, New Jersey has served as Municipal Advisor to the Township in connection with the Notes. The Notes are expected to be available for delivery in definitive form through DTC in Brooklyn, New York on or about May 23, 2025.

BNY Mellon Capital Markets, LLC
BAN Purchaser

1st COLONIAL COMMUNITY BANK
SEN Purchaser

TOWNSHIP OF PENNSAUKEN
COUNTY OF CAMDEN, NEW JERSEY

Mayor and Township Committee

Name	Title
Nicole Roberts	Mayor
Jessica Rafeh	Deputy Mayor
Marco DiBattista	Committeeperson
Vince Martinez	Committeeperson
Patrick Olivo	Committeeperson

Township Administrator
Tim Killion

Chief Financial Officer
Elizabeth Peddicord

Township Clerk
Pamela Scott-Forman

Solicitor
Christopher A. Orlando, Esq.
Parker McCay P.A.
Mount Laurel, New Jersey

Auditor
Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel
Parker McCay P.A.
Mount Laurel, New Jersey

Municipal Advisor
Acacia Financial Group, Inc.
Mount Laurel, New Jersey

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

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

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

Upon issuance, the Notes will not be registered under the Securities Act of 1933, as amended, will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other federal, State, municipal or other governmental entity will have passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER AND/OR PURCHASER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

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

TABLE OF CONTENTS

OFFICIAL STATEMENT
Relating to

$18,718,500
TOWNSHIP OF PENNSAUKEN
County of Camden, New Jersey
BOND ANTICIPATION NOTES OF 2025, SERIES A
Consisting of:
$14,985,000 General Capital Improvement Notes
$3,733,500 Golf Course Utility Notes
(BOOK-ENTRY ONLY) (NON-CALLABLE)

$780,000
TOWNSHIP OF PENNSAUKEN
County of Camden, New Jersey
SPECIAL EMERGENCY NOTES OF 2025, SERIES A
(NON-CALLABLE)

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Pennsauken, County of Camden, New Jersey ("Township"), in connection with the sale and the issuance of its: (i) $18,718,500 principal amount of Bond Anticipation Notes of 2025, Series A ("BAN" or "BANs"); and (ii) $780,000 Special Emergency Notes of 2025, Series A ("SEN", together with the BAN, the "Notes"). The BAN consists of: (i) $14,985,000 principal amount of General Capital Improvement Notes; and (ii) $3,733,500 principal amount of Golf Course Utility Notes. This Official Statement has been executed by and on behalf of the Township by the Chief Financial Officer and may be distributed in connection with the sale of the Notes.

THE NOTES

Each series of Notes shall be dated and shall bear interest from their date of delivery and shall mature on the date and in the amount shown on the front cover page hereof. The Notes shall bear interest, payable at maturity, at the respective rates shown on the front cover page hereof. Interest on each series of the Notes shall be calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year. The Notes are not subject to redemption prior to their stated maturity dates.

The SEN will be issued in bearer form. The BANs will be issued as fully registered notes in book-entry only form, if applicable, and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as securities depository for the BANs. Principal of and interest on the BANs will be payable by the Township or a duly designated paying agent on the date of maturity by wire transfer of immediately available funds to DTC or its nominee. Purchases of beneficial interests in the BANs will be made in book-entry only form, without certificates, in denominations of $5,000, or any integral multiple of $1,000 in excess thereof, or in such amount necessary to issue the principal amount of the BANs, through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in the BANS are exchangeable for one or more fully registered note certificates in authorized denominations.

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

AUTHORIZATION AND PURPOSE OF THE NOTES

BAN

The BAN is authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented (“Local Bond Law”); (ii) bond ordinances 2022-08, 2023-05, 2023-11, 2023-17, 2023-30, 2024-08, 2024-09 and 2024-11 (collectively, the “Bond Ordinances”), each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May 8, 2025.

The BAN is being issued by the Township to provide funds which, will be used to: (i) temporarily finance the costs of capital improvements and the acquisition of various capital equipment by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Township; (ii) temporarily finance the costs of various capital improvements for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the BAN. The following tables sets forth certain information with respect to the Bond Ordinances authorizing the BAN.

Bond Ordinances

General Capital Improvement Ordinances

Ordinance Number	Description	Notes Authorized	Prior Notes Outstanding	Amount of Notes to be Issued
2023-05	Various Capital Improvements and the Acquisition of Various Capital Equipment	$2,414,900	$2,414,900	$2,414,900
2024-08	Various Capital Improvements and the Acquisition of Various Capital Equipment	3,570,100	3,570,100	3,570,100
2024-11	Improvements Including the Development and Construction of the Municipal Building/Library Complex Facilities	15,630,000	9,000,000	9,000,000
	Total:	**$21,615,000**	**$14,985,000**	**$14,985,000**

Golf Course Utility Ordinances

Ordinance <u>Number</u>	<u>Description</u>	Amount Authorized	Prior Notes Outstanding	Amount of Notes to be Issued
2022-08	Various Capital Improvements and the Acquisition of Equipment for the Pennsauken Township Country Club	$950,000	$950,000	$950,000
2023-11	Various Capital Improvements and the Acquisition of Equipment for the Pennsauken Township Country Club	1,425,000	1,425,000	1,425,000
2023-17	Various Capital Improvements and the Acquisition of Equipment for the Pennsauken Township Country Club	617,500	617,500	617,500
2023-30	Various Capital Improvements and the Acquisition of Equipment for the Pennsauken Township Country Club	475,000	475,000	475,000
2024-09	Various Capital Improvements and the Acquisition of Equipment for the Pennsauken Township Country Club	266,000	266,000	266,000
	Total:	**$3,733,500**	**$3,733,500**	**$3,733,500**

<u>SEN</u>

The SEN is authorized to be issued pursuant to: (i) the Local Budget Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented; (ii) ordinance 2023-09 ("SEN Ordinance"), duly and finally adopted by the Township Committee; (iii) a resolution adopted by the Township Committee on April 3, 2025; and (iv) a Certificate of Determination and Award, executed by the Chief Financial Officer of the Township on May 8, 2025.

The SEN is being issued by the Township to provide funds which, along with other available funds of the Township, will be used to: (i) temporarily finance the cost of a special emergency appropriation of the Township for the costs associated with the complete program of revaluation of real property by the repayment at maturity of the principal of certain special emergency notes heretofore issued by the Township; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the SEN. The following table sets forth certain information with respect to the SEN Ordinance authorizing the SEN.

SEN Ordinance

Ordinance Number	Description	Notes Authorized	Prior Notes Outstanding	Available Funds	Amount of Notes to be Issued
2023-09	Special Emergency Appropriation to Fund the Costs Associated with the Execution of a Program of Revaluation of Real Property in and for the Township	$1,300,000	$1,040,000	$260,000	$780,000

BOOK-ENTRY ONLY SYSTEM

General

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

DTC will act as securities depository for the BANs. The BANs 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 certificate will be issued for the BANs, in the aggregate principal amount of the BANs, 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 a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all BANs deposited by 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 BANs 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 BANs; DTC's records reflect only the identity of the Direct Participants to whose accounts such BANs are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

DTC may discontinue providing its services as depository with respect to the BANs at any time by giving reasonable notice to the Township or the agent. Under such circumstances, in the event that a successor depository is not obtained, BAN 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, BAN 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.

Discontinuation of Book-Entry Only System

If the Township, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the BANs at any time, the Township will attempt to locate another qualified Securities Depository. If the Township fails to find such Securities Depository, or if the Township determines, in its sole discretion, that it is in the best interest of the Township or that the interest of the Beneficial Owners might be adversely affected if the book-entry only system of transfer is continued (the Township undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination) the Township shall notify DTC of the termination of the book-entry only system.

In the event that the book-entry only system for the BANs is discontinued, the Township has provided that upon receipt of the BAN certificates from DTC and the Participant information, the Township will authenticate (or cause to be authenticated) and deliver definitive BANs to the holders thereof, and the principal of and interest on the BANs will be payable and the BANs may thereafter be transferred or exchanged in the manner described in the BAN certificates so provided.

SECURITY AND SOURCE OF PAYMENT

The Notes are valid and legally binding general obligations of the Township and the Township has pledged its full faith and credit for the payment of the principal of and the interest on the Notes. Unless paid from other sources, the Notes are payable from *ad valorem* taxes to be levied upon all the taxable real property within the Township without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to such Notes may be limited by bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights or to the application of general principles of equity by a court of competent jurisdiction.

The Township may pledge only its own credit and taxing power in respect of the Notes, and has no power to pledge the credit or taxing power of the State of New Jersey ("State") or any other political subdivision thereof, nor shall the Notes be deemed to be obligations of said State or any other political subdivision thereof, nor shall said State or any other political subdivision thereof be liable for the payment of principal of or interest on the Notes.

GENERAL INFORMATION REGARDING THE TOWNSHIP

General

The Township is located in the County of Camden, New Jersey ("County"). General information concerning the Township, including economic, financial, demographic and other relevant data, is set forth in Appendix "A" to this Official Statement.

Financial

Appendix "B" to this Official Statement contains compiled financial statements of the Township for the year ended December 31, 2024 and also contains audited financial statements of the Township for the years ended December 31, 2023, 2022, 2021, 2020 and 2019. The financial data was provided by Bowman & Company LLP, Voorhees, New Jersey, and is included herein in reliance upon the authority of such firm. Bowman & Company LLP has consented to the inclusion of their report in this Official Statement. Copies of the complete reports of audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

CERTAIN PROVISIONS OF THE LAWS OF THE STATE OF NEW JERSEY AND THE UNITED STATES RELATING TO GENERAL OBLIGATION DEBT

Local Bond Law

General – The Local Bond Law governs the issuance of bonds and notes by counties and municipalities for the financing of capital improvements. Among its provisions are the following: (i) the power and obligation to pay any and all bonds and notes issued pursuant to the Local Bond Law shall be unlimited; (ii) the county or municipality shall levy *ad valorem* taxes upon all taxable property therein for the payment of the principal of and interest on such bonds and notes without limitation as to rate or amount; (iii) generally, a down payment that is not less than five percent (5%) of the amount of debt obligations authorized must be appropriated in addition to the amount of debt obligations authorized; (iv) all non-special-assessment bonds shall mature within the period of usefulness or average period of usefulness of the improvements being financed; and (v) after issuance, all bonds and notes shall be conclusively presumed to be fully authorized and issued by all of the laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery.

Debt Limits – The authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to three and one-half percent (3.5%) of its 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 as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Bonds, notes and long-term loans are included in the computation of debt for the statutory debt limit. The Township, including the issuance of the Notes, will not exceed its three and one-half percent (3.5%) debt limit.

Exceptions to Debt Limits - Extensions of Credit – The Township may exceed its debt limit with the approval of the State Department of Community Affairs, Division of Local Government Services, Local Finance Board ("Local Finance Board"), a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance

Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval may be granted.

In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for purposes in an amount not exceeding two-thirds (2/3) of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

Short-Term Financing – When approved by bond ordinance, the Township may issue bond anticipation notes to temporarily finance capital improvements. Such notes may not be issued in an aggregate amount exceeding that specified by the ordinance. The notes may not be issued for periods of more than one year, renewable with the final maturity occurring no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original note. After the third year, the amount of the notes that may be renewed annually must be decreased by the minimum amount required for the first year's principal payment for the bond issue in anticipation of which the notes are issued.

Refunding Bonds – Refunding bonds may be issued pursuant to the Local Bond Law for the purpose of paying, funding or refunding outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-state administered public employee pension system and amounts owing to others for taxes levied in the local unit, or any renewals or extensions thereof, and for paying the cost of issuance of refunding bonds.

Local Fiscal Affairs Law

The Local Fiscal Affairs Law, Chapter 5 of Title 40A of the State Statutes, as amended and supplemented ("Local Fiscal Affairs Law"), governs audits, auditors, public moneys and financial statements of local governmental units, including the Township.

Each municipality is required to cause an annual audit of its books, accounts and financial transactions to be made and completed within six months after the close of its fiscal year by either a Registered Municipal Accountant or, by agreement with the Director ("Director") of the Division of Local Government Services ("Division") in the Department of Community Affairs, by qualified employees of the Division.

An independent examination of the Township's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the municipality's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2023 is on file with the Township Clerk and is available for review during business hours, and is available online at the Township's website: www.twp.pennsauken.nj.us.

The Local Fiscal Affairs Law also requires that the chief financial officer of the municipality file annually with the Director a verified statement of the financial condition of the municipality as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end municipalities and August 10 for June 30 fiscal year end municipalities. The Annual Compiled Financial Statement for the year ended December 31, 2024 is on file with the Township Clerk and is available for review during business hours, and is available online at the Township's website: www.twp.pennsauken.nj.us.

The Local Budget Law

The Local Budget Law, Chapter 4 of Title 40A of the State, as amended and supplemented ("Local Budget Law"), governs the budgeting and appropriation of funds by local governmental units.

The Local Budget Law requires local governmental units to adopt a "cash basis" budget in such form that there will be sufficient cash collected to meet all debt service requirements, necessary operations of the local governmental units for the fiscal year and any mandatory payments required to be met during the fiscal year.

No budget shall be adopted unless the Director shall have previously certified his approval thereof.

Each local governmental unit must include in its budget an appropriation for the payment of debt service. The Director is required to examine such appropriation to determine whether it is properly set forth, in addition to determining whether all estimates of revenue contained in the budget are reasonable, accurate and correctly stated.

A statute passed in 1976, as amended (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c. 89, which revised and made permanent the "Cap Law". Since its inception, the "Cap Law" has been amended and modified several times, most recently on July 13, 2010. While the revised "Cap Law" is more restrictive on the ability of a municipality to increase its overall appropriations, it does not limit the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service on the Notes. The Cap Law provides that a municipality shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year's final appropriations subject to certain exceptions. The "index rate" is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

Additionally, legislation constituting P.L. 2010, c. 44, was adopted on July 13, 2010, which, among other things, imposes a two percent (2%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments.

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the “Cap Law” (specifically, N.J.S.A. 40A:4-45-46) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

Neither the tax levy limitation nor the “Cap Law” limits the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service on its bonds or notes, including the Notes.

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 governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit.” Such determination may be made by the governing body and the Chief Financial Officer in any year during which the municipality is subject to local examination.

No budget or amendment shall be adopted unless the Director has previously certified the approval of such anticipated revenues.

Real Estate Taxes

Receipts from Delinquent Taxes – Revenues are permitted by N.J.S.A. 40A:4-29 to be anticipated in the annual budget for collection of delinquent taxes of prior years. The maximum amount permitted to be anticipated is determined by applying the collection rate of the prior year’s delinquent taxes to the total amount of delinquent taxes outstanding at the beginning of the current year.

Current Year Tax Levy and Reserve for Uncollected Taxes – The current year’s taxes to be levied are determined by adding the sums of the cash required from taxes to support the municipal, school, county and special district budgets, if any, together with the amount of an appropriation required to be included in the annual municipal budget entitled “Reserve for Uncollected Taxes”, less the total of anticipated revenues. The inclusion of the “Reserve for Uncollected Taxes” appropriation in the current year’s budget protects the municipality from taxes currently unpaid. The “Reserve for Uncollected Taxes” is required to be, at a minimum, an amount sufficient to provide for the same percentage of uncollected taxes in the current year as was experienced in the immediately preceding year, the average of the previous three years in accordance with P.L. 2000, c. 126, or the previous year collection percentage after reducing the previous year levy by tax appeal judgments of the county tax board pursuant to R.S.54:3-21 et seq., or the State tax court pursuant to R.S.54:48-1 et seq. in accordance with Chapter 56 of P.L. 2010.

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

Another provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required for all current budget appropriations and school and county taxes of the current fiscal year. The reserve requirement is calculated as follows:

$$\frac{\text{Levy Required for Current Budget, School and County Taxes}}{\text{Prior Year's Percentage of Current Tax Collections (or Lesser \%)}} = \text{Total Taxes to be Levied}$$

Deferral of Current Expenses

Emergency appropriations (i.e., those made after the adoption of the budget and determination of the tax rate for an unforeseen event or purpose) may be authorized by the governing body of the local governmental units. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director of Local Government Services must be obtained.

The exceptions are certain enumerated projects to cover the cost of the extraordinary expense for the repair or reconstruction of streets, roads or bridges, or other public property damaged by snow, ice, frost or flood, where such expense was not foreseen at the time of the adoption of the budget, which may be amortized over three (3) years; and tax map preparations, revision of ordinances, revaluations, master plan preparation, studies and planning necessary for the installation and construction of a sanitary sewer system, and payments of accumulated sick and vacation time which may be amortized over five (5) years.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited until the last two (2) months of the year and, although subaccounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

Operations of Utility

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 the utility, there is established a separate budget. The anticipated revenues and appropriations for the 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 revenue and deferral of charges apply equally to the budget of the utility. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

Capital Budget

In accordance with the Local Budget Law, each local unit shall prepare and adopt a capital budget, in conjunction with its annual operating budget, for any year in which it proposes to undertake a capital project. Every local unit which adopts a capital budget must also adopt a three (3) year capital program unless the local unit's population exceeds 10,000 where a six (6) year capital program is required.

Related Constitutional and Statutory Provisions

In the general election of January 2, 1976, as amended by the general election of January 6, 1984, the following Article 8, Section 1, Paragraph 7, with respect to a state income tax, was added to the State Constitution:

> No tax shall be levied on personal incomes of individuals, estates and trusts of this State unless the entire net receipts therefrom shall be received into the treasury, placed in a perpetual fund and be annually appropriated, pursuant to formulas established from time to time by the Legislature, to the several counties, municipalities and school districts of this State exclusively for the purpose of reducing or offsetting property taxes. In no event, however, shall a tax so levied on personal income be levied on payments received under the Federal Social Security Act, the Federal Railroad Retirement Act, or any federal law which substantially reenacts the provisions of either of those laws.

A progressive state income tax is currently in effect in the State.

The State Constitution may only be amended after: (i) approval of a proposed amendment by three-fifths (3/5) of all of the members of each house of the State Legislature and approval by a majority vote in a statewide referendum; or (ii) approval in two successive legislative years by a majority of all of the members of each house and approval by a majority vote in a statewide referendum. Amendments failing to receive voter approval may not be resubmitted for voter approval before the third succeeding general election after such disaffirmance.

Rights and Remedies of Owners of Bonds

The State Municipal Finance Commission Act, Chapter 27 of Title 52 of the State Statutes, as amended and supplemented ("Act"), provides that when it has been established, by court proceedings, that a municipality has defaulted for over sixty days in the payment of the principal of or interest on any of its outstanding bonds or notes, the Local Finance Board (which, pursuant to the Act, is constituted the Municipal Finance Commission and shall hereinafter be referred to as the "Commission") shall take control of the fiscal affairs of the defaulting municipality.

The Act provides that the Commission shall remain in control of the municipality until all bonds or notes of the municipality that have fallen due and all bonds or notes that will fall due within one year, and the interest thereon, have been paid, funded or refunded, or the payment thereof in cash shall have been adequately provided for by a cash reserve.

The Act empowers the Commission to direct the municipality to provide for the funding or refunding of notes or bonds of the municipality and the interest thereon, which the Commission shall have found to be outstanding and unpaid and to be due or become due. The Act further authorizes the Commission to bring and maintain an appropriate proceeding for the assessment, levy or collection of taxes by the municipality for the payment of principal of or interest on such indebtedness.

Under Article 6 of the Act, while the Commission functions in the municipality, no judgment, levy, or execution against the municipality or its property for the recovery of the amount due on any bonds, notes or other obligations of the municipality in the payment of which it has defaulted, shall be enforced unless otherwise directed by Court Order. However, Article 6 of the Act also provides that upon application of any creditor made upon notice to the municipality and the Commission, a court may vacate, modify or restrict any such statutory stay contained therein.

Limitation of Remedies Under Federal Bankruptcy Code

The rights and remedies of the registered owners of the Notes are subject to the provisions of Chapter 9 of the Federal Bankruptcy Code of the United States ("Bankruptcy Code"). In general, Chapter 9 permits, under prescribed circumstances, but only after an authorization by the applicable state legislature or by a governmental officer or organization empowered by state law to give such authorization, a political subdivision of a state to file a petition for relief in a bankruptcy court of the United States if it is insolvent or unable to meet its debts as they mature and desires to effect a plan to adjust its debts.

The State has authorized the political subdivisions thereof to file such petitions for relief under the Bankruptcy Code pursuant to and subject to Article 8 of the Act. The Act provides that such petitions may not be filed without the prior approval of the Commission and that no plan of readjustment of the municipality's debts may be filed or accepted by the petitioner without express authority from the Commission to do so.

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE TOWNSHIP EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE COMMISSION, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY OF THE NOTES.

THE SUMMARIES OF AND REFERENCES TO THE STATE CONSTITUTION AND OTHER STATUTORY PROVISIONS ABOVE ARE NOT AND SHOULD NOT BE CONSTRUED AS COMPREHENSIVE OR DEFINITIVE. ALL REFERENCES TO SUCH DOCUMENTS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PARTICULAR DOCUMENT, THE FULL TEXT OF WHICH MAY CONTAIN QUALIFICATIONS OF AND EXCEPTIONS TO STATEMENTS MADE HEREIN.

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties resulting in a decrease of the assessment ratio to its present level of 70.45%. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could not keep pace with rising values. The last complete revaluation of property within the Township was in 2014, effective for the 2015 tax year.

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

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first $1,500.00 of the delinquency and 18% per annum on any amounts in excess of $1,500.00. These interest penalties are the maximum permitted under State Statutes. Additionally, a 6% penalty is charged on any delinquencies in excess of $10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State Statutes. Tax liens retained by the Township are periodically assigned to the Township Attorney for "in rem foreclosures" in order to acquire title to these properties.

Tax Appeals

The State statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the State Board of Taxation ("Tax Board") on or before the first day of April of the current tax year for review. The Tax Board has the authority, after a hearing, to decrease, increase or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Tax Board, appeal may be made to the State Tax Court. State Tax Court appeals tend to take several years prior to settlement and any losses in tax collection from prior years are charged directly to operations.

LITIGATION

To the knowledge of the Township's Attorney, Christopher A. Orlando, Esquire, of the law firm of Parker McCay P.A. ("Township Attorney"), there is no litigation of any nature now pending, restraining or enjoining the issuance or the delivery of the Notes, or the levy or the collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Township Attorney, no litigation is presently pending that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided.

NO RATING

The Township will not obtain a credit rating related to the issuance of the Notes.

TAX MATTERS

Federal

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, assuming continuing compliance by the Township with the tax covenants described below, under existing law, interest on the Notes is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Notes received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Notes, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering its opinion, Bond Counsel has relied on the Township's covenants contained in the Certificate as to Non-Arbitrage and Other Tax Matters, that it will comply with the applicable requirements of the Code, relating to, inter alia, the use and investment of proceeds of the Notes and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Township to comply with such covenants could result in the interest on the Notes being subject to federal income tax from the date of issue. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the Notes that may affect the tax-exempt status of the interest on the Notes.

Ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, controlled foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Notes will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Notes is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by the household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Notes.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by Banks, Thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has **not** designated the Notes as "qualified tax-exempt obligations" for the purposes of Section 265(b)(1) of the Code.

Owners of the Notes should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

New Jersey

Bond Counsel is also of the opinion that interest on the Notes and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to bonds or notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Notes.

PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY FEDERAL AND STATE INCOME TAX LEGISLATION, WHETHER CURRENTLY PENDING OR PROPOSED, REGULATORY INITIATIVES OR LITIGATION. THE OPINIONS EXPRESSED BY BOND COUNSEL ARE BASED UPON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE NOTES AND BOND COUNSEL HAS EXPRESSED NO OPINION AS OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.

CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), the Township has undertaken to file notice of certain enumerated events, pursuant to Information Reporting Undertaking Agreement for the Notes, substantially in the form set forth in Appendix “D” hereto.

During the last five (5) years, the Township failed to timely file certain information in connection with its previous undertakings related to its general obligation bonds in accordance with the Rule. Specifically, in December of 2022, the Township failed to timely file notice of a rating change by Moody's Investors Service. The Township has since filed such notice of a rating change, together with a failure to file notice, in each case in accordance with the Rule. The Township has appointed Acacia Financial Group, Inc., Mount Laurel, New Jersey, to serve as dissemination agent to assist with future filings and compliance with the Rule.

NO DEFAULT

There is no record of default in the payment of the principal of or interest on the bonds or notes of the Township.

CERTAIN RISK FACTORS

Recent Healthcare Developments

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

In an effort to provide relief to entities impacted by the COVID-19 pandemic, the American Rescue Plan Act of 2021, H.R. 1319 ("Plan") was signed into law on March 12, 2021 and provided $1.9 trillion in financial assistance to businesses, individuals and governmental entities. The Plan provided funding for state and local governments to recoup and offset costs related to COVID-19 and to encourage and re-establish economic development and certain infrastructure improvements.

Pursuant to the funding methodology under the Plan, the Township received $3,743,052.18 in funding ("Plan Funds"). The deadline to obligate the Plan Funds was December 31, 2024 and to spend the Plan Funds is December 31, 2026. Such Plan Funds were received in two (2) equal payments; one (1) received within 60 days of enactment of the Plan, and the balance was received no earlier than 12 months from the initial payment.

While the effects of COVID-19 have abated significantly, the Township cannot predict, and does not predict, whether or if the Coronavirus or any similar viral disease (including any variants or sub-variants thereof) may reemerge in the future and, if such reemergence occurs, what the effects thereof may have upon global, State-wide and local economies and operations, including that of the Township.

Cyber Security

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

Climate Change

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

UNDERWRITING

BAN

The BAN has been purchased from the Township at a public sale by BNY Mellon Capital Markets, LLC, New York, New York (“BAN Underwriter”) at a price of $18,984,766.92 (“BAN Purchase Price”). The BAN Purchase Price reflects the principal amount of the BAN plus a bid premium of $266,266.92.

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

SEN

The SEN has been purchased from the Township at a public sale by 1st Colonial Community Bank, Mount Laurel, New Jersey ("SEN Purchaser") at a price of $780,000.00 ("SEN Purchase Price"). The SEN Purchase Price reflects the principal amount of the SEN. The SEN Purchaser does not intend to offer the SEN for sale to the general public.

MUNICIPAL ADVISOR

Acacia Financial Group, Inc., Mount Laurel, New Jersey has served as municipal advisor to the Township ("Municipal Advisor") with respect to the issuance of the Notes. This Official Statement has been prepared with the assistance of the Municipal Advisor. Certain information set forth herein has been obtained from the Township and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized. The Municipal Advisor is a municipal advisory firm, and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instrument.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Notes are subject to the approval of Bond Counsel, whose approving legal opinion will be delivered with the Notes substantially in the form set forth in Appendix "C" hereto. Certain legal matters will be passed on for the Township by the Township Attorney.

Bond Counsel has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement (except to the extent, if any, as stated herein) and will express no opinion relating thereto.

The various legal opinions to be delivered concurrently with the delivery of the Notes express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, money or other funds belonging to them or within their control in any bonds of the Township, including the Notes, and such Notes are authorized security for any and all public deposits.

PREPARATION OF OFFICIAL STATEMENT

The Township hereby states that the descriptions and statements herein and in the Appendices attached hereto, including financial and statistical statements, are true and correct in all material respects, and it will confirm the same to the purchasers of the Notes by certificates signed by various officers and officials of the Township upon issuance and delivery of the Notes.

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

Bowman & Company LLP compiled Appendix "A" from information obtained from various sources it considers to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto. Bowman & Company LLP only takes responsibility for the financial statements appearing in Appendix "B" hereto.

Neither Parker McCay P.A. nor Acacia Financial Group, Inc. have participated in the preparation of this Official Statement, nor have such firms verified the accuracy, completeness or fairness of the information contained herein (except under the heading "TAX MATTERS") and, accordingly, will express no opinion with respect thereto.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Elizabeth Peddicord, Chief Financial Officer, Township of Pennsauken, at 856-665-1000, or to the Township's Municipal Advisor, Acacia Financial Group, Inc., at 856-234-2266.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth merely as opinions and not as representations of fact, and no representation is made that any such statements will be realized. Neither this Official Statement nor any statement, which may have been made verbally or in writing, is to be construed as a contract with, or a covenant for the benefit of, the holders of the Notes. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township since the date hereof.

All quotations from and summaries and explanations of provisions of laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

This Official Statement has been duly executed and delivered by the Chief Financial Officer of the Township for and on behalf of the Township.

TOWNSHIP OF PENNSAUKEN, NEW JERSEY

By: ***/s/ Elizabeth Peddicord***
ELIZABETH PEDDICORD, Chief Financial Officer

Dated: May 8, 2025

APPENDIX A

CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING THE TOWNSHIP OF PENNSAUKEN

GENERAL INFORMATION REGARDING THE TOWNSHIP

History

The Township of Pennsauken, County of Camden, New Jersey ("Township"), was incorporated in 1892 by virtue of an act of the Legislature of the State of New Jersey ("State"). It is approximately twelve (12) square miles in area and lies adjacent to the City of Camden. Located in the Delaware Valley area, the Township has approximately two (2) miles of frontage along the Delaware River, directly across from the City of Philadelphia, on which many industrial plants are located.

The Township is a residential and industrial community. The residences are single-family residences and are mostly owner occupied. There are over one thousand apartment units in the Township. There are also several commercial enterprises.

Most residents are employed in the Camden County and Philadelphia areas. Major highways and improved roads provide convenient access to such areas. Public transportation is also readily available.

Local Government

The Township government is based on the Township Committee form of government, which exercises legislative power in the Township. The Township Committee members are elected on an at-large basis for staggered three-year terms. Two members are elected in each of two consecutive years while a single member is elected in the third year. The mayor is appointed annually by a majority of the Township Committee.

The day-to-day administrative duties are the responsibility of the Township Administrator, who is appointed by the Township Committee.

The financial affairs of the Township are administered by its Chief Financial Officer, who reports to the Administrator. With the Township Administrator, the Chief Financial Officer prepares and then monitors the annual municipal budget after adoption by the Township Committee.

Library

The Pennsauken Free Library is in a building near the Township's Municipal Building on Route 130 and Merchantville Avenue. It houses approximately 96,000 volumes and a varied collection of phonograph records, pamphlets and reproductions, microfilm and over 200 periodicals. The building is designed to accommodate handicapped residents who wish to use it. Meeting rooms are available for use by local organizations. Public access to the internet is made available through nine portals in a newly established computer section.

Police and Fire Protection

The Township's Police Department operates from the Township's Police and Municipal Court complex on Bethel Avenue and Route 130. The Police Department consists of the Police Chief, one (1) Captain, three (3) Lieutenants, thirteen (13) Sergeants, nine (9) Detectives and fifty-eight (58) Patrolmen.

The Township has five fire companies, which are staffed by a volunteer force of approximately ninety-five (95) members. There is a paid Fire Chief, Deputy Fire Chief, one (1) Fire Captain, five (5) Fire Lieutenants and twelve (12) paid firemen who maintain the stations and fire equipment. The Township also operates a Bureau of Fire Prevention consisting of one part-time Fire Official and four part-time paid Fire Inspectors who make annual inspections to ensure compliance with the State's Uniform Fire Protection Code.

Public Works

The Township employs a fully staffed Public Works Department which cleans, repairs and maintains streets and public areas.

Golf Course Utility

In 1982, the Township acquired Iron Rock Golf Course, now called Pennsauken Country Club, which is operated by a municipal utility called the Golf Course Utility ("Utility").

The Utility is supported by revenues generated by its operations. A separate budget is established with anticipated revenues and appropriations set forth therein. This budget is required to be balanced and to fully provide for payment of debt service. The regulations which apply to the Current Fund of the Township regarding anticipation of revenue and deferral of charges apply equally to the budget of the Utility. Anticipated deficits in Utility operations are required to be raised in the Current Fund. The Utility was self-liquidating for the year ended December 31, 2024, in terms of revenues being sufficient to pay operating, maintenance and debt service expenditures.

Parks and Recreation

The Parks and Recreation Department has a full-time Recreation Program Coordinator and a full-time secretary who works with Public Works in a year-round program for the improvement and maintenance of parks, fields, and playgrounds for adults and children.

The facilities available are twenty-two (22) playgrounds, ten (10) basketball courts, twenty-two (22) ball fields, three (3) soccer fields, two (2) mini-soccer fields, one (1) micro mini soccer field, one (1) football field, one (1) all-purpose field, three (3) swimming pools, one (1) volley ball court, six (6) horseshoe pits, one (1) hockey rink, three (3) mini hockey rinks, eleven (11) tennis courts, one (1) jogging track, one (1) exercise unit and the 140-acre Tippin's Pond/Heritage Park consisting of a bird sanctuary, boardwalk, natural amphitheater and fishing piers.

The Township and its local school district work together to provide recreational activities for the adults and children of the Township. Programs include year-round volleyball and basketball, clinics in football, softball, tennis, hockey, soccer, and baseball; and programs for special needs children through the Pennsauken Committee for the Handicap/Special Education Division of the local school district and Pennsauken Youth Athletic Activities.

The Parks and Recreation Department also provides programs for Christmas and Halloween, along with an annual car show, craft show, parades, and summer theater program.

Pennsauken Sewerage Authority

In 1950, the Township created, by ordinance, in accordance with State statutes, the Pennsauken Sewerage Authority ("Authority"), for the purpose of treating and disposing of the Township's sewage.

The governing body of the Authority is autonomous and consists of five (5) members appointed by the Township Committee. The terms of the members of the Authority are staggered so that the term of at least one member expires each year.

A Service Contract was entered into on May 1, 1987 ("Service Contract"), between the Authority and the Township. Under the Service Contract, the Township agrees to pay any shortfall the Authority may encounter in making payments for either operating expenses and/or debt service. Should this occur, the Authority would be required to repay this amount to the Township, plus interest at 1% per year above the highest rate paid by the Authority on any outstanding bonds.

Presently, the Authority provides and charges for all connected customers within the municipal boundaries of the Township for the collection of sewage. The Authority has also contracted to collect all sewage discharged into the collection system maintained by Merchantville Borough and a certain portion of Cherry Hill Township. Sewage collected by the Authority from whatever source is then passed on to the Camden County Municipal Utilities Authority ("CCMUA") system. The CCMUA is, in turn, responsible for the treatment of all waste materials.

The following is a summary of the financial operations of the Authority for the last three years ended (1):

	December 31, 2023	December 31, 2022 (Restated)	December 31, 2021
Operating Revenues	$ 4,386,804	$ 4,411,500	$ 4,474,383
Operating Expenses	(3,906,662)	(3,306,921)	(5,319,488)
Operating Gain	480,142	1,104,579	(845,105)
Net Non-Operating Income (Expenses)	(126,839)	(147,076)	(149,809)
Change in Net Position	353,303	957,503	(994,914)
Net Position - Beginning	(5,712,188)	(6,669,690)	(5,674,776)
Net Position - Ending	$ (5,358,884)	$ (5,712,188)	$ (6,669,690)

Merchantville-Pennsauken Water Commission

The Merchantville-Pennsauken Water Commission ("Water Commission") was formed on July 1, 1926. The Water Commission consists of three members appointed by the Township and two (2) members appointed by the Borough of Merchantville. Each member serves a term of five (5) years.

The Commission is jointly owned by the Borough of Merchantville and the Township in the following percentages:

Borough of Merchantville	11.58%
Township of Pennsauken	88.42
	100.00%

The Township from time to time guarantees the payment of the principal of and interest on certain debt obligations of the Commission. Specifically, the unconditional guarantee by the Township is equal to the full extent of its ownership interest in the Commission, that being 88.42% of the amount of any default by the Commission on such obligations subject to the guaranty. As of December 31, 2024, the Township has provided its guaranty for $14,569,140 outstanding principal amount of the Commission's debt.

The operation of the Water Commission has been self-liquidating since its inception.

Customers of the Commission include residential and commercial accounts within the municipalities of Merchantville and Pennsauken and sections of Cherry Hill and Camden. In addition to

(1) Source: Authority Audit

the sale of water, the Commission bills commercial and municipal customers fixed fees for fire services and hydrants. As of December 31, 2023, the number of the Commission's accounts was as follows:

Residential, Apartments, and Commercial Water Services	14,856
Senior Citizen Accounts	281
Fire Services	205
Fire Hydrants	242
Total	15,584

Garbage District

The Township has contracted for the collection and disposal of solid waste by an independent contractor. In late 1978, the Township purchased 270 acres of land on which is situated a 175-acre sanitary landfill ("Sanitary Landfill") which had been in operation for several years. Approximately 15% of the cost of disposing the Township's solid waste was eliminated by the purchase of the Sanitary Landfill. Of the remaining 95 acres, 60 acres were developed as an industrial park known as the Veterans Industrial Park.

In January of 1979, the Township created, by ordinance, in accordance with State statutes, a Garbage District effective March 1, 1979, for the purpose of providing garbage and trash removal services. This enabled the Township to remove the cost of operating the Garbage District from the State mandated 5% limit on the annual Municipal Budget as established by the State Cap Law. This resulted in a separate tax rate of $.203 per $100 of assessed valuation in 2024. This separate rate merely sets aside that portion of the taxes which had or would have been included in the tax levied for local purposes.

Solid Waste Management Authority

In accordance with State statutes, the Township established the Pennsauken Solid Waste Management Authority ("PSWMA") in 1983. The express purpose of the PSWMA was to provide solid waste disposal services to the Township and certain other municipalities in the County at the Sanitary Landfill and to construct and put into operation a resource recovery facility.

In December 1988, the PSWMA entered an Administrative Consent Order ("ACO") with the Department of Environmental Protection ("DEP"), whereby PSWMA agreed to investigate certain allegations of ground water contamination at the Sanitary Landfill, to develop a remediation plan, and to take any and all remedial action which may be necessary to mitigate any contamination. Remedial investigations revealed elevated levels of pollutants. Engineers are presently preparing a feasibility study and ultimately will prepare a remedial action plan to be approved by the DEP, in compliance with the ACO. Upon approval of the remedial action plan by DEP, the ACO requires implementation of such plan. The cost of compliance with the ACO may be significant.

On October 31, 1991, the DEP, pursuant to the New Jersey Spill Compensation and Control Act, *N.J.S.A.* 58:10-23.11a *et seq.* issued a Directive and Notice to Insurers ("Directive") to PSWMA and twenty-one other respondents. The Directive identifies the respondents, including PSWMA, as responsible for contaminating certain water supply wells known as the Puchak Well Field owned and operated by the City of Camden. The Directive seeks to require the PSWMA and the other respondents to pay DEP the sum of $4,018,000 for construction of a water treatment system and to make annual payments of $611,000 for operation and maintenance of the water treatment system at the site. In the event the total payment is not made in response to the Directive, the Directive states that each of the respondents, if ultimately held responsible, can face treble damages and penalties of up to $50,000 per day. On May 7, 1992, a Supplemental Directive and Notice to Insurers was issued to the Puchak respondents increasing the potential liability from $4,018,000 to $8,655,000 plus the annual payments of $611,000. By letter of August 26, 1992, Cigna denied PSWMA coverage. On November 13, 1992, PSWMA filed a claim for said potential liability against the New Jersey Spill Fund. No determination has been made as to which, if any, of the respondents named in the Directive will make the demanded payment.

In 1991, pursuant to agreements among the Township, PSWMA, and the Pollution Control Financing Authority of Camden County ("PCFA"), the PCFA took over the operation of the Sanitary Landfill and acquired the assets and certain liabilities of PSWMA and agreed to make certain payments to the Township. Included within the liabilities assumed by the PCFA are the costs of compliance with the ACO and the Directive, as amended.

In December 1991, PCFA, PSWMA, and the Township instituted suit against the former owner and users of the Sanitary Landfill to recoup costs imposed by the ACO and against potential responsible parties named by the DEP as responsible for contaminating certain water supply wells known as the Puchak Well Field to recover costs imposed by the DEP under the Directive. The suit, captioned *Pennsauken Solid Waste Management Authority et. al. v. Ward Sand and Materials et al.,* Docket Number L-013345-91, is presently pending in the Superior Court of New Jersey, Law Division, Camden County. Certain of the named defendants and third-party defendants in that suit have counterclaimed for contribution against PSWMA and the Township, based on their operation and/or ownership of the Sanitary Landfill, or as a user or generator.

The PCFA has assumed all past and future obligations arising from the ownership and operation of the Sanitary Landfill by PSWMA and the Township but has not assumed any potential liability of the Township as a waste generator. The PSWMA and the Township's insurance carrier has undertaken the defense of the PSWMA and the Township under a reservation of rights for the claim that the PSWMA and the Township contributed to the contamination. A court could ultimately rule that the claim made against the PSWMA, and the Township are outside the scope of its coverage or exceed its coverage amounts. The cost of the ultimate cleanup could be substantial and may have a material and adverse effect on the PSWMA and the Township. The responsibility, if any, of the PSWMA and Township has not been determined at this time.

Compensated Absences

Non-uniformed Township employees are entitled to fifteen paid sick leave days each year. Police and fire employees are entitled to seventeen paid sick leave days each year. Unused sick leave may be accumulated and carried forward. Vacation days not used during the year may be accumulated and carried forward; however, for non-uniformed employees, only a maximum of one (1) year of unused vacation days may be carried forward. All full-time employees are entitled to three personal holidays, plus fourteen or thirteen holidays depending upon whether they are uniformed or non-uniformed employees respectively. All police and fire employees may carry forward an unlimited number of unused vacation days and holidays and are compensated as follows upon termination:

Superior Officer's Association Members:	Promoted into the unit before 12/31/22: 100 days Promoted into the unit after 12/31/22: 65 days with sick payout capped at $15,000
Fraternal Order of Police Members:	65 Vacation or Sick Days with sick payout capped at $15,000
Fireman's Mutual Benevolent Association Members:	Members Hired Prior to January 1, 2014 - $25,000 Maximum (Vacation only), Members Hired after January 1, 2014 - $15,000 Maximum (Vacation only)

Permanent part-time employees are entitled to compensated absences. Seasonal part-time employees are entitled to paid sick leave per New Jersey statute.

The Township does not compensate any employees, except for the Fraternal Order of Police employees mentioned above, for unused sick leave upon termination or retirement.

Pension Plans

The Township, on behalf of most of its employees, is enrolled in the New Jersey Public Employees' Retirement System, a pension actuarial system administered by the Division of Pensions within the Treasury Department of the State. The members of the Police and Fire Departments, however, are enrolled in the Police and Firemen's Retirement System.

Township Employees

			December 31,		
	2024	2023	2022	2021	2020
Full-time	210	226	220	262	206
Part-time	81	81	130	120	172
	291	307	350	382	378

Employee Collective Bargaining Units

The American Federation of State, County and Municipal Employees, AFL-CIO, Municipal Public Employees Council No. 71 represents 47 Township employees. There are 93 Township employees represented by the Fraternal Order of Police, Garden State Lodge No. 3 which includes police and superior officers.

The Pennsauken Career Firefighters Association, Firefighters Mutual Benevolent Association Local 64 ("FMBA") represents 12 Township employees with FMBA Local 264 representing and additional 6 employees. The agreement with the Fraternal Order of Police, Garden State Lodge No. 3 patrolmen expires on December 31, 2026. The agreement with the Fraternal Order of Police, Garden State Lodge No. 3, superior officers expires on December 31, 2026. The agreements with the American Federation of State, County and Municipal Employees, the Pennsauken Career Firefighters Association, Firefighters Mutual Benevolent Association Locals 64 and 264 all expire on December 31, 2027.

Township Population (1)

2020 Federal Census	37,074
2010 Federal Census	35,885
2000 Federal Census	35,737
1990 Federal Census	34,738
1980 Federal Census	33,775

Selected Census 2023 Data for the Township (1)

Median household income	$83,412
Per capita income	$35,069

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

Building, Zoning and Development Codes

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

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

In January, 1977, the Township adopted the Municipal Land Use Law. The Municipal Land Use Law gave the Township Planning Board and the Township Zoning Board of Adjustment authority to regulate most land use other than single family residential use. In this way, the Township is able to guide the approximate use or development of land to promote the public health, safety, and general welfare.

Business and Industry

Industrial operations in the Township cover a broad spectrum of activities, including warehousing, light manufacturing from raw materials, assembly operations, transportation and a limited number of heavy industrial uses such as metal and aluminum extruding and oil and gasoline storage facilities.

The Township is uniquely situated on an urban waterfront, which mirrors a growing international trend. Communities across the country and around the world are rediscovering and capitalizing on the potential of urban waterfronts. The Township is in the process of negotiating redevelopment agreements with Buckeye Partners, LP and Liberty Terminal, LLC for large industrial use projects encompassing significant portions of land in this unique environment. In addition, substantial studies, planning and testing have already been conducted to facilitate the redevelopment effort. Moreover, the New Jersey Department of Environmental Protection and the Township have executed a Brownfield's Development Area Initiative Memorandum of Understanding to promote environmental protection for the waterfront development area and to foster neighborhood revitalization.

Industries in the Township are concentrated primarily in twelve industrial parks. These industrial parks have convenient access to rail lines, deep water transportation and highways and are near the Philadelphia metropolitan market via three bridges located on the perimeter of the Township.

As of March 19, 2025, the Township has construction permits for a new Taco Bell, a new Tim Horton's, a new 28-megawatt solar field, a new 74,000 ft warehouse, and a new three-story storage unit facility.

In addition to the above projects currently under construction, a new Starbucks location is being built directly across from the Township municipal building.

Commercial and industrial tax assessments represented 32.5% of the total assessed valuation of the Township in 2025.

Building Permits (1)

Year	Number of Permits Issued	Value of Construction
2025 (2)	428	$18,486,502
2024	2,150	147,404,797
2023	2,048	78,489,824
2022	2,493	65,194,423
2021	2,656	91,022,622
2020	2,009	68,224,469

Labor Force (3)

Year	Labor Force	Employed Persons	Unemployed Persons	Unemployment Rate
Township				
2023	20,284	19,265	1,019	5.0%
2022	19,897	19,048	849	4.3
2021	19,700	18,236	1,464	7.4
2020	18,893	16,904	1,989	10.5
2019	18,516	17,778	738	4.0
County				
2023	276,187	262,852	13,335	4.8%
2022	270,737	259,883	10,854	4.0
2021	266,839	248,814	18,025	6.8
2020	256,048	230,287	25,761	10.1
2019	253,053	242,811	10,242	4.0
State				
2023	4,829,671	4,615,722	213,949	4.4%
2022	4,739,700	4,565,400	174,200	3.7
2021	4,666,200	4,357,000	309,100	6.6
2020	4,495,200	4,055,300	439,900	9.8
2019	4,493,100	4,333,300	159,800	3.6

(1) Source: Township Construction official
(2) As of March 17, 2025
(3) Source: New Jersey Department of Labor

TEN LARGEST NON-GOVERNMENTAL EMPLOYERS (1)

Employer	Nature of Business	Number of Employees
Pepsi/Beverage Dist Ctr.	Beverages	623
Bayada	Home Healthcare Services	508
J & J Snacks	Snack Foods	435
Puratos Corporation	Food Production	340
Helvoet Pharma	Pharmaceutical Manufacturing	308
Disc Makers	Audio Disc & Tapes	303
Holman/RMP	Automotive	230
Barry Callebaut	Chocolate Products	220
Bergey's Truck Center	Truck Sales/Leasing	105
Top Pop	Specialty Packager of Frozen Alcoholic Beverages	101

EDUCATION (2)

General

The Pennsauken Township School District ("School District") is a Type II school district. It functions independently through a nine-member board ("Board") elected by the voters in alternate three-year terms.

The Board prepares annually an operating and maintenance, capital outlay and debt service budget. The amounts to be raised by taxation for operating and maintenance expenses and capital outlay projects are submitted to the voters for approval. If the amounts are disapproved, the Township Committee fixes an amount and certifies same to the Board and to the County Board of Taxation. If the Board determines that the amount certified by the Township is insufficient to operate a thorough and efficient school system, the Board may appeal to the State Commission of Education to restore the local funds eliminated.

School operations are based on a July 1 to June 30 fiscal year and are accounted for in the General Fund of the School District.

The Township's public school system has a total of 10 schools and educates students from grades Pre-K through 12. Special education students are mainstreamed into the public school system. The senior high school also has cooperative programs with the Camden County Vocational School and adult evening programs.

(1) Source: Township officials
(2) Source: School District officials

School District Enrollments (1)

Grade	2024	2023	2022	2021	2020
			As of October 15,		
Pre-K	105	116	137	91	149
K	283	271	274	288	258
1	278	285	307	275	292
2	281	295	260	283	261
3	279	261	273	256	253
4	247	275	268	256	273
5	277	282	262	269	279
6	292	280	279	294	286
7	271	282	298	292	302
8	305	304	301	304	305
9	325	318	301	330	325
10	374	335	339	343	325
11	372	353	308	399	329
12	376	306	331	345	244
Sp. Education	932	888	822	803	795
Total	4,996	4,851	4,760	4,828	4,676

Present School Facilities, Enrollment and Capacity (1)

Facilities	Date Constructed	Renovations/ Additions	Grades	Enrollment 10/15/24	Functional Capacity
Baldwin	1955	2019	Spec. Ed/Pre-K	137	152
Burling	1963	2007	Spec. Ed/7-12 Altern.	45	96
Delair	1924	(New building 2002)	K-3	301	366
George B. Fine	1964	2002	Pre-K-3 & Spec. Ed	242	392
Benjamin Franklin	1954	1964/1990	Spec. Ed/K-3	418	461
Roosevelt	1926	2021	K-6 & Spec. Ed	184	217
Howard M. Phifer Middle	1965	1989/1991/2019	6-8 & Spec. Ed	987	1,123
Pennsauken High School	1959	1991/2001/2019	9-12 & Spec. Ed	1,703	2,060
G.H. Carson	1954	1991	K-3 & Spec. Ed	359	403
Pennsauken Intermediate	2002		4 & 5	620	753
Total				4,996	6,023

(1) Source: School District officials

HIGHER EDUCATION FACILITIES

Rutgers University-Camden Campus

Rutgers University-Camden ("Rutgers"), a comprehensive, publicly-supported, co-educational four-year institution accredited by the Middle States Association of Colleges and Secondary Schools and funded primarily by the State, was founded in 1950 on a 23.8 acre campus in the City of Camden. For the 2023-2024 school year, there were approximately 3,922 undergraduate students and 1,854 graduate students.

Camden County College

Fully accredited by the Middle States Association of Colleges and Secondary Schools, Camden County College ("College") is a comprehensive publicly supported, co-educational two-year institution developed under the State Department of Higher Education. It is funded in part by the Camden County Board of Commissioners who appoint an eleven (11) member Board of Trustees. The College has three distinct campuses in Blackwood, Camden, and Cherry Hill – along with its satellite locations in Lakeland, Sicklerville and elsewhere throughout the County.

As of the Spring of 2024, full time enrollment was 3,508 and part-time enrollment was 7,598 for a total of 11,106.

Camden County Technical Schools

From a vocational school that opened with 400 students in 12 trade areas in 1928, Camden County Technical Schools ("CCTS") has grown to be one of the largest and most comprehensive technical schools in the nation. The district today encompasses a full range of day and evening programs at campuses in Pennsauken and Gloucester Township. Beginning in 2012, the adult programs were operated by Camden County College as part of the Camden County shared services agreement.

For high school students, there are over 30 career programs from which to choose. For the 2023-2024 school year, 1,417 students are enrolled at the Gloucester Township Campus, and 766 at the Pennsauken Campus. Seniors are offered the opportunity to participate in several of our school-to-career programs and are offered lifetime job placement assistance. In addition, students are offered a full-range of athletics and activities to complement their education. Through Camden County College, high school juniors and seniors at CCTS have various opportunities to earn college credit for college level work completed while in high school. Students may bank the credits earned for future enrollment at colleges and universities.

In addition to the facilities mentioned above, Stockton University, University of Pennsylvania, Temple University, LaSalle University, Villanova University, St. Joseph's University, Drexel University, and Rowan University are all within a commuting distance from the Township.

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS (1)

Name of Taxpayer	Nature of Business	2025 Assessed Valuation
Ranger II Twinbridge NJ	Real Estate	$130,677,600
Buckeye Pennsauken Terminal LLC	Oil Products-Wholesale	44,088,900
Lockbourne Manor LLC	Apartments	26,475,800
1090 Thom Busch Inv	Building Material Supplier	23,768,000
BRF 1550 & 1600 John Tipton Blvd	Plastic and Food Products	21,892,000
Kevon Office Partners	Retail/Office Space	20,266,600
VV9000 LLC	Building Material Supplier	19,500,000
J & J Snack Foods	Food Distributor	18,693,000
5201-5287 Route 70 Realty LLC	Retail/Office Space	18,000,000
Rosdev Pa LP	Building Material Supplier	17,455,000

CURRENT TAX COLLECTIONS (2)

Year	Total Levy	Current in Year of Levy		Balance Dec. 31	
		Amount	Percent	Amount	Percent
2024 (3)	$104,548,222	$102,956,139	98.47%	$1,435,253	1.37%
2023	101,376,120	99,315,789	97.97%	1,851,797	1.83%
2022	96,021,114	94,320,347	98.23%	1,599,740	1.67%
2021	93,602,786	91,777,029	98.05%	1,694,908	1.81%
2020	88,084,695	86,216,402	97.88%	1,611,290	1.83%

DELINQUENT TAXES (2)

Year	Balance Jan. 1	Added	Collected		Transfer to Liens	Other Credits	Balance Dec. 31
			Amount	Percent			
2024 (3)	$2,115,534	$17,500	$1,774,771	83.20%	$101,852	$253,377	$3,034
2023	1,838,422	24,549	1,574,485	84.51%	3,239	21,510	263,737
2022	1,712,158	19,814	1,493,203	86.21%	-	86	238,682
2021	1,644,184	25,452	1,649,052	98.77%	80	3,255	17,250
2020	2,273,600	35,643	2,261,458	97.93%	14,266	625	32,894

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(1) Source: Township Assessor
(2) Source: Annual Reports of Audit, unless otherwise noted
(3) Source: Information from Annual Compiled Financial Statement

TAX TITLE LIENS (1)

Year		Balance Jan. 1	Added by Sales & Transfers	Collections	Other Credits	Adjustments	Balance Dec. 31
2024	(2)	$910,784	$101,852	$12,999	-	-	$999,637
2023		844,455	93,983	27,654	-	-	910,784
2022		832,055	84,501	72,100	-	-	844,455
2021		854,740	103,187	125,872	-	-	832,055
2020		756,701	135,400	4,227	$48,209	$15,075	854,740

FORECLOSED PROPERTY (1)(3)

Year		Balance Jan. 1	Added by Transfer	Adjustment to Assessed Valuation	Gain/Loss on Sale	Adjustment	Balance Dec. 31
2024	(2)	$7,213,200	-	-	-	-	$7,213,200
2023		7,213,200	-	-	-	-	7,213,200
2022		7,213,200	-	-	-	-	7,213,200
2021		7,213,200	-	-	-	-	7,213,200
2020		7,213,200	-	-	-	-	7,213,200

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (4)

		Tax Rate(5)				
Year	Net Valuation Taxable	Total	County	Local School	Garbage District	Municipal
2024	$ 2,376,807,809	$4.352	$0.891	$1.967	$0.203	$1.291
2023	2,370,272,354	4.268	0.959	1.904	0.199	1.206
2022	2,358,511,023	4.101	0.895	1.896	0.196	1.114
2021	2,357,328,991	3.963	0.878	1.860	0.192	1.033
2020	2,352,369,818	3.735	0.832	1.757	0.185	0.961

(1) Source: Annual Reports of Audit, unless otherwise noted
(2) Source: Information from Annual Compiled Financial Statement
(3) These amounts are reflected on the basis of assessed value in the year of acquisition in accordance with the regulation of the Division of Local Government Services.
(4) Source: Township Tax Collector
(5) Per $100 of assessed valuation

RATIO OF ASSESSED VALUATION TO TRUE VALUE AND TRUE VALUE PER CAPITA (1)

Year	Real Property Assessed Valuation	Percentage of True Value	True Value	True Value Per Capita (2)
2024	$2,372,545,400	70.45%	$3,367,701,065	$90,837
2023	2,365,969,700	71.31%	3,317,865,236	89,493
2022	2,353,610,300	83.32%	2,824,784,325	76,193
2021	2,352,075,500	91.55%	2,569,170,399	69,298
2020	2,347,430,700	97.20%	2,415,052,160	65,141

REAL PROPERTY CLASSIFICATION (3)

Year	Assessed Value of Land and Improvements	Vacant Land	Residential	Commercial	Industrial	Apartments
2024	$2,372,545,400	$32,644,600	$1,572,614,700	$407,139,500	$320,424,800	$39,721,800
2023	2,365,969,700	32,668,500	1,565,580,200	445,061,800	282,937,400	39,721,800
2022	2,353,610,300	34,918,100	1,553,368,500	447,346,900	278,259,000	39,717,800
2021	2,352,075,500	32,551,000	1,547,183,900	458,155,000	274,467,800	39,717,800
2020	2,347,430,700	33,055,300	1,542,826,600	510,395,300	221,472,800	39,680,700

(1) Source: State of New Jersey, Department of Treasury, Division of Taxation
(2) Based on Federal Census 2020 of 37,074
(3) Source: Township Tax Assessor

TOWNSHIP OF PENNSAUKEN

STATEMENT OF INDEBTEDNESS (1)

The following table summarizes the direct debt of the Township of Pennsauken as of December 31, 2024 in accordance with the requirements of the Local Bond Law of the State of New Jersey (*N.J.S.A*. 40A:2-2- *et.seq*.). The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Golf Course Utility, Water Commission and debt of the Township of Pennsauken School District. Deductions from gross debt to arrive at net debt include deductible school debt, as well as, debt considered to be self-liquidating. The resulting net debt of $59,710,403 represents 1.698% of the average of equalized valuations for the Township for the last three years, which is within the 3.5% limit imposed by *N.J.S.A.* 40A:2-6.

	Debt Issued		Authorized But Not	Gross	Deductions		Net
	Bonds/Loans	Notes	Issued	Debt	School Debt	Self-Liquidating Debt	Debt
General	$37,785,453	$14,985,000	$6,939,950	$59,710,403			$59,710,403
School--Local	28,660,000			28,660,000	$28,660,000		
Golf Course Utility	424,457	3,733,500	2,000,000	6,157,957		$6,157,957	
Merchantville-Pennsauken Water Commission	14,569,140			14,569,140		14,569,140	
	$81,439,050	$18,718,500	$8,939,950	$109,097,500	$28,660,000	$20,727,097	$59,710,403

(1) Source: Annual Debt Statement

DEBT RATIOS AND VALUATIONS(1) (2)

Average of Equalized Valuations of Real Property with Improvements and Second Class Railroad Property for 2022, 2023 and 2024	$3,516,744,325
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024	1.70%
2024 Net Valuation Taxable	$2,376,807,809
2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	$3,371,963,474
Gross Debt (3):	
As a percentage of 2024 Net Valuation Taxable	4.59%
As a percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	3.24%
Net Debt (3):	
As a percentage of 2024 Net Valuation Taxable	2.51%
As a percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	1.77%
Gross Debt Per Capita (4)	$2,943
Net Debt Per Capita (4)	$1,611

TOWNSHIP BORROWING CAPACITY(1) (2)

3.5% of Averaged (2022-24) Equalized Valuation of Real Property including Improvements ($3,516,744,325)	$123,086,051
Net Debt	59,710,403
Remaining Borrowing Capacity	$63,375,648

SCHOOL DISTRICT BORROWING CAPACITY (1) (2)

4% of Averaged (2022-24) Equalized Valuation of Real Property including Improvements ($3,516,744,325)	$140,669,773
School District Debt	28,660,000
Remaining Borrowing Capacity	$112,009,773

(1) As of December 31, 2024
(2) Source: Township Auditor
(3) Excluding overlapping debt
(4) Based on 2020 Federal Census of 37,074

TOWNSHIP OF PENNSAUKEN
OVERLAPPING DEBT AS OF DECEMBER 31, 2024

	DEBT ISSUED					
	Debt Outstanding	Deductions		Statutory Net Debt Outstanding	Net Debt Outstanding Allocated to the Issuer		Debt Auth. but not Issued
County of Camden(1):							
General:							
Bonds	$ 61,099,583	$ 38,846,103	(2)	$ 22,253,480	$ 1,415,321	(4)	$ 71,990,250
Notes	12,980,000			12,980,000	825,528	(4)	
Loan Agreements	307,080,000			307,080,000	19,530,288	(4)	
Bonds Issued by Other Public Bodies Guaranteed by the County	220,129,800	220,129,800	(3)	-			
Pennsauken Sewerage Authority(5)	203,639			203,639	203,639		
	$ 601,493,022	$ 258,975,903		$ 342,517,119	$ 21,974,776		$ 71,990,250

(1) Source: County of Camden.
(2) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Refunding Bonds.
(3) Deductible in accordance with N.J.S. 40:37A-80.
(4) Such debt is allocated as a proportion of the Issuer's share of the total 2024 Net Valuation on which County taxes are apportioned, which is 6.36%.
(5) Authority Auditor - unaudited

Camden County Municipal Utilities Authority

The Camden County Municipal Utilities Authority ("CCMUA") is a public body corporate and politic of the State and was originally created as the Camden County Sewerage Authority ("Sewerage Authority") by a resolution of the County adopted on December 5, 1967. The Sewerage Authority was reorganized in 1972 as a utilities authority and changed its name to the Camden County Municipal Utilities Authority pursuant to a resolution of the County adopted on April 13, 1972. The CCMUA operates under the supervision of nine commissioners who are appointed by the Board for five-year staggered terms. The County has entered into a deficiency agreement with the CCMUA ("Deficiency Agreement") whereby the County is obligated to pay to the CCMUA any annual charges equal to any deficits in CCMUA revenues necessary to pay or provide for: (i) operation and maintenance expenses of the CCMUA's regional sewer system, (ii) principal and interest payments on bonds and notes of the CCMUA in an aggregate principal amount not to exceed $685,500,000, and (iii) the maintenance of reserves required under the bond resolution securing the CCMUA's bonds and notes. The obligation of the County pursuant to the provisions of the Deficiency Agreement is a direct and general obligation of the County, and any annual charges are ultimately payable by the County from the levy of *ad valorem* taxes on all the taxable real property within the jurisdiction of the County in amounts sufficient to enable the County to meet its obligations under the Deficiency Agreement. ***To date, no payments have been required to be made by the County pursuant to the Deficiency Agreement***. The County and the CCMUA may agree to amend the Deficiency Agreement at any time to increase the obligations of the County thereunder.

The CCMUA owns and operates a sewage collection and treatment system which serves all County residents connected to local sewer collection systems. The CCMUA's system does not include the local sewage collection system of any CCMUA participant, but it owns and operates interceptor sewer lines connecting the local systems to the CCMUA's sewage treatment facilities.

The CCMUA is required to charge and collect service charges for the use of its facilities such that revenues of the CCMUA will at all times be adequate to pay all operating and maintenance expenses, including reserves, insurance, extensions and replacements, and to pay punctually the principal of and interest on any bonds and notes of the CCMUA and to maintain reserves and sinking funds therefor as may be required by the terms of any agreements with the holders thereof.

The gross debt as of December 31, 2023 for the CCMUA was $208,733,984 (unaudited). The County guarantees up to $685,500,000 of debt issued by the CCMUA.

Camden County Improvement Authority

The Camden County Improvement Authority ("CCIA") is a public body corporate and politic of the State and was created by a resolution of the County Board. The CCIA operates under the supervision of a five (5) member Board who are appointed for five (5) year staggered terms by the County Board. The CCIA has from time to time issued its revenue bonds for projects involving the County and for which the County has a repayment obligation or guaranty. The CCIA also issues conduit debt from time to time which is not included in the overlapping debt as there is no obligation by the taxpayers to repay the associated debt service.

The amount of debt which the County has guaranteed or for which it has a repayment obligation as of December 31, 2023 was $356,852,083.

TOWNSHIP OF PENNSAUKEN
SCHEDULE OF DEBT SERVICE
BONDED DEBT ONLY (1) (2)

	General			Golf Course Utility			Total Debt
Year	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**	**Service**
2025	$3,048,880	$1,319,514	$4,368,394	$81,120	$8,229	$89,349	$4,457,743
2026	3,002,101	1,251,584	4,253,685	82,899	6,589	89,488	4,343,173
2027	1,835,322	1,182,925	3,018,247	84,678	4,913	89,591	3,107,838
2028	2,108,187	1,125,023	3,233,210	86,813	3,089	89,902	3,323,112
2029	2,191,053	1,058,387	3,249,440	88,947	1,056	90,003	3,339,443
2030	1,820,000	987,600	2,807,600				2,807,600
2031	1,885,000	913,500	2,798,500				2,798,500
2032	1,945,000	836,900	2,781,900				2,781,900
2033	1,880,000	760,400	2,640,400				2,640,400
2034	1,955,000	683,700	2,638,700				2,638,700
2035	2,035,000	603,900	2,638,900				2,638,900
2036	2,120,000	520,800	2,640,800				2,640,800
2037	2,205,000	434,300	2,639,300				2,639,300
2038	2,295,000	344,300	2,639,300				2,639,300
2039	2,390,000	250,600	2,640,600				2,640,600
2040	2,485,000	153,100	2,638,100				2,638,100
2041	2,585,000	51,700	2,636,700				2,636,700
Total	$37,785,543	$12,478,233	$50,263,776	$424,457	$23,876	$448,333	$50,712,109

(1) Source: Township Auditor
(2) As of December 31, 2024

TOWNSHIP OF PENNSAUKEN
2024 MUNICIPAL BUDGET*

CURRENT FUND

Anticipated Revenues:	
Fund Balance	$3,200,000.00
Miscellaneous Revenues:	
Local Revenues	3,300,488.00
State Aid Without Offsetting Appropriations	6,138,316.39
Dedicated Uniform Construction Code Fees Offset with Appropriations	900,000.00
Special Items of Revenues Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenue	3,124,520.95
Special Items of Revenues Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items	3,506,265.00
Receipts from Delinquent Taxes	1,300,000.00
Amount to be Raised from Taxation for Municipal Purposes	30,681,850.25
Total Revenues	$52,151,440.59
Appropriations:	
Within "CAPS":	
Operations	$33,880,407.00
Deferred Charges and Statutory Expenditures	5,720,940.00
Excluded from "CAPS":	
Other Operations	1,377,167.00
Public and Private Programs	3,124,520.95
Capital Improvements	187,900.00
Municipal Debt Service	4,439,503.00
Deferred Charges	260,000.00
Reserve for Uncollected Taxes	3,161,002.64
Total Appropriations	$52,151,440.59

GOLF COURSE UTILITY FUND

Anticipated Revenues:	
Fund Balance	$475,000.00
Playing Fees	2,058,707.00
Equipment Rental Fees	428,000.00
Catering Lease	265,500.00
Total Revenues	$3,227,207.00
Appropriations:	
Operating	$2,594,350.00
Capital Improvement Fund	50,000.00
Debt Service	274,857.00
Statutory Expenditures	158,000.00
Surplus	150,000.00
Total Appropriations	$3,227,207.00

* As Adopted

TOWNSHIP OF PENNSAUKEN

SIX YEAR CAPITAL PROGRAM*

Projects Scheduled for the Years 2024 - 2029

Project Title	Estimated Total Cost	Capital Improvement Fund	Bonds and Notes General
Police Building Improvements	$100,000	$5,000	$95,000
Homestead Flooring	16,000	800	15,200
Skatepark Improvements	13,000	650	12,350
Pool Improvements	25,000	1,250	23,750
Township Field Improvements	150,000	7,500	142,500
Body Worn Cameras, Body Armor, radios	193,000	9,650	183,350
Commercial Mowers	25,000	1,250	23,750
Building and Grounds Equipment	10,000	500	9,500
Jake's Place Playground	190,000	9,500	180,500
Vehicle Department Equipment	7,000	350	6,650
Playground Equipment	200,000	10,000	190,000
IT Hardware/Software	50,000	2,500	47,500
	$979,000	$48,950	$930,050

* As Adopted

APPENDIX B

FINANCIAL STATEMENTS OF THE TOWNSHIP OF PENNSAUKEN

FOR THE YEAR ENDED 2024

COMPILED FINANCIAL STATEMENTS

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Pennsauken
Pennsauken, New Jersey 08110

Management is responsible for the accompanying financial statements of the Township of Pennsauken, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2024 and the related statements of operations and changes in fund balances--regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures required by these regulatory accounting practices. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Township's assets, liabilities, reserves, fund balance, revenues and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Respectfully submitted,

/s/ BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

/s/ Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
March 3, 2025

601 White Horse Road | Voorhees, NJ 08043 | P 856.435.6200 | F 856.435.0440 | www.bowman.cpa

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2024

ASSETS:	
Regular Fund:	
Cash -- Treasurer	$ 19,216,307.35
Due from State of New Jersey --	
Veterans' and Senior Citizens' Deductions	6,688.99
	19,222,996.34
Receivables and Other Assets with Full Reserves:	
Delinquent Property Taxes Receivable	1,438,287.56
Tax Title Liens Receivable	999,636.90
Municipal Assessments Receivable	18,843.34
Protested Checks Receivable	837.18
Due from Camden County Municipal Utility Authority	2,563.82
Revenue Accounts Receivable	29,086.13
Property Acquired for Taxes (at Assessed Valuation)	7,213,200.00
Due from CDBG	84,354.07
Due from Animal Control Fund	836.68
Haddon Point Receivable	421,741.83
	10,209,387.51
Deferred Charges:	
Special Emergency (N.J.S.A.40A:4-53)	1,040,000.00
	1,040,000.00
Total Regular Fund	30,472,383.85
Federal and State Grant Fund:	
Cash -- Treasurer	9,789,624.32
Federal, State and Local Grants Receivable	25,612,661.80
Due from/to Current Fund	0.03
Total Federal and State Grant Fund	35,402,286.15
Total Assets	$ 65,874,670.00

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2024

LIABILITIES, RESERVES AND FUND BALANCE:	
Regular Fund:	
Liabilities:	
Due Pennsauken Garbage District	
Accounts Payable	$ 240,124.56
Due to Township of Pennsauken Library	3,640.00
Encumbrances Payable	699,472.65
Appropriation Reserves	1,704,388.46
Prepaid Taxes	1,154,865.30
Tax Overpayments	18,813.15
Due to State of New Jersey:	
Training Fees -- Surcharge	40,520.00
Marriage and Domestic Partner Licenses	4,905.00
Due to County for Added and Omitted Taxes	120,961.13
Local School Taxes Payable	29.67
Special Emergency Notes Payable	1,040,000.00
Reserve for Election Expenses	7,800.00
Due to Camden County Improvement Authority	862,153.44
Reserve for Revaluation Program	267,463.69
Due to General Capital Fund	5,285,000.00
	11,450,137.05
Reserves for Receivables and Other Assets	10,209,387.51
Fund Balance	8,812,859.29
Total Regular Fund	30,472,383.85
Federal and State Grant Fund:	
Liabilities:	
Reserve for Federal, State and Local Grants --	
Unappropriated	33,096.55
Appropriated	7,990,440.43
Reserve for Encumbrances	27,378,749.17
Total Federal and State Grant Fund	35,402,286.15
Total Liabilities, Reserves and Fund Balance	$ 65,874,670.00

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2024

Revenue and Other Income Realized	
Surplus Utilized	$ 3,200,000.00
Miscellaneous Revenues Anticipated	26,237,221.56
Receipts from Delinquent Taxes	1,787,769.46
Receipts from Current Taxes	102,956,138.89
Non-Budget Revenues	450,267.63
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	1,178,393.24
Liquidation of Reserves for:	
Prior Year Interfunds Returned	105,121.86
Total Income	135,914,912.64
Expenditures	
Budget and Emergency Appropriations:	
Operations Within "CAPS":	
Salaries and Wages	19,472,000.00
Other Expenses	20,129,347.00
Operations Excluded from "CAPS":	
Other Expenses	11,471,416.36
Capital Improvements Excluded from "CAPS"	187,900.00
Municipal Debt Service Excluded from "CAPS"	4,436,547.75
Deferred Charges - Municipal - Excluded from "CAPS"	260,000.00
County Taxes	21,172,218.46
Due County for Added and Omitted Taxes	120,961.13
Local School District Taxes	46,753,951.00
Garbage District Taxes	4,800,405.00
Total Expenditures	128,804,746.70
Excess in Revenue	7,110,165.94
Fund Balance	
Balance January 1	4,902,693.35
	12,012,859.29
Decreased by:	
Utilization as Anticipated Revenue	3,200,000.00
Balance December 31	$ 8,812,859.29

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF PENNSAUKEN
TRUST FUNDS
Statement of Assets, Liabilities and Reserves -- Regulatory Basis
As of December 31, 2024

ASSETS:	
Animal Control Fund:	
Reserve for Animal Control Fund	$ 918.28
Total Animal Control Fund	918.28
CDBG Fund:	
Cash	35,664.85
Grant Receivables	390,000.00
Total CDBG Fund	425,664.85
Other Funds:	
Cash	5,643,640.93
Housing Rehabilitation Program Inventory	72,000.00
Due from Housing Rehab Receivable	8,983.25
Total Other Funds	5,724,624.18
Total Assets	$ 6,151,207.31
LIABILITIES AND RESERVES:	
Animal Control Fund:	
Due to State of New Jersey	$ 81.60
Due to Current Fund	836.68
Total Animal Control Fund	918.28
CDBG Fund:	
Due to Current Fund	84,354.07
Reserve for CDBG	341,310.78
Total CDBG Fund	425,664.85
Other Funds:	
Accounts Payable	1,087.00
Due to General Capital Fund	5,000.00
Reserve for Payroll Deductions Payable	296,862.83
Reserve for Section 8 Program	61,108.93
Miscellaneous Trust Reserves:	
Reserve for Street Opening Deposits	38,000.00
Reserve for Escrow Deposits	85,841.42
Reserve for Unemployment Compensation Insurance	88,596.54
Reserve for Parking Offense Adjudication Act	726.14
Reserve for Planning and Zoning Deposits	1,057,360.02
Reserve for Miscellaneous Deposits	61,482.60
Reserve for Special Law Enforcement Officers	105,319.39
Reserve for Housing Trust	481,924.46
Reserve for Housing Rehabilitation Program	147,425.03
Reserve for Tax Title Lien Redemption	2,497,774.19
Reserve for Worker's Compensation Insurance	226,076.87
Reserve for Accumulated Leave	153,999.61
Reserve for Skate Park	3,240.00
Reserve for Recreation	11,484.37
Reserve for Police Outside Employment	400,974.27
Reserve for Urban Development Action Grant	340.51
Total Other Funds	5,724,624.18
Total Liabilities and Reserves	$ 6,151,207.31

See Independent Accountant's Compilation Report and selected notes.

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

ASSETS:	
Cash	$ 4,027,983.33
Deferred Charges to Future Taxation:	
Funded	37,785,543.00
Unfunded	21,924,950.00
Due from Trust Other Fund	5,000.00
Due from Current Fund	5,285,000.00
Federal and State Grants Receivable	1,004,029.12
Total Assets	$ 70,032,505.45
LIABILITIES, RESERVES AND FUND BALANCE:	
Improvement Authorizations:	
Funded	$ 852,775.64
Unfunded	10,216,632.37
Encumbrances Payable	5,917,742.07
Capital Improvement Fund	135,400.00
Bond Anticipation Notes	14,985,000.00
General Serial Bonds	37,785,543.00
Fund Balance	139,412.37
Total Liabilities, Reserves and Fund Balance	$ 70,032,505.45

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2024

ASSETS:	
Operating Fund:	
Cash	$ 2,500,926.46
Inventory	65,859.43
Accounts Receivable	26,962.79
Total Operating Fund	2,593,748.68
Capital Fund:	
Cash	1,138,143.88
Fixed Capital	7,439,239.94
Fixed Capital Authorized and Uncompleted	5,930,000.00
Total Capital Fund	14,507,383.82
Total Assets	$ 17,101,132.50
LIABILITIES, RESERVES AND FUND BALANCE:	
Operating Fund:	
Appropriation Reserves	$ 89,416.45
Reserve for Encumbrances	112,106.50
Due State of New Jersey - Sales Tax Payable	1,848.94
Accounts Payable	92,727.00
Reserve for Inventory	65,859.43
Accrued Interest on Bonds and Notes	103,158.42
Fund Balance	2,128,631.94
Total Operating Fund	2,593,748.68
Capital Fund:	
Improvement Authorizations:	
Funded	
Unfunded	2,672,257.15
Reserve for Encumbrances	386,690.65
Reserve for Amortization	7,014,782.94
Deferred Reserve for Amortization	196,500.00
Bond Anticipation Notes	3,733,500.00
Serial Bonds	424,457.00
Capital Improvement Fund	39,029.00
Reserve for Capital Projects	4,000.00
Reserve for Preliminary Expenses	38.58
Fund Balance	36,128.50
Total Capital Fund	14,507,383.82
Total Liabilities, Reserves and Fund Balance	$ 17,101,132.50

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY OPERATING FUND
Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2024

Revenue and Other Income Realized	
Surplus Utilized	$ 475,000.00
Playing Fees	2,287,861.22
Equipment Rental Fees	461,483.99
Catering Lease	245,479.74
Other Credits to Income:	
Miscellaneous Revenues Not Anticipated	380,253.62
Unexpended Balance of Appropriation Reserves	171,913.29
Total Income	4,021,991.86
Expenditures	
Operating	2,594,350.00
Capital Improvements	50,000.00
Debt Service	227,481.65
Deferred Charges and Statutory Expenditures	158,000.00
Surplus (General Budget)	150,000.00
Total Expenditures	3,179,831.65
Exess in Revenue	842,160.21
Fund Balance	
Balance January 1	1,761,471.73
	2,603,631.94
Decreased by:	
Utilized as Revenue in Golf Course Utility Operating Budget	475,000.00
Balance December 31	$ 2,128,631.94

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF PENNSAUKEN
Selected Information - Substantially All Disclosures Required
By the Regulatory Basis of Accounting Have Been Omitted
For the Year Ended December 31, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Pennsauken (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on February 18, 1892 from portions of the now-defunct Stockton Township. The Township, located in Camden County, New Jersey, has a total area of approximately twelve square miles with approximately two miles of frontage along the Delaware River directly across from the City of Philadelphia, Pennsylvania. In New Jersey, the Township borders Camden, Cherry Hill, Collingswood and Merchantville in Camden County and Cinnaminson Township, Maple Shade Township and Palmyra Borough in Burlington County. According to the 2020 census, the population is 37,074.

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

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

Pennsauken Sewerage Authority
1250 John Tipton Blvd.
Pennsauken, New Jersey 08110

Pennsauken Free Public Library
5605 N. Crescent Blvd.
Pennsauken, New Jersey 08110

Pennsauken Garbage District
5605 N. Crescent Blvd.
Pennsauken, New Jersey 08110

Merchantville - Pennsauken Water Commission
20 W. Maple Ave.
Merchantville, NJ 08109

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

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

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

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

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

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

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

Golf Course Utility Operating and Capital Funds - The golf course utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned golf course operations.

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

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

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

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

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

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

Note 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>

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

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

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

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

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

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

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

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

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

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

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

Garbage District Taxes - The municipality is responsible for levying, collecting, and remitting garbage district taxes for the Township of Pennsauken Garbage District. Operations is charged for the full amount required to be raised from taxation to operate the Garbage District for the period from January 1 to December 31.

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

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

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

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

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

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

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

Note 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>

<u>Impact of Recently Issued Accounting Principles</u>

Recently Issued Accounting Pronouncements

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

Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Township in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Township, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Township.

FOR THE YEARS ENDED 2023, 2022, 2021, 2020 AND 2019

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Pennsauken
Pennsauken, New Jersey 08110

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Pennsauken, in the County of Camden, State of New Jersey, as of December 31, 2023, 2022, 2021, 2020 and 2019, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Pennsauken, in the County of Camden, State of New Jersey, as of December 31, 2023, 2022, 2021, 2020 and 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Township of Pennsauken, in the County of Camden, State of New Jersey, as of December 31, 2023, 2022, 2021, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Scott P. Barron

Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
September 26, 2024

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE--REGULATORY BASIS

	As of December 31				
	2023	**2022**	**2021**	**2020**	**2019**
ASSETS					
Regular Fund:					
Cash	$10,120,847	$8,516,970	$10,899,882	$12,960,745	$14,308,581
Due from State of New Jersey	9,439	15,353	1,103	3,103	
Receivables and Other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	2,115,534	1,838,422	1,712,158	1,644,184	2,273,600
Tax Title Liens Receivable	910,784	844,455	832,055	854,740	756,701
Municipal Assessments Receivable	20,037	68,658	68,658	68,658	96,653
Property Acquired for Taxes--Assessed Valuation	7,213,200	7,213,200	7,213,200	7,213,200	7,213,200
Payments in Lieu of Taxes Receivable	117,138		15,050	1,580	1,683
Revenue Accounts Receivable	14,637	25,362	32,775	25,637	248,860
Protested Checks Receivable	837	837	837	553	10,033
Due from CCMUA	1,779				
Interfunds Receivable	232,803	30,283	4,896	43,623	
Deferred Charges	1,300,000				
Total Regular Fund	22,057,034	18,553,540	20,780,614	22,816,022	24,909,312
Federal and State Grant Fund:					
Cash	4,868,105	1,442,561	954,546		
Federal and State Grants Receivable	23,852,544	17,072,373	770,902	548,904	269,807
Interfunds Receivable					1,881
Total Federal and State Grant Fund	28,720,649	18,514,934	1,725,448	548,904	271,689
Total Assets	$50,777,684	$37,068,474	$22,506,062	$23,364,926	$25,181,000

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE--REGULATORY BASIS

	As of December 31				
	2023	2022	2021	2020	2019
LIABILITIES, RESERVES AND FUND BALANCE					
Regular Fund:					
Appropriation Reserves	$1,260,652	$1,030,042	$341,934	$143,330	$112,212
Reserve for Encumbrances	858,993	673,445	355,375	197,107	424,145
Prepaid Taxes	1,166,876	1,203,391	988,644	1,093,414	945,153
Accounts Payable	156,509	4,257	1,318		
Tax Overpayments	50,065	85,558	68,334	13,363	2,721
Special Emergency Notes Payable	1,300,000				
Local School Taxes Payable	30	30	3,582,286	3,424,180	3,463,765
Reserve for Municipal Relief Aid	573,592	286,857			
Due to County for Added and Omitted Taxes	52,639	90,865	44,916	49,849	24,558
Due Pennsauken Garbage District		118,021	118,021	127,636	105,016
Due to/from Township of Pennsauken Library	3,640	3,640	3,640	3,640	2,586
Due to Pennsauken Sewerage Authority	531	1,403			
Due to State of New Jersey	21,659	43,419	27,937	32,577	20,932
Prepaid Payments in Lieu of Taxes				307,221	8,916
Due to Various Municipal Utility Authorities	582,249	348,997	206,540	70,982	
Interfunds Payable		497,975	356,941	1,287,142	1,793,586
Reserve for Revaluation Program	495,057		7,008	10,908	14,068
Reserve for Election Expenses	5,100	5,100	1,650		
Reserve for Receivables and Other Assets	10,626,748	10,021,217	9,879,629	9,852,174	10,600,730
Fund Balance	4,902,693	4,139,322	4,796,441	6,202,500	7,390,924
Total Regular Fund	22,057,034	18,553,540	20,780,614	22,816,022	24,909,312
Federal and State Grant Fund:					
Unappropriated Reserves	32,017	802,500	1,005,905	10,000	10,000
Appropriated Reserves	18,553,939	15,919,341	597,771	475,345	250,909
Reserve for Encumbrances	10,134,694	1,770,649	121,773	19,937	10,780
Interfunds Payable		22,445		43,623	
Total Federal and State Grant Fund	28,720,649	18,514,934	1,725,448	548,904	271,689
Total Liabilities, Reserves and Fund Balance	$50,777,684	$37,068,474	$22,506,062	$23,364,926	$25,181,000

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

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE--REGULATORY BASIS

	For the Years Ended December 31				
	2023	**2022**	**2021**	**2020**	**2019**
Revenue and Other Income Realized:					
Fund Balance Utilized	$3,200,000	$2,500,000	$2,500,000	$2,810,000	$1,197,500
Receipts from Current Taxes	99,315,789	94,320,347	91,777,029	86,216,402	86,485,499
Receipts from Delinquent Taxes	1,602,139	1,565,303	1,774,924	2,265,685	2,103,152
Miscellaneous Revenues Anticipated	27,865,018	31,968,591	14,747,058	13,684,641	14,507,091
Non-Budget Revenues and Other Income	1,564,006	587,081	307,623	246,015	409,297
Liquidation of Reserves for:					
Due from Bank					20
Due from Federal and State Grant Fund	22,445		43,623		
Due from General Capital Fund		597			
Due from Pennsauken Garbage District					6,056
Total Income	133,569,398	130,941,920	111,150,256	105,222,743	104,708,615
Expenditures and Encumbrances:					
Operating	47,749,420	50,650,317	31,950,415	30,197,616	29,098,169
Capital Improvements	146,000	290,000	190,000	200,000	140,000
Debt Service	4,738,747	3,378,875	3,581,927	3,523,858	3,413,372
Deferred Charges	5,412,621	5,301,431	5,049,872	4,162,640	4,617,107
Prior Year Veterans' and Senior Citizens' Deductions Disallowed	24,549	19,814	25,452	35,644	31,256
County Taxes	22,781,845	21,170,811	20,738,887	19,618,893	20,149,326
Local District School Tax	45,119,822	43,647,808	43,845,082	41,327,680	41,651,523
Garbage District Taxes	4,706,280	4,614,000	4,515,000	4,355,000	4,280,000
Cancellation of Federal and State Grant Receivable			154,500	30,194	
Refund of Prior Year Revenue				105,467	8,440
Creation of Reserves for:					
Due from Federal and State Grant Fund		22,445		43,623	
Due from Animal Control Fund	47,234	3,539	4,299		
Due from General Capital Fund			597		
Due from Trust Other Fund	177,731				
Due from Bank	1,779				
Protested Checks Receivable			284	553	2,325
Total Expenditures and Encumbrances	130,906,027	129,099,039	110,056,315	103,601,167	103,391,518
Excess in Revenue	2,663,371	1,842,881	1,093,942	1,621,575	1,317,097
Adjustments to Income before Fund Balance:					
Deficit in Operations to be Raised in Budget of Succeeding Year	1,300,000				
Statutory Excess to Fund Balance	3,963,371	1,842,881	1,093,942	1,621,575	1,317,097
Fund Balance, January 1	4,139,322	4,796,441	6,202,500	7,390,924	7,271,327
	8,102,693	6,639,322	7,296,441	9,012,500	8,588,424
Less: Utilized as Revenue	3,200,000	2,500,000	2,500,000	2,810,000	1,197,500
Fund Balance, December 31	$4,902,693	$4,139,322	$4,796,441	$6,202,500	$7,390,924

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

TOWNSHIP OF PENNSAUKEN
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES AND RESERVES--REGULATORY BASIS

	As of December 31				
	2023	2022	2021	2020	2019
ASSETS					
Animal Control Fund:					
Cash	$66,550	$19,628	$18,144	$1,756	$3,875
Deferred Charge				13,125	11,101
Interfund Receivable				167	24
Total Animal Control Fund	66,550	19,628	18,144	15,048	15,000
Trust--Other Funds:					
Cash	$6,287,006	$5,823,441	$5,215,494	$4,751,962	$2,465,779
Interfunds Receivable		365,475	356,941	189,931	207,797
Mortgages Receivable	8,983	8,983	8,983	8,983	8,983
Housing Rehabilitation Program Inventory	72,000	72,000	72,000	72,000	72,000
Community Development Block Grant Receivable	178,300	303,740	193,394	205,968	127,091
Deferred Charge			19,623		
Total Trust--Other Funds	6,546,289	6,573,639	5,866,435	5,228,844	2,881,650
Total Assets	$6,612,839	$6,593,267	$5,884,579	$5,243,892	$2,896,650
LIABILITIES AND RESERVES					
Animal Control Fund:					
Interfunds Payable	$55,072	$7,838	$4,299	$15,000	$15,000
Reserve for Animal Control Fund Expenditures	11,397	11,785	13,839		
Prepaid License				48	
Due to State of New Jersey	82	4	6		
Total Animal Control Fund	66,550	19,628	18,144	15,048	15,000
Trust--Other Funds:					
Due to Bank	134	134	134	134	134
Interfunds Payable	177,731	5,000	5,000	5,000	5,000
Reserve for Economic Development	329	329	329	329	240
Reserve Community Development Block Grant	122,238	294,499	164,829	130,430	94,810
Reserve for Section 8 Program	53,582	37,837	47,922	49,631	65,760
Reserve for Payroll Deductions	182,724	320,032	538,507	380,978	182,982
Miscellaneous Trust Reserves	6,009,551	5,915,807	5,109,715	4,662,342	2,532,725
Total Trust--Other Funds	6,546,289	6,573,639	5,866,435	5,228,844	2,881,650
Total Liabilities and Reserves	$6,612,839	$6,593,267	$5,884,579	$5,243,892	$2,896,650

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

TOWNSHIP OF PENNSAUKEN
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE--REGULATORY BASIS

	As of December 31				
	2023	**2022**	**2021**	**2020**	**2019**
ASSETS					
Cash	$15,684,742	$15,758,124	$2,609,140	$13,101	$74,374
Deferred Charges to Future Taxation:					
Funded	40,676,202	43,683,284	15,937,145	18,847,429	21,299,136
Unfunded	18,354,850	15,635,950	28,894,700	11,051,200	7,855,200
Due from State of New Jersey	553,247	526,591	251,707	576,390	598,260
Community Development Block Grant Receivable					159,000
Interfunds Receivable	5,000	137,500	5,000	1,084,693	1,597,050
	$75,274,041	$75,741,449	$47,697,692	$31,572,812	$31,583,020
LIABILITIES, RESERVES AND FUND BALANCE					
General Serial Bonds	$40,676,202	$43,683,284	$15,937,145	$18,847,429	$21,299,136
Bond Anticipation Notes	2,414,900		14,520,000	10,585,000	7,850,000
Improvement Authorizations:					
Funded	1,140,285	12,740,006	98,171	147,435	571,876
Unfunded	9,522,536	15,608,776	15,010,431	691,060	1,086,777
Capital Improvement Fund	135,400	132,500		34,672	8,672
Contracts Payable	21,341,744	3,346,126	2,019,154	1,188,761	734,947
Interfunds Payable			597	16,745	
Fund Balance	42,975	230,757	112,194	61,711	31,612
	$75,274,041	$75,741,449	$47,697,692	$31,572,812	$31,583,020

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

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE--REGULATORY BASIS

	As of December 31				
	2023	**2022**	**2021**	**2020**	**2019**
ASSETS					
Operating Fund:					
Cash	$2,292,160	$1,437,453	$1,029,132	$438,631	$399,792
Utility Reimbursements Accounts Receivable	4,226	12,792			
Inventory	37,886	37,886			
Interfunds Receivable		250,000		53,405	4,458
Total Operating Fund	2,334,272	1,738,131	1,029,132	492,036	404,251
Capital Fund:					
Cash	1,566,960	70,712	3,068	1,720	1,712
Interfunds Receivable				2,874	2,882
Fixed Capital	7,439,240	7,439,240	6,907,740	6,907,740	6,907,740
Fixed Capital Authorized and Uncompleted	3,650,000	1,000,000	531,500	531,500	531,500
Total Capital Fund	12,656,200	8,509,952	7,442,308	7,443,834	7,443,834
Total Assets	$14,990,471	$10,248,083	$8,471,439	$7,935,870	$7,848,085
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Appropriation Reserves	$144,519	$67,026	$1,486	$10,970	$1,562
Reserve for Encumbrances	339,929	93,282	24,791	12,443	81,018
Reserve for Gift Certificates			14,586	13,236	
Due State - Sales Tax Payable	276	161	16,711	9,523	
Reserve for Inventory	37,886	37,886			
Accrued Interest on Bonds and Notes	50,190	4,378	5,343	6,299	7,245
Interfunds Payable				499	507
Fund Balance	1,761,472	1,535,398	966,214	439,067	313,919
Total Operating Fund	2,334,272	1,738,131	1,029,132	492,036	404,251
Capital Fund:					
General Serial Bonds	503,798	656,716	802,855	947,571	1,090,864
Bond Anticipation Notes	2,375,000				
Interfunds Payable		250,000			
Improvement Authorizations:					
Funded	57,500			1,527	
Unfunded	2,501,422	582,949			
Capital Improvement Fund	3,029	3,029	3,029	3,029	3,029
Deferred Reserve fore Amortization	182,500	50,000			
Reserve for Preliminary Expenses	39	39	39	39	39
Reserve for Capital Projects	4,000				
Reserve for Amortization	6,935,442	6,782,524	6,636,385	6,491,669	6,348,376
Reserve for Encumbrances	81,451	184,696			1,527
Fund Balance	12,019				
Total Capital Fund	12,656,200	8,509,952	7,442,308	7,443,834	7,443,834
Total Liabilities, Reserves and Fund Balance	$14,990,471	$10,248,083	$8,471,439	$7,935,870	$7,848,085

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

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE--REGULATORY BASIS

	For the Years Ended December 31				
	2023	**2022**	**2021**	**2020**	**2019**
Revenue and Other Income Realized:					
Fund Balance Utilized	$435,000	$435,000	$237,500	$140,000	$62,720
Playing Fees	2,264,014	2,110,535	1,754,664	1,210,465	1,089,042
Equipment Rental Fees	460,683	438,776	480,197	422,645	481,816
Vendor Concessionaire Contract	265,500	206,000			
Miscellaneous	259,575	235,603	330,771	182,636	246,147
Other Credits to Income	106,183	20,995	9,009	4,396	14,153
Total Income	3,790,955	3,446,909	2,812,140	1,960,142	1,893,878
Expenditures:					
Operating	2,480,458	2,067,200	1,825,095	1,509,270	1,414,470
Capital Improvements	132,500	50,000			
Debt Service	211,599	160,948	162,408	163,839	165,242
Deferred Charges and Statutory Expenditures	155,325	164,576	59,990	21,885	55,285
Surplus (General Budget)	150,000				
Total Expenditures	3,129,882	2,442,724	2,047,493	1,694,994	1,634,997
Excess in Revenues	661,073	1,004,184	764,647	265,148	258,881
Fund Balance January 1	1,535,398	966,214	439,067	313,919	117,758
	2,196,472	1,970,398	1,203,714	579,067	376,639
Less:					
Utilized as Revenue	435,000	435,000	237,500	140,000	62,720
Fund Balance December 31	$1,761,472	$1,535,398	$966,214	$439,067	$313,919

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

TOWNSHIP OF PENNSAUKEN
Notes to Financial Statements
For the Year Ended December 31, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Pennsauken (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on February 18, 1892 from portions of the now-defunct Stockton Township. The Township, located in Camden County, New Jersey, has a total area of approximately twelve square miles with approximately two miles of frontage along the Delaware River directly across from the City of Philadelphia, Pennsylvania. In New Jersey, the Township borders Camden, Cherry Hill, Collingswood and Merchantville in Camden County and Cinnaminson Township, Maple Shade Township and Palmyra Borough in Burlington County. According to the 2020 census, the population is 37,074.

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

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

Pennsauken Sewerage Authority
1250 John Tipton Blvd.
Pennsauken, New Jersey 08110

Pennsauken Free Public Library
5605 N. Crescent Blvd.
Pennsauken, New Jersey 08110

Pennsauken Garbage District
5605 N. Crescent Blvd.
Pennsauken, New Jersey 08110

Merchantville - Pennsauken Water Commission
20 W. Maple Ave.
Merchantville, NJ 08109

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

Note 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>

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

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

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

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

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

<u>Golf Course Utility Operating and Capital Funds</u> - The golf course utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned golf course operations.

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

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

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>

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

Garbage District Taxes - The municipality is responsible for levying, collecting, and remitting garbage district taxes for the Township of Pennsauken Garbage District. Operations is charged for the full amount required to be raised from taxation to operate the Garbage District for the period from January 1 to December 31.

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

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

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

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

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

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

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

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

Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

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

Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Township in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Township, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Township.

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2023, the Township's bank balances of $41,278,161.27 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	$ 35,897,146.93
Uninsured and Uncollateralized	5,381,014.34
Total	$ 41,278,161.27

New Jersey Cash Management Fund - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2023, the Township's deposits with the New Jersey Cash Management Fund were $257,236.69.

Note 3: PROPERTY TAXES

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

	Year Ended				
	2023	**2022**	**2021**	**2020**	**2019**
Tax Rate	$ 4.268	$ 4.056	$ 3.963	$ 3.735	$ 3.773
Apportionment of Tax Rate:					
Municipal	$ 1.160	$ 1.074	$ .996	$ .926	$ .930
Municipal Library	.046	.040	.037	.035	.034
County	.959	.894	.878	.832	.856
Local School	1.904	1.851	1.860	1.757	1.771
Special District Tax:					
Garbage District	.199	.197	.192	.185	.182

Assessed Valuation

Year	Amount
2023	$ 2,370,272,354.00
2022	2,358,511,023.00
2021	2,357,328,991.00
2020	2,352,369,818.00
2019	2,351,677,129.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2023	$ 101,376,120.16	$ 99,315,789.39	97.97%
2022	96,021,113.74	94,320,346.82	98.23%
2021	93,602,785.62	91,777,028.66	98.05%
2020	88,084,695.05	86,216,401.87	97.88%
2019	88,835,724.61	86,485,499.02	97.35%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2023	$ 910,783.76	$ 2,115,533.91	$ 3,026,317.67	2.99%
2022	844,455.43	1,838,421.88	2,682,877.31	2.79%
2021	832,055.00	1,712,157.83	2,544,212.83	2.72%
2020	854,740.26	1,644,184.05	2,498,924.31	2.84%
2019	756,700.72	2,273,600.43	3,030,301.15	3.41%

Note 3: PROPERTY TAXES (CONT'D)

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

Year	Number
2023	42
2022	44
2021	57
2020	57
2019	54

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

Year	Amount
2023	$ 7,213,200.00
2022	7,213,200.00
2021	7,213,200.00
2020	7,213,200.00
2019	7,213,200.00

Note 5: MUNICIPAL ASSESSMENTS RECEIVABLE

When owners do not maintain their properties in accordance with Township ordinances, assessments are imposed for the maintenance of the property. The balance due for the current and previous four years was as follows:

Year	Amount
2023	$ 20,036.95
2022	68,657.88
2021	68,657.88
2020	68,657.88
2019	96,652.99

Note 6: FUND BALANCES APPROPRIATED

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

Current Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2023	$ 4,902,693.35	$ 3,200,000.00	65.27%
2022	4,139,322.36	3,200,000.00	77.31%
2021	4,796,441.47	2,500,000.00	52.12%
2020	6,202,499.92	2,500,000.00	40.31%
2019	7,390,924.48	2,810,000.00	38.02%

Golf Course Utility Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2023	$ 1,761,471.73	$ 475,000.00	26.97%
2022	1,535,398.43	435,000.00	28.33%
2021	966,214.04	435,000.00	45.02%
2020	439,066.65	237,500.00	54.09%
2019	313,918.51	140,000.00	44.60%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2023:

Fund	Interfunds Receivable	Interfunds Payable
Current	$ 232,802.50	
Trust - Animal Control		$ 55,071.89
Trust - Other		182,730.61
General Capital	5,000.00	
	$ 237,802.50	$ 237,802.50

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2024, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

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

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

General Information about the Pension Plans

Plan Descriptions

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

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

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

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

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

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

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

The following represents the membership tiers for PFRS:

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

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

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

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

Contributions

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

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

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

The Employer's contractually required contribution rate for the year ended December 31, 2023 was 17.52% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 is $1,318,260.00, and is payable by April 1, 2024. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022 was $1,253,175.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were $582,869.73.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Public Employees' Retirement System (Cont'd) - The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2023 was .59% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was $44,554.00. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2022 was $31,555.00.

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

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

The Employer's contractually required contribution rate for the year ended December 31, 2023 was 38.32% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 is $3,505,975.00, and is payable by April 1, 2024. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022 was $3,768,668.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were $933,517.96

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2023 was 6.70% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was $613,189.00, and is payable by April 1, 2024. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2022 was $734,899.00, which was paid on April 1, 2023.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

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

For the year ended December 31, 2023, employee contributions totaled $22,617.61, and the Employer's contributions were $18,310.14. There were no forfeitures during the year.

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

Public Employees' Retirement System

Pension Liability - As of December 31, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was $14,286,406.00. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2023 measurement date, the Employer's proportion was .0986332296%, which was a decrease of .0007424467% from its proportion measured as of June 30, 2022.

Pension (Benefit) Expense - For the year ended December 31, 2023, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date was ($213,195.00). This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer's contribution to PERS was $1,253,175.00, and was paid on April 1, 2023.

For the year ended December 31, 2023, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2023 measurement date, was $44,554.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)

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

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2023, the Employer's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	$ 29,099,102.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	5,361,848.00
	$ 34,460,950.00

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2023 measurement date, the Employer's proportion was .2633693000%, which was a decrease of .026409000% from its proportion measured as of June 30, 2022. Likewise, at June 30, 2023, the State of New Jersey's proportion, on-behalf of the Employer, was .2633693000%, which was a decrease of .0264047400% from its proportion, on-behalf of the Employer, measured as of June 30, 2022.

Pension (Benefit) Expense - For the year ended December 31, 2023, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date was $1,507,085.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer's contribution to PFRS was $3,768,668.00, and was paid on April 1, 2023.

For the year ended December 31, 2023, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2023 measurement date, was $609,899.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)

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

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2023, the Employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	$ 136,596.00	$ 1,245,965.00	$ 1,382,561.00	$ 58,398.00	$ 1,387,769.00	$ 1,446,167.00
Changes of Assumptions	31,384.00	62,806.00	94,190.00	865,817.00	1,964,887.00	2,830,704.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	65,791.00	1,481,962.00	1,547,753.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	365,578.00	3,225,249.00	3,590,827.00	1,327,966.00	3,044,910.00	4,372,876.00
Contributions Subsequent to the Measurement Date	659,130.00	1,752,988.00	2,412,118.00	-	-	-
	$ 1,258,479.00	$ 7,768,970.00	$ 9,027,449.00	$ 2,252,181.00	$ 6,397,566.00	$ 8,649,747.00

Deferred outflows of resources in the amounts of $659,130.00 and $1,752,988.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2024. These amounts were based on an estimated April 1, 2025 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2023 to the Employer's year end of December 31, 2023.

Note 8: PENSION PLANS (CONT'D)

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) -

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

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	-
June 30, 2023	5.08	-	6.16	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
June 30, 2021	5.00	-	5.00	-
June 30, 2022	5.00	-	5.00	-
June 30, 2023	5.00	-	5.00	-
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22
June 30, 2023	5.08	5.08	6.16	6.16

Note 8: PENSION PLANS (CONT'D)

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

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

Year Ending Dec 31,	PERS	PFRS	Total
2024	$ (916,414.00)	$ (927,111.00)	$ (1,843,525.00)
2025	(850,313.00)	(1,240,614.00)	(2,090,927.00)
2026	255,180.00	2,026,914.00	2,282,094.00
2027	(141,130.00)	109,224.00	(31,906.00)
2028	(155.00)	(276,262.00)	(276,417.00)
Thereafter	-	(73,735.00)	(73,735.00)
	$ (1,652,832.00)	$ (381,584.00)	$ (2,034,416.00)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Public Employees' Retirement System

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

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2023 are summarized in the table that follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	100.00%	

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Public Employees' Retirement System (PERS) - The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2023 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	$ 18,597,861.00	$ 14,286,406.00	$ 10,616,788.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Employer's annual required contribution. As such, the net pension liability as of the June 30, 2023 measurement date, for the Employer and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	$ 40,544,503.00	$ 29,099,102.00	$ 19,567,817.00
State of New Jersey's Proportionate Share of Net Pension Liability	7,470,796.00	5,361,848.00	3,605,598.00
	$ 48,015,299.00	$ 34,460,950.00	$ 23,173,415.00

Note 8: PENSION PLANS (CONT'D)

Pension Plan Fiduciary Net Position

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

Supplementary Pension Information

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

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

	Measurement Date Ended June 30,				
	2023	2022	2021	2020	2019
Proportion of the Net Pension Liability	0.0986332296%	0.0993756763%	0.1069821230%	0.1109123346%	0.1038641260%
Proportionate Share of the Net Pension Liability	$ 14,286,406.00	$ 14,997,158.00	$ 12,673,636.00	$ 18,086,901.00	$ 18,714,740.00
Covered Payroll (Plan Measurement Period)	$ 7,255,052.00	$ 7,328,732.00	$ 7,807,184.00	$ 8,036,980.00	$ 7,376,924.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	196.92%	204.64%	162.33%	225.05%	253.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%

	Measurement Date Ended June 30,				
	2018	2017	2016	2015	2014
Proportion of the Net Pension Liability	0.1028952196%	0.1017434065%	0.1010490132%	0.1019301596%	0.1066554322%
Proportionate Share of the Net Pension Liability	$ 20,259,556.00	$ 23,684,239.00	$ 29,917,819.00	$ 22,881,278.00	$ 19,968,814.00
Covered Payroll (Plan Measurement Period)	$ 7,202,384.00	$ 6,959,932.00	$ 6,942,460.00	$ 7,029,892.00	$ 7,357,840.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	281.29%	340.29%	430.94%	325.49%	271.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

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

	Year Ended December 31,				
	2023	2022	2021	2020	2019
Contractually Required Contribution	$ 1,318,260.00	$ 1,253,175.00	$ 1,252,885.00	$ 1,213,325.00	$ 1,010,292.00
Contribution in Relation to the Contractually Required Contribution	(1,318,260.00)	(1,253,175.00)	(1,252,885.00)	(1,213,325.00)	(1,010,292.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 7,525,454.00	$ 7,364,931.00	$ 7,278,570.00	$ 7,670,452.00	$ 7,829,086.00
Contributions as a Percentage of Covered Payroll	17.52%	17.02%	17.21%	15.82%	12.90%

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 1,023,475.00	$ 942,544.00	$ 897,705.00	$ 876,326.00	$ 879,252.00
Contribution in Relation to the Contractually Required Contribution	(1,023,475.00)	(942,544.00)	(897,705.00)	(876,326.00)	(879,252.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 7,491,595.00	$ 7,305,606.00	$ 6,953,551.00	$ 6,936,061.00	$ 7,110,665.00
Contributions as a Percentage of Covered Payroll	13.66%	12.90%	12.91%	12.63%	12.37%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

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

	Measurement Date Ended June 30,				
	2023	2022	2021	2020	2019
Proportion of the Net Pension Liability	0.2633693000%	0.2897742000%	0.2555620935%	0.2551874666%	0.2628508215%
Proportionate Share of the Net Pension Liability	$ 29,099,102.00	$ 33,168,587.00	$ 18,679,422.00	$ 32,973,586.00	$ 32,167,207.00
State's Proportionate Share of the Net Pension Liability	5,361,848.00	5,903,036.00	5,253,584.00	5,117,350.00	5,079,263.00
Total	$ 34,460,950.00	$ 39,071,623.00	$ 23,933,006.00	$ 38,090,936.00	$ 37,246,470.00
Covered Payroll (Plan Measurement Period)	$ 9,496,056.00	$ 9,993,280.00	$ 8,958,760.00	$ 8,950,180.00	$ 8,874,876.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	306.43%	331.91%	208.50%	368.41%	362.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.16%	68.33%	77.26%	63.52%	65.00%

	Measurement Date Ended June 30,				
	2018	2017	2016	2015	2014
Proportion of the Net Pension Liability	0.2590877011%	0.2692835362%	0.2768757032%	0.2699374696%	0.2896178346%
Proportionate Share of the Net Pension Liability	$ 35,058,837.00	$ 41,572,172.00	$ 52,890,342.00	$ 44,962,173.00	$ 36,431,237.00
State's Proportionate Share of the Net Pension Liability	4,762,163.00	4,656,433.00	4,441,477.00	3,943,032.00	3,932,032.00
Total	$ 39,821,000.00	$ 46,228,605.00	$ 57,331,819.00	$ 48,905,205.00	$ 40,363,269.00
Covered Payroll (Plan Measurement Period)	$ 8,595,364.00	$ 8,640,576.00	$ 8,866,668.00	$ 8,641,260.00	$ 9,086,620.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.88%	481.13%	596.51%	520.32%	400.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%	56.31%	62.41%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

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

	Year Ended December 31,				
	2023	2022	2021	2020	2019
Contractually Required Contribution	$ 3,505,975.00	$ 3,768,668.00	$ 2,978,485.00	$ 2,850,880.00	$ 2,655,084.00
Contribution in Relation to the Contractually Required Contribution	(3,505,975.00)	(3,768,668.00)	(2,978,485.00)	(2,850,880.00)	(2,655,084.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 9,149,260.00	$ 9,571,283.00	$ 9,984,948.00	$ 8,942,106.00	$ 8,818,197.00
Contributions as a Percentage of Covered Payroll	38.32%	39.37%	29.83%	31.88%	30.11%

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 2,532,964.00	$ 2,383,209.00	$ 2,257,480.00	$ 2,194,189.00	$ 2,224,465.00
Contribution in Relation to the Contractually Required Contribution	(2,532,964.00)	(2,383,209.00)	(2,257,480.00)	(2,194,189.00)	(2,224,465.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 8,943,603.00	$ 8,642,661.00	$ 8,472,342.00	$ 8,672,192.00	$ 8,708,801.00
Contributions as a Percentage of Covered Payroll	28.32%	27.57%	26.65%	25.30%	25.54%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions

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

Discount Rate				Long-term Expected Rate of Return			
Year	Rate	Year	Rate	Year	Rate	Year	Rate
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms

The June 30, 2023 measurement date include the following plan amendment: Chapter 92, P.L. 2023 establishing an extension of the previous plan amendment Chapter 52, P.L. 2021, allowing members enrolled between January 18, 2000 and April 19, 2021 to retire prior to age 55 if they have attained 20 years of creditable service and retire by May 1, 2026.

Changes in Assumptions

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

Discount Rate				Long-term Expected Rate of Return			
Year	Rate	Year	Rate	Year	Rate	Year	Rate
2023	7.00%	2018	6.51%	2023	7.00%	2018	7.00%
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%
2019	6.85%	2014	6.32%	2019	7.00%	2014	7.90%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

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

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Employer was billed monthly by the Plan and paid $19,006.18, for the year ended December 31, 2023, representing .11% of the Employer's covered payroll. During the year ended December 31, 2023, retirees were not required to contribute to the Plan.

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

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

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

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Employer, is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the Employer, is ($3,341,868.00) for the year ended December 31, 2023, representing -20.04% of the Employer's covered payroll.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2023, the Employer's and State's proportionate share of the net OPEB liability were as follows:

Proportionate Share of Net OPEB Liability	$	493,565.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Employer		18,430,821.00
	$	18,924,386.00

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

The Employer's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023. For the June 30, 2023 measurement date, the Employer's proportion was .003289%, which was a decrease of .000476% from its proportion measured as of the June 30, 2022 measurement date, as adjusted.

The State's proportion of the net OPEB liability, on-behalf of the Employer was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2022 through June 30, 2023. For the June 30, 2023 measurement date, the State's proportion on-behalf of the Employer was .528241%, which was a decrease of .092197% from its proportion measured as of the June 30, 2022 measurement date.

OPEB (Benefit) Expense - At December 31, 2023, the Employer's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date, is ($70,901.00). This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer made contributions to the Plan totaling $19,006.18.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2023, the Employer had deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 22,761.00	$ 134,036.00
Changes of Assumptions	63,935.00	139,515.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	81.00
Changes in Proportion	32,420.00	223,570.00
Contributions Subsequent to the Measurement Date	7,409.00	-
	$ 126,525.00	$ 497,202.00

Deferred outflows of resources in the amount of $7,409.00 will be included as a reduction of the Employer's net OPEB liability during the year ending December 31, 2024. The Employer will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
Year of OPEB Plan Deferral:		
June 30, 2018	-	8.14
June 30, 2019	-	8.05
June 30, 2020	7.87	-
June 30, 2021	-	7.82
June 30, 2022	7.82	-
June 30, 2023	-	7.89
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
June 30, 2019	-	8.05
June 30, 2020	7.87	-
June 30, 2021	7.82	-
June 30, 2022	-	7.82
June 30, 2023	7.89	-

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-
June 30, 2023	5.00	-
Changes in Proportion		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14
June 30, 2019	8.05	8.05
June 30, 2020	7.87	7.87
June 30, 2021	7.82	7.82
June 30, 2022	7.82	7.82
June 30, 2023	7.89	7.89

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

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

Year Ending Dec. 31,	
2024	$ (111,081.00)
2025	(87,957.00)
2026	(67,846.00)
2027	(22,196.00)
2028	(38,482.00)
Thereafter	(50,524.00)
	$ (378,086.00)

Actuarial Assumptions

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

Salary Increases *

PERS - Rates for all future years	2.75% to 6.55% based on years of service
PFRS - Rates for all future years	3.25% to 16.25% based on years of service

Mortality:

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

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

* salary increases are based on years of service within the respective Plan

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Actuarial Assumptions (Cont'd)

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

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions - The health care trend assumptions used is as follows:

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

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

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

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Proportionate Share of the Net OPEB Liability	$ 571,706.00	$ 493,565.00	$ 430,713.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	21,348,765.00	18,430,821.00	16,083,785.00
	$ 21,920,471.00	$ 18,924,386.00	$ 16,514,498.00

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Proportionate Share of the Net OPEB Liability	$ 419,472.00	$ 493,565.00	$ 588,426.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	15,664,029.00	18,430,821.00	21,973,160.00
	$ 16,083,501.00	$ 18,924,386.00	$ 22,561,586.00

OPEB Plan Fiduciary Net Position

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Supplementary OPEB Information

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

Schedule of the Proportionate Share of the Net OPEB Liability (Last Seven Plan Years)

	Measurement Date Ended June 30,			
	2023	2022	2021 (a)	2020
Proportion of the Net OPEB Liability	0.003289%	0.003765%	0.003811%	0.003839%
Proportionate Share of the Net OPEB Liability	$ 493,565.00	$ 608,032.00	$ 685,972.00	$ 688,970.00
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	18,430,821.00	20,932,397.00	25,423,451.00	21,135,126.00
Total	$ 18,924,386.00	$ 21,540,429.00	$ 26,109,423.00	$ 21,824,096.00
Covered Payroll (Plan Measurement Period)	$ 16,982,656.00	$ 17,006,937.00	$ 16,930,053.00	$ 16,613,420.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	2.91%	3.58%	4.05%	4.15%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	-0.79%	-0.36%	0.28%	0.91%

	Measurement Date Ended June 30,		
	2019	2018	2017
Proportion of the Net OPEB Liability	0.003577%	0.004828%	0.004766%
Proportionate Share of the Net OPEB Liability	$ 484,543.00	$ 756,384.00	$ 973,016.00
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	16,867,035.00	19,899,340.00	29,427,653.00
Total	$ 17,351,578.00	$ 20,655,724.00	$ 30,400,669.00
Covered Payroll (Plan Measurement Period)	$ 16,796,818.00	$ 16,210,115.00	$ 15,556,948.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	2.88%	4.67%	6.25%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Supplementary OPEB Information (Cont'd)

Schedule of Contributions (Last Seven Years)

	Year Ended December 31,			
	2023	2022	2021	2020
Required Contributions	$ 19,006.18	$ 27,768.46	$ 29,794.32	$ 27,131.28
Actual Contributions in Relation to the Required Contribution	(19,006.18)	(27,768.46)	(29,794.32)	(27,131.28)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 16,674,714.00	$ 16,936,214.00	$ 17,263,518.00	$ 16,612,558.00
Contributions as a Percentage of Covered Payroll	0.11%	0.16%	0.17%	0.16%

	Year Ended December 31,		
	2019	2018	2017
Required Contributions	$ 27,332.04	$ 51,339.96	$ 54,275.40
Actual Contributions in Relation to the Required Contribution	(27,332.04)	(51,339.96)	(54,275.40)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 16,647,283.00	$ 16,435,198.00	$ 15,948,267.00
Contributions as a Percentage of Covered Payroll	0.16%	0.31%	0.34%

Other Notes to Supplementary OPEB Information

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

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

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

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

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

There were no changes to mortality projections.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF PENNSAUKEN POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided - The Township provides postretirement health care benefits through a health plan for retirees and their families, which includes a medical, dental, prescription drug and vision plan. The Township provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: eligible retirees who retire from active employment with the Township and who have at least thirty (30) years of service with the Township and are members of the New Jersey Public Employees Retirement System (PERS) and police and fire personnel who retire with at least twenty-five (25) years of service in the Township and have at least twenty-five (25) years of service in the New Jersey Police and Firemen's Retirement System (PFRS). Medical coverage is provided for the retirees and their families; however once Medicare age is attained by the retired employee or their spouse, Medicare is primary and the Township provides supplementary medical insurance benefits. Prescription drugs and dental benefits are provided for retirees and their families. Vision benefits are provided for retired employees. Life insurance is not provided. The plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers. Pursuant to Chapter 78 of P.L. 2011, effective June 28, 2011, retirees are required to contribute for medical and prescription drug benefits. Contributions are not required for employees with at least 20 years in the PERS or PFRS as of the effective date and meet the eligibility requirements of the employer pursuant to N.J.S.A. 40A:10-23 (i.e., age 62 with 15 years or 25 years of service). As of December 31, 2023, no retirees are required to make contributions.

Employees Covered by Benefit Terms - As of December 31, 2023, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	162
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	207
	369

Total OPEB Liability

The Township's total OPEB liability of $77,956,934.00 was measured as of December 31, 2023 and was determined by an actuarial valuation as of this same date.

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

Mortality - Mortality rates were based on the RP-2014 Mortality Table with MP-18 Projection.

Discount Rate - Future costs have been discounted at the rate of 4.00% compounded annually. The rate is based upon the S&P Municipal Bond 20 Year High Grade Rate Index which consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years as of December 2023. Eligible bonds are rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating was used. For December 2022, future costs were discounted at the rate of 4.31% compounded annually. For December 2021, future costs were discounted at the rate of 2.25% compounded annually. For December 2020, future costs were discounted at the rate of 1.91% compounded annually. For December 2019, future costs were discounted at the rate of 2.49% compounded annually. For December 2018, future costs were discounted at the rate of 3.64% compounded annually. Prior to 2017, an interest rate of 5% was assumed.

Turnover - Terminations of employment other than for death or retirement will occur in the future in accordance with the State of New Jersey PERS Local Government turnover/withdrawal experience.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF PENNSAUKEN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Actuarial Assumptions and Other Inputs (Cont'd) -

Disability - The actuary has assumed no terminations of employment due to disability. Retirees resulting from a disability were factored into the determination of age at retirement.

Age at Retirement - Active participants, on average, will receive their benefits when eligible but no earlier than age 60.

Spousal Coverage - Married employees will remain married.

Health Care Cost Inflation - Health care gross costs will increase at an annual rate of 7.0% for Pre-Medicare medical benefits and 5.0% for Post-Medicare medical benefits.

Final Average Salary - Final average salary for retirees age 55 and over is $86,135.00.

The actuary has used their professional judgment in applying these assumptions to this Plan.

Changes in Total OPEB Liability

Balance at December 31, 2022		$ 72,723,684.00
Changes for the Year:		
Service Cost	$ 1,421,844.00	
Interest Cost	3,071,608.00	
Benefit Payments	(2,913,375.00)	
Changes in Assumptions	3,653,173.00	
Net Changes		5,233,250.00
Balance at December 31, 2023		$ 77,956,934.00

Changes of assumptions and other inputs reflect a change in the discount rate from 4.31% at December 31, 2022 to 4.00% at December 31, 2023. The discount rate was based on the S&P Municipal Bond 20 year High Grade Bond index rate.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF PENNSAUKEN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

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

	December 31, 2023		
	1.00% Decrease (3.00%)	Current Discount Rate (4.00%)	1.00% Increase (5.00%)
Total OPEB Liability	$ 90,951,796.00	$ 77,956,934.00	$ 67,572,957.00

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

	December 31, 2023		
	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	$ 66,823,182.00	$ 77,956,934.00	$ 92,120,665.00

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2023, the Township recognized OPEB (benefit) expense of $3,157,224.00. As of December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 17,533,406.17	$ 28,199,300.25
Difference Between Expected and Actual Experience	8,410,654.00	5,298,037.50
	$ 25,944,060.17	$ 33,497,337.75

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF PENNSAUKEN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd) - Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) expense as follows:

Year Ending Dec 31,	
2024	$ (1,336,227.67)
2025	(1,336,227.67)
2026	849,079.33
2027	(228,628.67)
2028	(228,628.67)
Thereafter	(5,272,644.25)
	$ (7,553,277.58)

Supplementary OPEB Information

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

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

	Plan Measurement Date December 31,					
	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	$ 1,421,844.00	$ 2,705,702.00	$ 2,987,960.00	$ 1,366,587.00	$ 1,010,740.00	$ 2,032,032.00
Interest Cost	3,071,608.00	2,245,273.00	1,960,225.00	1,825,118.00	2,324,482.00	2,860,414.00
Benefit Payments	(2,913,375.00)	(2,913,375.00)	(2,903,326.00)	(2,903,326.00)	(2,133,411.00)	(2,133,411.00)
Changes in Assumptions	3,653,173.00	(27,996,681.00)	(4,879,506.00)	16,427,313.00	8,621,662.00	(4,836,402.00)
Difference Between Expected and Actual Experience	-	(2,563,830.00)	-	12,615,981.00	-	(12,646,054.00)
Net Change in Total OPEB Liability	5,233,250.00	(28,522,911.00)	(2,834,647.00)	29,331,673.00	9,823,473.00	(14,723,421.00)
Total OPEB Liability - Beginning of Year	72,723,684.00	101,246,595.00	104,081,242.00	74,749,569.00	64,926,096.00	79,649,517.00
Total OPEB Liability - End of Year	$ 77,956,934.00	$ 72,723,684.00	$ 101,246,595.00	$ 104,081,242.00	$ 74,749,569.00	$ 64,926,096.00
Covered-Employee Payroll	$ 21,238,051.54	$ 21,332,732.55	$ 21,291,829.83	$ 20,506,538.41	$ 20,166,668.40	$ 19,738,519.60
Total OPEB Liability as a Percentage of Covered Payroll	367.06%	340.90%	475.52%	507.55%	370.66%	328.93%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

TOWNSHIP OF PENNSAUKEN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms
None.

Changes in Assumptions
The discount rate changed from 4.31% at December 31, 2022 to 4.00% at December 31, 2023. For December 2021, future costs were discounted at the rate of 2.25%. For December 2020, future costs were discounted at the rate of 1.91%. For December 2019, future costs were discounted at the rate of 2.49%. For December 2018, future costs were discounted at the rate of 3.64%. Prior to 2017, an interest rate of 5% was assumed.

Note 10: COMPENSATED ABSENCES

Non-uniformed Township employees are entitled to fifteen paid sick leave days each year and uniformed employees are entitled to seventeen paid sick leave days each year. Police and fire employees are entitled to seventeen paid sick leave days each year. Unused sick leave may be accumulated and carried forward. Vacation days not used during the year may be accumulated and carried forward; however, only a maximum of one's year unused vacation days may be carried forward. All full-time employees are entitled to three personal holidays, plus fourteen or thirteen holidays depending upon whether they are uniformed or non-uniformed employees respectively. All police and fire employees may carry forward an unlimited number of unused vacation days and holidays but are compensated for a maximum of one hundred upon termination. Permanent part-time employees are entitled to compensated absences; however, regular part-time employees are not compensated for absences.

Only members of the Fraternal Order of Police, Garden State Lodge No. 3 are entitled to payment of unused sick leave upon termination or retirement. This payout is limited to sixty-five (65) days, in combination with unused vacation and holiday time, and is subject to the provisions of N.J.S.A. 11A:6-19.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2023, accrued benefits for compensated absences are valued at $1,866,733.51.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 12: LEASE LIABILITY AND LEASE ASSET

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

Golf Carts - The Township is leasing seventy-eight (78) golf carts with a total lease liability of $766,590.00. The lease began on September 1, 2023, for a term of fifty (50) months. The implied interest rate is based on the Township's estimated incremental borrowing rate of 5.00%. The lease is not expected to be renewed at the expiration of the lease agreement. Based on this lease, the Township is making payments through October 31, 2027. The Township paid $63,876.00 of lease payments during the year ended December 31, 2023 which were budgeted and paid from the golf course utility fund.

Under the provisions of GASB 87, as of December 31, 2023, the balance of the lease liability is $640,838.95, and balance of the related right to use leased assets have a balance of $638,343.09. The leases are summarized as follows:

Lease Liability and Lease Asset

Description	Lease Liability	Lease Asset
Golf Carts	$ 640,838.95	$ 638,343.09

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

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

Year	Principal	Interest	Total
2024	$ 163,294.51	$ 28,333.49	$ 191,628.00
2025	171,648.96	19,979.04	191,628.00
2026	180,430.84	11,197.16	191,628.00
2027	125,464.64	2,365.32	127,829.96
Total	$ 640,838.95	$ 61,875.01	$ 702,713.96

Under the provision of GASB 87, for the year ended December 31, 2023, the Township would have recognized $58,031.20 in amortization of lease liability and $8,340.66 in interest on leases.

As a result of the regulatory basis of accounting previously described in note 1, for the year ended December 31, 2023, lease payments of $63,876.00 were budgeted and paid from the golf course utility fund.

Note 13: CAPITAL DEBT

General Improvement Bonds

General Obligation Bonds, Series 2016 - On June 22, 2016, the Township issued $13,236,000.00 in general obligation bonds, with interest rates ranging from 1.0% to 2.375%. The purpose of the bonds is to fund various capital ordinances in the Township. The final maturity of the bonds is March 1, 2029.

Refunding Bonds, Series 2017 - On June 15, 2017, the Township issued $4,455,000.00 in refunding bonds, with an interest rate of 1.95%. The purpose of the bonds is to refund a portion of the Township's 2008 General Obligation Bonds. The final maturity of the bonds was September 1, 2023.

Refunding Bonds, Series 2020 - On December 9, 2020, the Township issued $5,665,000.00 in refunding bonds, with interest rates ranging from .5% to 1.45%. The purpose of the bonds is to refund a portion of the Township's 2011 General Obligation Bonds. The final maturity of the bonds is August 15, 2026.

General Obligation Bonds, Series 2022 - On June 7, 2022, the Township issued $30,720,000.00 in general obligation bonds, with an interest rate of 4.0%. The purpose of the bonds is to fund various capital ordinances in the Township. The final maturity of the bonds is March 1, 2041.

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

Year	Principal	Interest	Total
2024	$ 2,890,659.00	$ 1,383,843.50	$ 4,274,502.50
2025	3,048,880.00	1,319,514.00	4,368,394.00
2026	3,002,101.00	1,251,584.00	4,253,685.00
2027	1,835,322.00	1,182,925.00	3,018,247.00
2028	2,108,187.00	1,125,023.00	3,233,210.00
2029-2033	9,721,053.00	4,556,787.00	14,277,840.00
2034-2038	10,610,000.00	2,587,000.00	13,197,000.00
2039-2041	7,460,000.00	455,400.00	7,915,400.00
	$ 40,676,202.00	$ 13,862,076.50	$ 54,538,278.50

Golf Course Utility Debt – General Obligation and Refunding Bonds

General Obligation Bonds, Series 2016 - On June 22, 2016, the Township issued $1,014,000.00 in general obligation bonds, with interest rates ranging from 1.0% to 2.375%. The purpose of the bonds is to fund various capital ordinances in the Township's golf course utility. The final maturity of the bonds is March 1, 2029.

Refunding Bonds, Series 2017 - On June 15, 2017, the Township issued $365,000.00 in refunding bonds, with an interest rate of 1.95%. The purpose of the bonds is to refund a portion of the Township's 2008 General Obligation Bonds. The final maturity of the bonds was September 1, 2023.

Year	Principal	Interest	Total
2024	$ 79,341.00	$ 9,833.00	$ 89,174.00
2025	81,120.00	8,229.00	89,349.00
2026	82,899.00	6,589.00	89,488.00
2027	84,678.00	4,913.00	89,591.00
2028	86,813.00	3,089.00	89,902.00
2029	88,947.00	1,056.00	90,003.00
	$ 503,798.00	$ 33,709.00	$ 537,507.00

Note 13: CAPITAL DEBT (CONT'D)

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

	2023	2022	2021
Issued			
General:			
Bonds and Notes	$ 43,091,102.00	$ 43,683,284.00	$ 30,457,145.00
Water Utility:			
Bonds and Notes MPWC (Note A)	3,466,770.48	3,606,535.09	4,092,757.55
Golf Course Utility:			
Bonds and Notes	2,878,798.00	656,716.00	805,855.00
Total Issued	49,436,670.48	47,946,535.09	35,355,757.55
Authorized but not Issued			
General:			
Bonds and Notes	15,939,950.00	15,635,950.00	14,374,700.00
Golf Course Utility:			
Bonds and Notes	1,092,500.00	950,000.00	
Total Authorized but not Issued	17,032,450.00	16,585,950.00	14,374,700.00
Total Issued and Authorized but not Issued	66,469,120.48	64,532,485.09	49,730,457.55
Deductions			
Water Utility:			
MPWC (Note A)	3,466,770.48	3,606,535.09	4,092,757.55
Golf Course Utility:			
Self-Liquidating	3,971,298.00	1,606,716.00	805,855.00
Total Deductions	7,438,068.48	5,213,251.09	4,898,612.55
Net Debt	$ 59,031,052.00	$ 59,319,234.00	$ 44,831,845.00

Note A - Represents the Township of Pennsauken's share of the debt of the Merchantville-Pennsauken Water Commission. The Commission is jointly owned by the Township of Pennsauken and the Borough of Merchantville.

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.868%.

	Gross Debt	Deductions	Net Debt
School Purposes	$ 30,175,000.00	$ 30,175,000.00	
Self-Liquidating	7,438,068.48	7,438,068.48	
General	59,031,052.00		$ 59,031,052.00
	$ 96,644,120.48	$ 37,613,068.48	$ 59,031,052.00

Net debt $59,031,052.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, $3,160,614,262.33, equals 1.868%.

Note 13: CAPITAL DEBT (CONT'D)

Summary of Statutory Debt Condition - Annual Debt Statement

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

3 1/2% of Equalized Valuation Basis (Municipal)	$	110,621,499.18
Less: Net Debt		59,031,052.00
Remaining Borrowing Power	$	51,590,447.18

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year			$	3,790,955.29
Deductions:				
Operating and Maintenance Costs	$	2,635,783.00		
Debt Service		164,749.67		
Total Deductions				2,800,532.67
Excess in Revenue			$	990,422.62

Note 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, the following deferred charge is shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

Description	Balance December 31, 2023	2024 Budget Appropriation
Special Emergency - Revaluation	$ 1,300,000.00	$ 260,000.00

The appropriation in the 2024 Budget as adopted are not less than that required by the statutes.

Note 15: RISK MANAGEMENT

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

Property and Liability Insurance - The Township maintains commercial insurance coverage for property, liability, vehicle, surety bonds, etc.

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

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

Year	Township Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2023	$ 57,243.36		$ 979.65	$ 9,039.12	$ 59,219.44
2022	9,982.00	$ 1,530.30	64.37	12,019.28	10,035.55
2021	21,116.72		1.08	11,712.44	10,478.16

Self-Insurance Plan - The Township has adopted a plan of self-insurance for workers' compensation insurance, and as a result, has established a trust fund to fund potential claims up to $500,000.00 per any one accident. Claims greater than this amount are covered by an excess workers' compensation insurance policy. Any additional funding required for claims in excess of the trust fund's reserve will be paid and charged to future budgets.

Payments for 2023, 2022 and 2021 were $404,240.72, $433,922.56 and $285,498.72, respectively. At December 31, 2023, there is a $293,475.36 balance in the reserve. The 2024 adopted budget includes an appropriation in the amount of $592,109.00 to fund the reserve for future claims. The management of the Township believes that the 2024 budget appropriation to fund the reserve is adequate to meet the needs of the Township and any additional funding required for claims in excess of the trust fund's reserve will be paid and charged to future budgets. There have been no settlements that exceed the Township's coverage for years ended December 31, 2023, 2022, and 2021.

Note 16: CONTINGENCIES

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

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

Note 17: CONCENTRATIONS

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

Note 18: INTERGOVERNMENTAL SERVICE AGREEMENTS

Pennsauken Sewerage Authority - The Township has entered into a service agreement with the Pennsauken Sewerage Authority, a component unit of the Township, whereby the Township has agreed to pay any shortfall the Authority may encounter in making payments for either operating expenses or debt service requirements. Should the Township make any payments in accordance with this agreement, the Authority would be required to repay any amounts advanced by the Township plus interest at a rate of 1% per year above the highest rate paid by the Authority on any outstanding bonds.

Merchantville - Pennsauken Water Commission - The Township has entered into a service agreement with the Merchantville - Pennsauken Water Commission, which is a component unit of the Township of Pennsauken and the Borough of Merchantville. Both municipalities act as guarantors of all Commission bonds and loans in accordance with the following percentages:

Township of Pennsauken	88.42%
Borough of Merchantville	11.58%

No payments were required to be made by the Township relative to any intergovernmental service agreements during the year 2023.

Note 19: TAX ABATEMENTS

The Township is authorized to enter into property tax abatement agreements for commercial and industrial structures under N.J.S.A. 40A:21-1 known as the “Five Year Exemption and Abatement Law” and long-term exemption agreements under N.J.S.A. 40A:20. Under these laws, the Township may grant property tax abatements for a period of five years from the date of completion of construction for the purpose of encouraging the construction of new commercial and industrial structures or other terms for long-term exemptions for the purpose of economic development or affordable housing.

For the year ended December 31, 2023, the Township abated property taxes totaling $1,162,245.02 under these programs, including the following long-term tax exemption agreements that each exceeded ten percent (10%) of the total amount abated:

- An abatement of $513,139.46 to the owner of a HUD approved apartment complex for affordable housing.
- An abatement of $312,345.91 to the owner of a senior housing facility to provide for affordable housing for senior citizens.
- An abatement of $220,655.11 to the owner of a HUD approved apartment complex for affordable housing for senior citizens.

Note 20: REDEVELOPMENT ZONES

The Township has created two redevelopment zones. One encompasses waterfront properties with more than 700 acres of underused industrial property. The Township is uniquely situated on an urban waterfront, which mirrors a growing international trend. Communities across the country and around the world are rediscovering and capitalizing on the potential of urban waterfronts. The Township is in the process of negotiating redevelopment agreements with Buckeye Partners, LP and Liberty Terminal, LLC for large industrial use projects encompassing significant portions of land in this unique environment. In addition, substantial studies, planning and testing have already been conducted to facilitate the redevelopment effort. Moreover, the New Jersey Department of Environmental Protection and the Township have executed a Brownfield's Development Area Initiative Memorandum of Understanding to promote environmental protection for the waterfront development area and to foster neighborhood revitalization.

The other redevelopment zone is located along the Route 73 corridor, an area beginning close to the Tacony-Palmyra Bridge and continuing into the southern end of the Borough of Cinnaminson, known as the "Crossroads Redevelopment Area". The Camden County Improvement Authority ("CCIA"), the governmental economic development agency of Camden County, found the Crossroads Redevelopment Area to be an attractive location for residential and retail redevelopment activities. Specifically, to facilitate redevelopment of the Crossroads Redevelopment Area, the CCIA applied for, received a grant from the Casino Reinvestment Development Authority, and was designated by the Township as the redevelopment authority for a portion of the Crossroads Redevelopment Area by Ordinance 02-43 duly adopted after public hearing on December 30, 2002. Site clearance, preparation and environmental studies and remediation have been completed and the CCIA has sold the property to DELCO Development, LLC, a qualified nationally recognized multi-family developer.

DELCO has recently finished the redevelopment of the 35 acre Crossroads Redevelopment Area, a project named Haddon Pointe, that included the construction of 190 Townhouses, Eleven (11) residential apartment buildings comprising a total of 258 units, a club house and other related site improvements.

In August 2021, the Township named Pennview Partners LLC as a redeveloper for 1550 Route 73 North, Pennsauken, New Jersey. The redevelopment plan includes a self-storage facility, residential development consisting of apartments or condominium units and or mixed-use residential, affordable housing or commercial space, along with two freestanding billboards.

In June 2023, a new redevelopment company presented to Committee plans for two high-end apartment buildings consisting of approximately 900 residential units to be within the Township's redevelopment zone. The planning phase was approved to continue by the governing body.

Note 21: SUBSEQUENT EVENTS

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

Purpose	Adoption	Authorization
Various Capital Improvements and the Acquisition of Various Capital Equipment	4/4/2024	$ 3,570,100.00
Various Capital Improvements for the for the Township Country Club	4/18/2024	266,000.00

APPENDIX C

FORMS OF BOND COUNSEL OPINION

PARKER McCAY

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May 23, 2025

Mayor and Township Committee
of the Township of Pennsauken
5605 North Crescent Boulevard
Pennsauken, New Jersey

RE: $18,718,500 TOWNSHIP OF PENNSAUKEN, COUNTY OF CAMDEN, NEW JERSEY, BOND ANTICIPATION NOTES OF 2025, SERIES A

Mayor and Township Committee Members:

We have served as Bond Counsel to the Township of Pennsauken, County of Camden, New Jersey ("Township"), in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Notes"). The Notes consist of: (i) $14,985,000 General Capital Improvement Notes; and (ii) $3,733,500 Golf Course Utility Notes.

The Notes are issued pursuant to and in accordance with: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2022-08, 2023-05, 2023-11, 2023-17, 2023-30, 2024-08, 2024-09, and 2024-11, each duly and finally adopted by the Township Committee (collectively, the "Bond Ordinances"); and (iii) a Certificate of Determination and Award, executed by the Chief Financial Officer of the Township on May 8, 2025 ("Award Certificate").

The Notes are dated May 23, 2025 and mature on May 22, 2026. The Notes are issued in registered book-entry only form without coupons and are not subject to redemption prior to maturity. The Notes are issued to temporarily finance the costs of certain improvements described in the Bond Ordinances.

As the basis for the opinion set forth below, we have examined such matters of law as we have deemed necessary including, inter alia, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended ("Code"), and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the Bond Ordinances, the Award Certificate, the representations and covenants of the Township given pursuant to the Code as set forth in the Certificate as to Nonarbitrage and other Tax Matters ("Nonarbitrage Certificate"), and the other certifications, opinions and instruments listed in the closing agenda prepared in connection with the settlement for the Notes.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, certifications, instruments and opinions examined including, without limiting the generality of the foregoing, the Nonarbitrage Certificate.

Based upon and subject to the foregoing, we are of the following opinion:

1. The Notes are legal, valid and binding obligations of the Township enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

2. For the payment of principal of and interest on the Notes, the Township has the power and is obligated, to the extent payment is not otherwise provided, to levy ad valorem taxes upon all taxable real property within the Township without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.

3. Interest on the Notes is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Notes received or accrued by a foreign corporation subject to the branch profits tax will be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Notes, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by the Township with the applicable requirements of the Code, including requirements relating to, inter alia, the use and investment of proceeds of the Notes and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Township to comply with such covenants could result in the interest on the Notes being subject to federal income tax from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that affect the tax-exempt status of the interest on the Notes.

Ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Notes will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Notes is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Notes.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has not designated the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the Notes should consult their own tax advisers as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

4. Interest on the Notes and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, any financial or other information which has been or may be supplied to purchasers of the Notes.

This is only an opinion letter and not a warranty or guaranty of the matters discussed above.

The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State of New Jersey, as presently enacted and construed, and we assume no responsibility to advise any party as to any changes in law or fact subsequent to the date hereof.

This letter is being provided solely for the benefit of the Township and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,

PARKER McCAY

Parker McCay P.A.
9000 Midlantic Drive, Suite 300
P.O. Box 5054
Mount Laurel, New Jersey 08054-5054

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F: 856.596.9631
www.parkermccay.com

May 23, 2025

Mayor and Township Committee
of the Township of Pennsauken
5605 North Crescent Boulevard
Pennsauken, New Jersey

RE: $780,000 TOWNSHIP OF PENNSAUKEN, COUNTY OF CAMDEN, NEW JERSEY, SPECIAL EMERGENCY NOTES OF 2025, SERIES A

Mayor and Township Committee Members:

We have served as Bond Counsel to the Township of Pennsauken, County of Camden, New Jersey ("Township"), in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Notes").

The Notes are issued pursuant to and in accordance with: (i) the Local Budget Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Budget Law"); (ii) ordinance 2023-09, duly and finally adopted by the Township Committee ("Ordinance"); (iii) a resolution adopted by the Township Committee on April 3, 2025 ("Resolution"); and (iv) a Certificate of Determination and Award, executed by the Chief Financial Officer of the Township on May 8, 2025 ("Award Certificate").

The Notes are dated May 23, 2025 and mature on May 22, 2026. The Notes are issued in bearer form without coupons and are not subject to redemption prior to maturity. The Notes are being issued by the Township to provide funds which will be used to temporarily finance the cost of a special emergency appropriation of the Township for the costs associated with the complete program of revaluation of real property.

As the basis for the opinion set forth below, we have examined such matters of law as we have deemed necessary including, *inter alia*, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended ("Code"), and the Local Budget Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the Ordinance, the Resolution, the Award Certificate, the representations and covenants of the Township given pursuant to the Code as set forth in the Certificate as to Nonarbitrage and other Tax Matters ("Nonarbitrage Certificate"), and the other certifications, opinions and instruments listed in the closing agenda prepared in connection with the settlement for the Notes.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, certifications, instruments and opinions examined including, without limiting the generality of the foregoing, the Nonarbitrage Certificate.

Based upon and subject to the foregoing, we are of the following opinion:

1. The Notes are legal, valid and binding obligations of the Township enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

2. For the payment of principal of and interest on the Notes, the Township has the power and is obligated, to the extent payment is not otherwise provided, to levy *ad valorem* taxes upon all taxable real property within the Township without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.

3. Interest on the Notes is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Notes received or accrued by a foreign corporation subject to the branch profits tax will be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Notes, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by the Township with the applicable requirements of the Code, including requirements relating to, inter alia, the use and investment of proceeds of the Notes and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Township to comply with such covenants could result in the interest on the Notes being subject to federal income tax from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that affect the tax-exempt status of the interest on the Notes.

Ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Notes will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Notes is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Notes.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has not designated the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the Notes should consult their own tax advisers as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

4. Interest on the Notes and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, any financial or other information which has been or may be supplied to purchasers of the Notes.

This is only an opinion letter and not a warranty or guaranty of the matters discussed above.

The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State of New Jersey, as presently enacted and construed, and we assume no responsibility to advise any party as to any changes in law or fact subsequent to the date hereof.

This letter is being provided solely for the benefit of the Township and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,

APPENDIX D

FORMS OF INFORMATION REPORTING UNDERTAKING AGREEMENT

INFORMATION REPORTING UNDERTAKING AGREEMENT

ISSUER: Township of Pennsauken, County of Camden, New Jersey ("Issuer")

ISSUE: $18,718,500 Bond Anticipation Notes of 2025, Series A (Non-Callable) ("Notes")

DATED: May 23, 2025

CUSIP: 708475TX6

This Information Reporting Undertaking Agreement ("Agreement") is executed and delivered by the Issuer as of the date set forth below for the purpose of providing continuing disclosure with respect to the Issuer in order to comply with the provisions of Rule 15c2-12 ("Rule"), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time.

Section 1. (a) The Issuer, as an obligated person for purposes of and as defined in the Rule ("Obligated Person"), hereby agrees, in accordance with the provisions of the Rule, so long as any of the Notes are outstanding to provide or cause to be provided to the Municipal Securities Rulemaking Board ("MSRB"), through the internet facilities of the Electronic Municipal Market Access System ("EMMA")[1], or any other public or private repository or entity that shall hereafter be designated by the Commission as a repository for purposes of the Rule (each a "National Repository") and any public or private repository or entity designated by the State of New Jersey as a state information repository for purpose of the Rule ("State Repository" and together with each National Repository, the "Repository" or "Repositories"), as applicable, notice of the occurrence of any of the following listed events (each a "Listed Event" or "Listed Events") with respect to the Notes:

i. Principal and interest payment delinquencies;

ii. Non-payment related defaults, if material

iii. Unscheduled draws on debt service reserves reflecting financial difficulties;

iv. Unscheduled draws on credit enhancements reflecting financial difficulties;

v. Substitution of credit or liquidity providers, or their failure to perform;

vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;

[1] An internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt bonds, including the Notes, and other filers on behalf of such issuers shall upload certain information and notices to assist underwriters in complying with the Rule and to provide the general public with access thereto.

vii. Modifications to the rights of Noteholders, if material;

viii. Note calls (excluding mandatory sinking fund redemptions), if material, or tender offers;

ix. Defeasances;

x. Release, substitution, or sale of property securing repayment of the Notes, if material;

xi. Rating changes;

xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;

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

xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

xv. Incurrence of a financial obligation[2] of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

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

(b) The Issuer shall, within ten (10) business days of the occurrence of any of the Listed Events, report the event to the MSRB, through the internet facilities of EMMA, or any other Repositories, as applicable, pursuant to the provisions of Section 1(a) hereof. In determining the materiality of a Listed Event specified in subsections (a)(ii), (vii), (viii), (x), (xiii), (xiv) and (xv) of this Section 1, the Issuer may, but shall not be required to, rely conclusively on a written opinion of counsel expert in federal securities law acceptable to the Issuer.

Section 2. The Issuer reserves the right to terminate its obligation to provide notices of Listed Events, if material, as set forth above, if and when the Issuer no longer remains an Obligated Person with respect to the Notes within the meaning of the Rule. The Issuer will provide notice of such termination to the MSRB via the internet facilities of EMMA and the State Repository, if any.

---

2 The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

<u>Section 3.</u> The Issuer agrees that its undertaking pursuant to the Rule set forth in Section 1 of this Agreement is intended to be for the benefit of the holders of the Notes and shall be enforceable by such Noteholders; provided that, the Noteholder's right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Obligated Person's obligations hereunder.

<u>Section 4.</u> This Agreement shall be governed by the laws of the State of New Jersey.

IN WITNESS WHEREOF, the Issuer has executed and delivered this Agreement as of this 23rd day of May, 2025.

ISSUER:

TOWNSHIP OF PENNSAUKEN, COUNTY OF CAMDEN, NEW JERSEY

By:____________________________________
ELIZABETH PEDDICORD,
Chief Financial Officer

INFORMATION REPORTING UNDERTAKING AGREEMENT

ISSUER: Township of Pennsauken, County of Camden, New Jersey ("Issuer")

ISSUE: $780,000 Special Emergency Notes of 2025, Series A (Non-Callable) ("Notes")

DATED: May 23, 2025

CUSIP: N/A

This Information Reporting Undertaking Agreement ("Agreement") is executed and delivered by the Issuer as of the date set forth below for the purpose of providing continuing disclosure with respect to the Issuer in order to comply with the provisions of Rule 15c2-12 ("Rule"), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time.

Section 1. (a) The Issuer, as an obligated person for purposes of and as defined in the Rule ("Obligated Person"), hereby agrees, in accordance with the provisions of the Rule, so long as any of the Notes are outstanding to provide or cause to be provided to the Municipal Securities Rulemaking Board ("MSRB"), through the internet facilities of the Electronic Municipal Market Access System ("EMMA")[1], or any other public or private repository or entity that shall hereafter be designated by the Commission as a repository for purposes of the Rule (each a "National Repository") and any public or private repository or entity designated by the State of New Jersey as a state information repository for purpose of the Rule ("State Repository" and together with each National Repository, the "Repository" or "Repositories"), as applicable, notice of the occurrence of any of the following listed events (each a "Listed Event" or "Listed Events") with respect to the Notes:

i. Principal and interest payment delinquencies;

ii. Non-payment related defaults, if material

iii. Unscheduled draws on debt service reserves reflecting financial difficulties;

iv. Unscheduled draws on credit enhancements reflecting financial difficulties;

v. Substitution of credit or liquidity providers, or their failure to perform;

vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;

[1] An internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt bonds, including the Notes, and other filers on behalf of such issuers shall upload certain information and notices to assist underwriters in complying with the Rule and to provide the general public with access thereto.

vii. Modifications to the rights of Noteholders, if material;

viii. Note calls (excluding mandatory sinking fund redemptions), if material, or tender offers;

ix. Defeasances;

x. Release, substitution, or sale of property securing repayment of the Notes, if material;

xi. Rating changes;

xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;

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

xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

xv. Incurrence of a financial obligation[2] of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

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

(b) The Issuer shall, within ten (10) business days of the occurrence of any of the Listed Events, report the event to the MSRB, through the internet facilities of EMMA, or any other Repositories, as applicable, pursuant to the provisions of Section 1(a) hereof. In determining the materiality of a Listed Event specified in subsections (a)(ii), (vii), (viii), (x), (xiii), (xiv) and (xv) of this Section 1, the Issuer may, but shall not be required to, rely conclusively on a written opinion of counsel expert in federal securities law acceptable to the Issuer.

Section 2. The Issuer reserves the right to terminate its obligation to provide notices of Listed Events, if material, as set forth above, if and when the Issuer no longer remains an Obligated Person with respect to the Notes within the meaning of the Rule. The Issuer will provide notice of such termination to the MSRB via the internet facilities of EMMA and the State Repository, if any.

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[2] The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

Section 3. The Issuer agrees that its undertaking pursuant to the Rule set forth in Section 1 of this Agreement is intended to be for the benefit of the holders of the Notes and shall be enforceable by such Noteholders; provided that, the Noteholder's right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Obligated Person's obligations hereunder.

Section 4. This Agreement shall be governed by the laws of the State of New Jersey.

IN WITNESS WHEREOF, the Issuer has executed and delivered this Agreement as of this 23rd day of May, 2025.

ISSUER:

TOWNSHIP OF PENNSAUKEN, COUNTY OF CAMDEN, NEW JERSEY

By:__________________________________
ELIZABETH PEDDICORD,
Chief Financial Officer