OFFICIAL STATEMENT DATED JULY 10, 2025

NEW ISSUE-BOOK-ENTRY-ONLY

RATINGS: Moody's: "Aa2"
(See "RATING" herein)

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the Township (as defined herein) with certain tax covenants described herein, under existing law, interest on the Bonds (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. Based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

TOWNSHIP OF EASTAMPTON, IN THE COUNTY OF BURLINGTON, NEW JERSEY

$5,905,000 GENERAL IMPROVEMENT BONDS, SERIES 2025 (Bank-Qualified) (Non-Callable)

Dated Date: Date of Delivery

Due: July 15, as shown on the inside cover page

The $5,905,000 General Improvement Bonds, Series 2025 (the "Bonds") of the Township of Eastampton, in the County of Burlington, New Jersey (the "Township"), will be issued in the form of one certificate for each maturity of the Bonds maturing in each year and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), which will act as securities depository. See "THE BONDS - Book-Entry-Only System" herein.

Interest on the Bonds will be payable semiannually on January 15 and July 15 in each year until maturity, commencing on July 15, 2026. Principal of and interest due on the Bonds will be paid to DTC by the Township or its designated paying agent. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding January 1 and July 1 (the "Record Dates" for the payment of interest on the Bonds). Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months. The Bonds are *not* subject to redemption prior to their stated maturities.

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

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

The Bonds will be offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by the Township Attorney, Albert K. Marmero, Esq., Woodbury, New Jersey. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Bonds. Delivery is anticipated to be via DTC in Brooklyn, New York, on or about July 21, 2025.

Janney

TOWNSHIP OF EASTAMPTON,
IN THE COUNTY OF BURLINGTON, NEW JERSEY

$5,905,000 GENERAL IMPROVEMENT BONDS, SERIES 2025

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS*

Year (July 15)	Principal Amount	Interest Rate	Yield	CUSIP*
2026	$395,000	4.00%	2.46%	276036DW7
2027	400,000	5.00	2.46	276036DX5
2028	400,000	5.00	2.47	276036DY3
2029	775,000	5.00	2.47	276036DZ0
2030	785,000	4.00	2.55	276036EA4
2031	785,000	4.00	2.68	276036EB2
2032	785,000	4.00	2.78	276036EC0
2033	790,000	4.00	2.89	276036ED8
2034	790,000	4.00	2.99	276036EE6

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

TOWNSHIP OF EASTAMPTON,
IN THE COUNTY OF BURLINGTON, NEW JERSEY

Mayor

Ricardo J. Rodriguez

TOWNSHIP COUNCIL

Dominic F. Santillo, Deputy Mayor
Octavia Lee
Maria Rivera
Steven Schilling

CHIEF FINANCIAL OFFICER

John E. Barrett

TOWNSHIP CLERK

Kim-Marie White

TOWNSHIP ATTORNEY

Grace Marmero & Associates LLP
Woodbury, New Jersey

AUDITOR

Bowman & Company LLP
Voorhees, New Jersey

BOND COUNSEL

McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

MUNICIPAL ADVISOR

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

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

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 made 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. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be used, in whole or in part, for any other purpose.

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.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Township from time to time (collectively, the "Official Statement"), may be treated as a "Final Official Statement" with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Township.

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. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

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

McManimon, Scotland & Baumann, LLC has not participated in the preparation of the financial or statistical information contained in this Official Statement nor has it verified the accuracy or completeness thereof and, accordingly, expresses no opinion with respect thereto.

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OFFICIAL STATEMENT
Relating to the

TOWNSHIP OF EASTAMPTON,
IN THE COUNTY OF BURLINGTON, NEW JERSEY

$5,905,000 GENERAL IMPROVEMENT BONDS, SERIES 2025

INTRODUCTION

This Official Statement, which includes the cover page, the inside front cover page and the appendices attached hereto, has been prepared by the Township of Eastampton (the "Township"), in the County of Burlington (the "County"), New Jersey (the "State"), in connection with the sale and issuance of its $5,905,000 General Improvement Bonds, Series 2025 (the "Bonds"). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Bonds described herein.

This Official Statement contains specific information relating to the Bonds, including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety. All financial and other information presented herein has been provided by the Township from its records, except for information expressly attributed to other sources. This Official Statement is "deemed final," as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

THE BONDS

General Description

The Bonds will be dated their date of delivery and will mature on July 15 in the years and in the principal amounts as set forth on the inside cover page hereof. The Bonds will bear interest from their dated date, payable semi-annually on January 15 and July 15 in each year until maturity, commencing on July 15, 2026, at the rates set forth on the inside front cover page hereof. Principal of and interest due on the Bonds will be paid to DTC (as defined herein) by the Township or its designated paying agent. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding January 1 and July 1 (the "Record Dates" for the payment of interest on the Bonds). Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months.

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity of the Bonds and in the principal amount of such maturity. The Bonds may be purchased in book-entry-only form in the principal amount of $5,000, or any integral multiple of $1,000 in excess thereof, through book-entries made on the books and records of The Depository Trust Company, Brooklyn, New York ("DTC"), and its participants. So long as DTC or its nominee, Cede & Co. (or any successor or assignee), is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Township directly to Cede & Co. (or any successor or assignee), as nominee for DTC.

Redemption

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

BOOK-ENTRY-ONLY SYSTEM*

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Bonds, payment of principal and interest and other payments on the Bonds to Direct and Indirect Participants (each as defined below) or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and will be deposited with DTC.

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

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

*Source: The Depository Trust Company.

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

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

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

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

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

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

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

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

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE FOR DTC, REFERENCES HEREIN TO THE HOLDERS OR REGISTERED OWNERS OF THE BONDS (OTHER THAN UNDER THE CAPTIONS "TAX MATTERS" AND "SECONDARY MARKET DISCLOSURE") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

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 Bonds at any time, the Township will attempt to locate another qualified securities depository. If the Township fails to find such a securities depository, or if the Township determines, in its sole discretion, that it is in the best interest of the Township or that the interest of the Beneficial Owners might be adversely affected if the book-entry-only system of transfer is continued (the Township undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination), the Township shall notify DTC of the termination of the book-entry-only system.

AUTHORIZATION AND PURPOSE OF THE BONDS

The Bonds have been authorized by and are being issued pursuant to the laws of the State, including the Local Bond Law (constituting Chapter 2 of Title 40A of the State statutes, as amended) (the "Local Bond Law"), the bond ordinances adopted by the Township Council of the Township referred to in the chart that follows and by a resolution duly adopted by the Township Council of the Township on June 9, 2025 (the "Resolution"). The bond ordinances authorizing the Bonds were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides that, after issuance, all Bonds shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Township. Such estoppel period for each of the bond ordinances has concluded as of the date of this Official Statement.

Proceeds from the sale and issuance of the Bonds, together with $117,000 of other available funds of the Township, will be used to: (i) currently refund the Township's $6,415,000 Bond Anticipation Note, dated and issued on July 23, 2024 and maturing on July 22, 2025; and (ii) pay the costs associated with the issuance of the Bonds.

Bond Ordinance Number	Description of Improvement and Date of Adoption of Bond Ordinance	Amount Funded From Bond Proceeds
2019-11	Various capital improvements, finally adopted May 28, 2019.	$812,500
2020-06	Various capital improvements, finally adopted June 22, 2020.	773,000
2021-07	Various capital improvements, finally adopted April 26, 2021.	494,000
2021-08	Improvements to various roads, finally adopted April 26, 2021.	2,118,500
2022-10	Various capital improvements, finally adopted May 9, 2022.	1,150,000

2023-08	Various capital improvements, finally adopted July 17, 2023.	950,000
Total:		$6,298,000

SECURITY AND SOURCE OF PAYMENT

The Bonds are valid and legally binding obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal of and interest on the Bonds. The Township is required by law to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

RESILIENCY PLANNING

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. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID- 19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to state and local governments, including the American Rescue Plan Act of 2021 (the "Plan"). The pandemic and certain mitigation measures, which altered the behavior of businesses and people, have had and may continue to have negative impacts on regional, State and local economies. 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.

To date, the overall finances and operations of the Township have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, there can be no assurance regarding the extent to which the COVID-19 pandemic, or any other national health crisis or pandemic, may impact the national, State or local economies in the future, nor how any such event may materially adversely impact municipalities, including the Township. The Township cannot quantify any such impacts at this time.

The Plan, signed into law on March 12, 2021, provided $1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Township has received $643,083.60 from the Plan. The deadline to obligate the funds was December 31, 2024, and such funds can only be spent on certain allowable uses as set forth in the Plan.

Cybersecurity

The Township relies upon a large and complex technology environment to conduct their 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.

Weather Related Matters

The State 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.

MARKET PROTECTION

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

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

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

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes, subject to a number of exceptions. All bonds and notes issued by the Township are general full faith and credit obligations.

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis. As shown in Appendix A, the Township has not exceeded its statutory debt limit.

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

The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for self-liquidating purposes and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The Township may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit's bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

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

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

The local unit is authorized to issue emergency notes and special emergency notes pursuant to the Local Budget Law. Tax anticipation notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

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

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

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

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

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

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

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

Under legislation recently enacted to address the COVID-19 emergency, P.L. 2020, c. 60 (A4175) (the "New Jersey COVID-19 Emergency Bond Act"), a municipality may adopt an emergency appropriation to fund certain deficits resulting from COVID-19 with approval of the Director and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten years. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to COVID-19. Also, local units may be able to issue refunding bonds with Local Finance Board approval to repay a Federal Emergency Management Agency Community Disaster Loan for which it executed a promissory note in 2013.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three months of the year to the previous year's budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAP" appropriations nor can transfers be made between excluded from "CAP" appropriations, except that transfers may be made between debt service principal and interest.

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

Additionally, legislation constituting P.L. 2010, c. 44, approved July 13, 2010, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

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

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

Tax Assessment and Collection Procedure

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 new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

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

Tax bills are typically mailed annually in June or following the adoption of the State budget, at which time state aid is certified, by the Township's Tax Collector. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year are based upon one-half of the current year's total tax.

By State statute, tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first $1,500 of the delinquency and 18% per annum on any amount in excess of $1,500, and if a delinquency (including interest) is in excess of $10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. These interest rates and penalties are the highest permitted under State statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State statutes.

Tax Appeals

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

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

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

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

TAX MATTERS

Exclusion of Interest on the Bonds From Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order to assure that interest on the Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds. The Township will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the Bonds, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Bonds and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificate and will assume continuing compliance by the Township with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the Bonds for the purposes of alternative minimum tax.

Assuming the Township observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC ("Bond Counsel") is of the opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If an owner of the Bonds is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Original Issue Discount

Certain maturities of the Bonds may be sold at an initial offering price less than the principal amount payable on such Bonds at maturity (the "Discount Bonds"). The difference between the initial public offering price of the Discount Bonds at which a substantial amount of each of the Discount Bonds was sold and the principal amount payable at maturity of each of the Discount Bonds constitutes the original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Bonds. Under Section 1288 of the Code, the original issue discount on the Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bonds will be increased by the amount of such accrued discount. Owners of the Discount Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest.

Original Issue Premium

Certain maturities of the Bonds may be sold at an initial offering price in excess of the amount payable at the maturity date (the "Premium Bonds"). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of the Premium Bonds may have taxable gain from the disposition of the Premium Bonds, even though the Premium Bonds are sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Premium Bonds should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Bonds.

Additional Federal Income Tax Consequences of Holding the Bonds

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code and interest on the Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Bonds.

Bank-Qualification

The Bonds will be designated as qualified under Section 265 of the Code by the Township for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax- exempt obligations.

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

Changes in Federal Tax Law Regarding the Bonds

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

State Taxation

Bond Counsel is of the opinion that, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE BONDS ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL DECISIONS AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE BONDS, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

FINANCIAL STATEMENTS

Appendix "B" to this Official Statement contains audited financial statements of the Township for the years ended December 31, 2024, 2023, 2022, 2021 and 2020. Copies of the complete Reports of Audit may be obtained upon request to the office of the Township Clerk and are available on the Township's website www.eastampton.com.

LITIGATION

To the knowledge of the Township Attorney, Albert K. Marmero, Esq., of Grace Marmero & Associates LLP, Woodbury, New Jersey (the "Township Attorney"), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds 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. Further, to the knowledge of the Township Attorney, no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided.

SECONDARY MARKET DISCLOSURE

The Township, pursuant to the Resolution, has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain secondary market disclosure information pursuant to Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"). Specifically, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the Township shall provide:

(a) On or prior to September 30 of each year, beginning September 30, 2025, electronically to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system or such other repository designated by the Securities and Exchange Commission to be an authorized repository for filing secondary market disclosure information, if any, annual financial information with respect to the Township consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Township and certain financial information and operating data consisting of (i) the Township and overlapping indebtedness, (ii) property valuation information and (iii) tax rate, levy and collection data. The audited financial information will be prepared in accordance with generally accepted accounting principles as modified by governmental accounting standards as may be required by State law.

(b) In a timely manner not in excess of ten business days after the occurrence of the event, to EMMA, notice of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults, if material;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) Modifications to the rights of holders of the Bonds, if material;
(8) Bond calls, if material, and tender offers;
(9) Defeasances;
(10) Release, substitution or sale of property securing repayment of the Bonds, if material;
(11) Rating changes;
(12) Bankruptcy, insolvency, receivership or similar event of the Township;
(13) The consummation of a merger, consolidation or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
(15) Incurrence of a Financial Obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Township, any of which affect holders of the Bonds, if material; and
(16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Township, if any such event reflects financial difficulties.

The term "Financial Obligation" as used in subparagraphs (b)(15) and (b)(16) above 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); provided, however, that 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 the Rule.

(c) In a timely manner to EMMA, notice of failure of the Township to provide required annual financial information on or before the date specified in the Resolution.

In the event that the Township fails to comply with the above-described undertaking and covenants, the Township shall not be liable for any monetary damages, remedy of the beneficial owners of the Bonds being specifically limited in the undertaking to specific performance of the covenants.

The undertaking may be amended by the Township from time to time, without the consent of the holders or beneficial owners of the Bonds, in order to make modifications required in connection with a change in legal requirements or change in law, which in the opinion of nationally recognized bond counsel complies with the Rule.

If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under the Resolution, insofar as the provision of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

Within the five years immediately preceding the date of this Official Statement, the Township previously failed to file, in accordance with the Rule, in a timely manner, under previous filing requirements, an event notice in connection with a late required sinking fund payment. The payment that was due on July 1, 2020, on the General Obligation Refunding Bonds, Series 2012 (Dated September 13, 2012) was not made due to an administrative oversight. When it was discovered, a Notice of Redemption was sent to DTC to provide for the sinking fund payment to be made on November 1, 2020. Additionally, the Township previously failed to file a late filing notice in connection with its untimely filing of the late payment notice, as described above. Such notice of event and late filing has since been filed with EMMA. The Township appointed Phoenix Advisors in November of 2014 to serve as continuing disclosure agent.

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. §901 et seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditors' rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under said chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance

Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

APPROVAL OF LEGAL PROCEEDINGS

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

UNDERWRITING

The Bonds have been purchased from the Township at a public sale by Janney Montgomery Scott, LLC (the "Underwriter") at a price of $6,302,030.06 (consisting of the par amount of the Bonds plus original issue premium in the amount of $423,102.35 and less underwriter's discount in the amount of $26,072.29). The Underwriter has purchased the Bonds in accordance with the Notice of Sale.

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

RATING

Moody’s Ratings (the "Rating Agency") has assigned a rating of "Aa2" to the Bonds based upon the creditworthiness of the Township. The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Township furnished to the Rating Agency certain information and materials concerning the Bonds and the Township. There can be no assurance that the rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Bonds.

MUNICIPAL ADVISOR

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

PREPARATION OF OFFICIAL STATEMENT

The Township hereby states that the descriptions and statements herein, including the financial statements, are true and correct in all material respects, and it will confirm same to the Underwriter by a certificate signed by the Mayor and the Chief Financial Officer of the Township that, to their knowledge, such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

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

The Municipal Advisor has neither participated in the preparation of the financial or statistical information contained in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

Bond Counsel has neither participated in the preparation of the financial or statistical information contained in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

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

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to John E. Barrett, Chief Financial Officer, Township of Eastampton, 12 Manor House Court, Eastampton, NJ 08060, (609) 267-5723 ext. 205, or to the Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., at 2000 Waterview Drive, Suite 101, Hamilton, New Jersey 08691, (609) 291-0130.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement among the Township, the Underwriter and the holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs (financial or otherwise) of the Township since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

TOWNSHIP OF EASTAMPTON, IN THE
COUNTY OF BURLINGTON, NEW JERSEY

By: /s/ John E. Barrett
John E. Barrett
Chief Financial Officer

Dated: July 10, 2025

APPENDIX A

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE TOWNSHIP

GENERAL INFORMATION ON THE TOWNSHIP

The Township of Eastampton, in the County of Burlington, New Jersey (the "Township") was created by an act of the Legislature of the State of New Jersey on February 11, 1880. The Township was formed primarily from neighboring Westampton Township. The new municipality consisted of farmland with an industrial village called Smithville and a hamlet called Unionville. Smithville was named after its owner at the time, Hezekiah Smith, who was the principal force behind the creation of the new Township.

On December 6, 1865 Mr. Smith bought, for a sum of $23,000, a 40+/- acre milling and cotton cloth manufacturing site known as Shreveville. The site's name was soon changed to Smithville and slowly emerged as a village with a school, store, barns, stables, smoke and slaughterhouses, workers' houses and a mansion. Surrounding farmland supplied the needs of village residents.

Between 1865 and 1878 Smithville expanded rapidly to include more offices, shops, an opera house and a lyceum. Mr. Smith's goal was to create a national industrial center and a unique workers' village.

The H.B. Smith Machine Company (incorporated 1878) would eventually manufacture 150 different styles of machines, hold patents for some 30 inventions and produce one quarter of the nation's woodworking machinery. One of its greatest successes was the "Star" bicycle. Hezekiah Smith was elected to the United States Congress in 1878. He died on November 3, 1887 at 71 years of age.

Through the second and third generations of the Smith family Smithville continued to flourish as a company town until the Great Depression. The industrial village never recovered from this downturn. The village was acquired in 1975 by the Burlington County Board of Chosen Freeholders and became Burlington County's first park. The mansion, the annex and the village, all of which are listed on the New Jersey and National Registers of Historic Places, are a popular destination for County and state residents. As one example, the annual Earth Day fair draws 10,000 to 12,000 visitors.

In the 1940's the Township began to develop as a suburban community. The first wave of suburban development resulted in the construction of 230 homes between 1940 and 1959. In the period between 1960 and 1979, there were 1,014 additional homes built in the Township. In the most recent past, 1980-2000, the Township saw the construction of 975 more dwellings. It is unlikely that the Township will experience more single family residential development at this scale in the future, which is attributable to the Township's smart growth strategy including its open space and farmland preservation efforts through 1998-2004. The Township's focus will be on a mixed-use development along the Woodlane Corridor resulting in modest residential growth.

Situated in the interior of Burlington County (the "County"), the Township is bounded on the east by Pemberton, on the south by Southampton and Lumberton, on the west by Lumberton, Mt. Holly, and Westampton, and on the north by Springfield Township. The Township's land area is 5.86 square miles. The Township is 20 miles south of Trenton, 30 miles east of Philadelphia and 40 miles west of the famous New Jersey shore.

The Philadelphia International Airport is within a 40-minute commute on nearby I-295.

Township Employees

2024	2023	2022	2021	2020
42	42	41	42	42

Employee Collective Bargaining Unit

There are two Collective Bargaining Units, one covering the Fraternal Order of Police Lodge 146 which expires on December 31, 2025 and one covering the American Federation of State, County and Municipal Employees which expires on December 31, 2026.

Compensated Absences

Under the existing policy of the Township, full-time employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward.

The Township compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated and is paid at the average of the last three years' rate of pay upon termination or retirement for police officers and at the last year's rate of pay for all other employees.

Pension Plans

Those Township employees who are eligible for pension coverage are enrolled in one of three pension systems established by Acts of the State Legislature. Currently, Township employees are either enrolled in the Police and Firemen's Retirement System, the Public Employees' Retirement System, or the Defined Contribution Retirement Program. Benefit contributions, means of funding and the manner of administration are determined by the State of New Jersey. (For additional information on pension plans, see Appendix B: Audited Financial Statements of the Township, Note 6.)

Township Population

2020 Federal Census	6,191
2010 Federal Census	6,069
2000 Federal Census	6,202
1990 Federal Census	4,962
1980 Federal Census	3,814

Selected Census 2023 Data (1)

Median household income	$105,450
Per capita income	$47,712

Labor Force (2)

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

	2024	2023	2022	2021	2020
Township					
Labor Force	3,868	3,830	3,692	3,591	3,536
Employment	3,721	3,708	3,583	3,410	3,272
Unemployment	147	122	109	181	264
Unemployment Rate	3.8%	3.2%	3.0%	5.0%	7.5%

(1) Source: U.S. Department of Commerce, Bureau of Census
(2) Source: New Jersey Department of Labor

Labor Force (Continued) (1)

	2024	2023	2022	2021	2020
County					
Labor Force	248,122	246,548	240,684	235,227	232,816
Employment	237,708	236,845	232,054	221,531	213,811
Unemployment	10,414	9,703	8,630	13,696	19,005
Unemployment Rate	4.2%	3.9%	3.6%	5.8%	8.2%
State					
Labor Force	4,898,008	4,867,113	4,756,002	4,654,243	4,643,700
Employment	4,676,064	4,659,779	4,572,879	4,342,075	4,204,301
Unemployment	221,944	207,334	183,123	312,168	439,399
Unemployment Rate	4.5%	4.3%	3.9%	6.7%	9.5%

Business and Industry

There is, at present, modest industrial activity in the Township. However, there are approximately 400 acres zoned for business use. Non residential uses make up seven percent of the Township's tax base.

Most commercial activity is located in the Village Center District. Business activity in the area includes a 10,000 square foot CVS Pharmacy retail facility opened in 1999. The largest commercial property, known as the Gregories Center (70,000 +/- sq. ft.) was recently purchased and will be redeveloped into a mixed-use (retail and residential) project.

There is an industrial park in the center of the Township with improvements (road and utilities) that is subdivided into four lots. One lot is developed with a 7,000 square foot warehouse that houses a regional plumbing distributor. Applications are pending for the development of two other lots totaling 30,000 square feet of flex space.

The bulk of land available for large-scale industrial and commercial development in the Township is located along Route 206. Although the past fifteen years has seen some development in the form of warehouse space, interest in development is expected to accelerate once sewer service is available to the area.

A variety of other commercial properties are scattered throughout the municipality. The more significant of these includes a regional restaurant and banquet hall called O'Connors and a co-generation plant powered by methane captured from a closed landfill.

As host to the aforementioned Smithville Park, the Township is working with the County to on a tourism program around the historic area that will link preserved agricultural lands and local businesses.

Village Center District zoning and architectural/site design standards adopted in 2003 have resulted in applications for approximately 35,000 square feet of office, warehouse and mixed-use development in the Township.

Eastampton Place has five residential buildings containing one hundred thirty high end efficiency apartments with 5,600 square feet of commercial space.

Eastampton Place West has six residential buildings containing two hundred forty-four high end efficiency apartments, with 10,000 square feet of retail space and a 4,303 square foot clubhouse and pool.

(1) Source: New Jersey Department of Labor

Lennar is an age restricted community with 452 homes being building built with a 10,493 square foot clubhouse and 1,500 square foot pool. The commercial space consists of $15,500 square feet.

Holgate is a family neighborhood consisting of fifty-five townhomes and eight single family cottages.

Glendale Warehouse is a 345,600 square foot warehouse, which includes 2,600 square feet of office space. The property is located on a 27.64AC parcel on Route 206. The industrial building is the largest in commercial property within the Township.

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 the State of New Jersey. These codes and other municipal codes are codified as a basis for improved administration and regulation.

The Township has adopted the State of New Jersey's Municipal Land Use Law, which provides the Township's Land Use Planning Board authority to regulate most land uses. 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. In 2002, the Township Council merged the Planning Board and Zoning Board into a more efficient Land Use Planning Board that could handle both development applications and variances.

Building Permits (1)

Year	Number of Permits	Value of Construction
2025 (2)	129	$1,362,711
2024	352	15,416,528
2023	324	27,805,833
2022	329	45,141,648
2021	357	32,240,906
2020	329	27,631,726

TEN LARGEST NON-GOVERMENTAL EMPLOYERS IN THE TOWNSHIP

Employer	Nature of Business	Employees
O'Connors Bar & Grille	Restaurant	61
John & Molly's Tavern	Tavern	35
CVS	Store and Pharmacy	23
Olde World Bakery	Bakery	20
Growmark	Farming Services	17
Russo's	Restaurant	15
Michael Risoldi's Auto Repair	Auto Services	10
Epicore	Biological Laboratory	8
Boil Makers Local 28	Union	7
Flynn's Towing	Towing	7

(1) Source: Township Construction Office.
(2) As of May 31, 2025

INFORMATION ON THE SCHOOL DISTRICT (1)

History and Education

The Board of Education of the Township of Eastampton ("School District") operates under the provisions of Title 18A, of the State Statutes. It functions independently through a seven-member board, elected by the citizens in alternate three-year terms. There is presently one elementary and one middle school in use for grades kindergarten through eighth, both of which are located in one building.

Township high school students attend the Rancocas Valley Regional School District ("Regional School District"), which presently operates a high school for grades 9 through 12.

The Regional School District functions through a nine (9) member board, elected by the citizens in alternate three-year terms. The Regional School District comprises the Townships of Eastampton, Westampton, Mt. Holly, Lumberton and Hainesport. Taxes for the support of the Regional School District, are levied on the valuations in the five municipalities as equalized by the County.

Local School District School Enrollments (10/15 of year)

Grade	2024	2023	2022	2021	2020
PreK	52	43	20	18	
K	59	60	66	57	59
1	54	62	50	51	50
2	63	51	47	48	53
3	52	44	47	46	36
4	48	48	50	28	38
5	44	48	38	42	54
6	47	40	47	48	57
7	36	42	47	61	47
8	38	49	64	50	56
Sp. Ed.	111	105	97	90	98
Totals	604	592	573	539	548

Present School Facilities, Enrollment and Capacity

Facility	Date Constructed	Renovations/ Additions	Grades	Enrollment 10/15/24	Functional Capacity
Eastampton Community School	2005/06	N/A	K-8	604	771

Regional High School District Enrollments (2) (3)

	Oct. 15,				
Grade	2024	2023	2022	2021	2020
Totals	281	287	275	272	264

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(1) Source: Local School District Officials.
(2) Source: Regional School District Officials.
(3) Eastampton Township students only.

HIGHER EDUCATION FACILITIES

Rowan College at Burlington County (Formerly Burlington County College)

Rowan College at Burlington County (formerly Burlington County College) ("RCBC" or "County College") is a comprehensive, publicly supported, coeducational, two-year institution developed by the County and the State and accredited by the Middle States Association of Colleges and Schools. The County College was founded in October 1965 and opened in September 1969. The 225-acre main campus is located on Pemberton-Browns Mills Road in Pemberton Township, while the Mount Laurel campus opened in July 1995. The Board of County Commissioners (formally Board of Chosen Freeholders) sponsors the County College, appointing nine of the twelve Trustees.

In June 2015, the Rowan University Board of Trustees approved a resolution to partner with the County College thereby allowing students to obtain a bachelor's degree from Rowan University on the County College's Mount Laurel Campus. The unique partnership provides students the opportunity to seamlessly transition from the community college to the university. RCBC is the first community college in the region to offer junior-level courses as part of the “3+1” program in which students complete 75 percent of a Rowan University degree with the community college before completing their senior year at the university.

In July 2015, RCBC announced a transition from its original Pemberton Campus to the more accessible and modern Mount Laurel Campus. Located at the intersection of Route 38 and I-295, the 100-acre Mount Laurel campus is already home to the Technology and Engineering Center. Joining it as part of the transformed Mount Laurel campus is a new Health Sciences Center as well as a new Student Success Center - a 78,000 square foot, $25.4 million state-of-the-art building that will feature a one-stop shop for student services from enrollment to academic planning, knowledge commons library, bookstore, dining area and state-of-the-art technology. This building serves as the gateway to the newly transformed Mount Laurel campus with a total investment of $55 million and renovation of 240,000 square feet.

RCBC's fall 2024 enrollment in academic courses was 6,620 students. In addition, the County College serves thousands of other County residents each semester through youth programs, Learning is for Everyone, workforce development, theatrical productions, guest speakers, and art exhibitions.

The Board of Trustees governs the County College and certain fiscal matters are subject to review by the Board of School Estimate. The County College is not permitted to borrow for capital expenditures. Instead, the Board of Trustees and the Board of School Estimate certify the need for funding to the Board, which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law except that no down payment is required.

Burlington County Institute of Technology

The Burlington County Board of Vocational Education was created by the Board in 1962 after a favorable referendum. The enrollment for the two campuses, Westampton and Medford, for academic year 2023-2024 was 2,070 students.

The Burlington County Institute of Technology ("BCIT") is governed by a consolidated Board of Education of the Special Services School District and the Vocational School District of the County of Burlington and certain fiscal matters are subject to the review of the Board of School Estimate. BCIT is not permitted to borrow for capital expenditures. Instead, the Board of Education and the Board of School Estimate certify the need for funding to the Board which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law except that no down payment is required.

BCIT contributes to the County workforce each year an average of 462 high school seniors certified in one of thirty-three career and technical programs and, through its Adult School Division, approximately 760 adults who have completed either a certification or licensing program in one of the thirty-five career programs offered. The Superintendent of BCIT is the liaison between the education community of the County and business and industry.

Burlington County Special Services School District

The Burlington County Special Services School District ("Special Services School District") was created by the Board in June 1972. The Special Services School District is comprised of state-of-the-art facilities located in the Townships of Westampton, Lumberton, and Mount Laurel which provide comprehensive educational and therapeutic programs for preschool and school-age students, ranging in age from three to eighteen, as well as young adults, ranging in age from eighteen to twenty-one. Students at the Special Services School District have access to the following programs: Sensory, Autism, Multiple Disabilities, Behavior Disabilities, Preschool Disabilities, Auditory Impaired, Career and Technical Education, and Transitions, a program designed to prepare students to be a self-sufficient, productive member of the community. The enrollment for the Special Services School District for the 2023-2024 academic year was 461 students.

CERTAIN TAX INFORMATION
TEN LARGEST REAL PROPERTY TAXPAYERS (1)

Name of Taxpayer	Nature of Business	2025 Assessed Valuation
Spice Shelter	Warehouse	$ 37,513,100
East Coast Sherwood Village, LLC	Apartment Complex	19,282,600
East Coast Eastampton Apts, LLC	Apartment Complex	14,189,500
Eastampton Apartment Assoc, LLC	Apartment Complex	11,251,000
US Home Corporation	Real Estate	4,155,500
Eastampton Place West Urban Renewal	Apartment Complex	2,058,600
Infosino Inc.	Restaurant	1,460,800
Pharmacy Dev-East LLC (CVS)	Retail Pharmacy	1,435,900
International Brotherhood of Boilermakers Local 28, LLC	Union Chapter	1,319,500
GMK Holdings, LLC	Cross Industry Business	1,315,600

CURRENT TAX COLLECTIONS (2)

		Collected in Year of Levy		Outstanding December 31	
Year	Total Levy	Amount	Percentage	Amount	Percentage
2024	$ 19,342,976	$ 19,258,038	99.56%	$ -	0.00%
2023	18,931,325	18,843,751	99.54%	-	0.00%
2022	16,484,051	16,417,290	99.59%	12,533	0.08%
2021	15,470,778	15,409,066	99.60%	6,604	0.04%
2020	14,742,267	14,570,699	98.84%	96,561	0.65%

(1) Source: Assessor's Office.
(2) Source: Annual Report of Audit

DELINQUENT TAXES (1)

Year	Outstanding January 1	Added	Collected Amount	Collected Percentage	Other Credits	Outstanding December 31
2024	$ 2,742	$ -	$ -	-	$ 2,742	$ -
2023	15,275	4,678	17,211	86.26%	-	2,742
2022	27,300		24,558	89.96%	-	2,742
2021	109,063		87,845	80.54%	521	20,697
2020	20,643	2,830	3,276	13.96%	7,695	12,502

TAX TITLE LIENS (1)

Year	Balance January 1	Added by Sales and Transfers	Collected	Canceled	Balance December 31
2024	$ 810,825	$ 35,097	$ 9,985	$ -	$ 835,937
2023	773,382	37,861	418	-	810,825
2022	741,572	39,163	7,353	-	773,382
2021	718,606	46,101	23,135	-	741,572
2020	687,771	40,795	8,351	1,609	718,606

FORECLOSED PROPERTY (1)

The Township has held no foreclosed property for the last five years.

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (2)

		Tax Rate (3)								
						County				
Year	Net Valuation Taxable	Total Rate	Municipal	Municipal Open Space	Fire District	Library	County	Open Space	Local School	Regional High School District
2025	$ 605,686,400	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2024	586,867,678	$ 3.195	$ 1.013	$ 0.030	$ 0.070	$ 0.036	$ 0.420	$ 0.050	$ 1.102	$ 0.474
2023	524,426,029	3.293	1.013	0.030	0.069	0.038	0.405	0.034	1.205	0.499
2022	491,836,107	3.183	0.907	0.050	0.069	0.035	0.388	0.030	1.207	0.497
2021	469,945,907	3.184	0.907	0.050	0.068	0.035	0.392	0.023	1.249	0.460
2020	449,612,105	3.193	0.863	0.050	0.067	0.035	0.386	0.023	1.291	0.478

(1) Source: Annual Report of Audit
(2) Source: Township Tax Collector
(3) 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	Population (2)
2025	$ 605,686,400	62.74%	$ 965,391,138	$ 155,935	6,191
2024	586,415,600	69.55%	843,156,866	136,191	6,191
2023	523,939,500	74.85%	699,985,972	113,065	6,191
2022	491,383,800	83.20%	590,605,529	95,397	6,191
2021	469,493,600	87.17%	538,595,388	86,997	6,191

REAL PROPERTY CLASSIFICATION (3)

Year	Assessed Value of Land and Improvements	Vacant Land	Residential	Farm	Commercial	Industrial	Apartments
2025	$ 605,686,400	$ 4,223,600	$ 489,061,500	$ 2,390,100	$ 21,043,400	$ 41,376,500	$ 47,591,300
2024	586,415,600	5,438,600	466,837,300	2,389,100	21,055,400	41,376,500	49,318,700
2023	523,939,500	11,782,600	439,925,300	2,385,200	21,532,900	3,863,400	44,450,100
2022	491,383,800	8,228,600	416,401,800	2,330,600	20,977,900	3,863,400	39,581,500
2021	469,493,600	6,016,300	395,144,400	2,332,300	22,555,700	3,863,400	39,581,500

(1) Source: State of New Jersey, Department of Treasury, Division of Taxation
(2) Based on Federal Census 2020 of 6,191
(3) Source: Township Tax Assessor

TOWNSHIP OF EASTAMPTON
STATEMENT OF INDEBTEDNESS
AS OF DECEMBER 31, 2024

The following table summarizes the direct debt of the Township of Eastampton 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 debt and debt of the Township of Eastampton School District and Rancocas Valley Regional High School District. Deductions from gross debt to arrive at net debt include deductible school debt and funds reserved for the payment of debt. The resulting net debt of $10,892,585 represents 1.39% of the average of equalized valuations for the Township for the last three years, within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued				Deductions		
	Bonds	Notes	Authorized But Not Issued	Gross Debt	School Debt	Reserve for Payment of Debt	Net Debt
General	$ 3,530,000	$ 6,415,000	$ 950,000	$ 10,895,000		$ 2,415	$ 10,892,585
School - Local	4,290,000			4,290,000	$ 4,290,000		
School - Regional	3,114,959			3,114,959	3,114,959		
	$ 10,934,959	$ 6,415,000	$ 950,000	$ 18,299,959	$ 7,404,959	$ 2,415	$ 10,892,585

Source: Annual Debt Statement

DEBT RATIOS AND VALUATIONS (1) (2)

Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024	$	781,498,337
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024		1.39%
2024 Net Valuation Taxable	$	586,867,678
2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	$	843,608,944
Gross Debt (3):		
As a percentage of 2024 Net Valuation Taxable		3.12%
As a percentage of 2024 Equalized Valuations		2.17%
Net Debt (3):		
As a percentage of 2024 Net Valuation Taxable		1.86%
As a percentage of 2024 Equalized Valuations		1.29%
Gross Debt Per Capita (4)	$	2,956
Net Debt Per Capita (4)	$	1,759

TOWNSHIP BORROWING CAPACITY (1) (2)

3.5% of Averaged (2022-2024) Equalized Valuation of Real Property including Improvements ($781,498,337)	$	27,352,442
Net Debt		10,892,585
Remaining Borrowing Capacity	$	16,459,857

LOCAL SCHOOL DISTRICT BORROWING CAPACITY (1) (2)

3% of Averaged (2022-2024) Equalized Valuation of Real Property including Improvements ($781,498,337)	$	23,444,950
Local School Debt		4,290,000
Remaining Borrowing Capacity	$	19,154,950

REGIONAL HIGH SCHOOL DISTRICT (1) (2)

3% of Averaged (2022-2024) Equalized Valuation of Real Property including Improvements ($6,126,625,441)	$	183,798,763
Regional School Debt (5)		24,420,000
Remaining Borrowing Capacity	$	159,378,763

(1) As of December 31, 2024
(2) Source: Township Records
(3) Excluding overlapping debt
(4) Based on 2020 Federal Census of 6,191
(5) Debt portion allocated to the Township is $3,114,959

TOWNSHIP OF EASTAMPTON
OVERLAPPING DEBT
AS OF DECEMBER 31, 2024

	Debt Issued						**Debt Authorized but not Issued**
	Debt Outstanding	Deductions		Net Debt Outstanding	Net Debt Outstanding Allocated to the Issuer		
County of Burlington:							
General							
Bonds	$129,015,000	$17,421,051	(1)	$111,593,949	$ 1,461,881	(2)	
Notes							$58,025,107
Loans	3,457,864			3,457,864	45,298	(2)	
Bonds Issued by Other Public Bodies							
Guaranteed by the County	361,231,900	361,231,900	(3)				
Solid Waste Utility	22,565,000	22,565,000					37,394,130
	$ 516,269,764	$ 401,217,951		$ 115,051,813	$ 1,507,179		$ 95,419,237

(1) Includes cash on hand, accounts receivable and County College Bonds paid with State Aid.
(2) Such debt is allocated as a proportion of the Issuer's share of the total 2024 Net Valuations on which County taxes are apportioned, which is 1.31%.
(3) Deductible in accordance with N.J.S. 40:37A-80.

TOWNSHIP OF EASTAMPTON
SCHEDULE OF DEBT SERVICE (1)
BONDED DEBT ONLY

	General		
Year	Principal	Interest	Total
2025	$ 610,000	$ 74,015	$ 684,015
2026	605,000	60,100	665,100
2027	605,000	46,234	651,234
2028	615,000	34,167	649,167
2029	215,000	21,900	236,900
2030	215,000	17,600	232,600
2031	220,000	13,300	233,300
2032	220,000	8,900	228,900
2033	225,000	4,500	229,500
	$ 3,530,000	$ 280,716	$ 3,810,716

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

TOWNSHIP OF EASTAMPTON
2025 MUNICIPAL BUDGET

CURRENT FUND

Anticipated Revenues:		
Fund Balance	$	1,300,000.00
Miscellaneous Revenues:		
Local Revenues		937,000.00
State Aid without Offsetting Appropriations		432,038.00
Dedicated Uniform Construction Code Fees		175,000.00
Interlocal Municipal Service Agreements		26,000.00
Public and Private Programs Offset with Appropriations		1,909.56
Other Special Items Offset with Appropriations		31,935.39
Receipts from Delinquent Taxes		5,000.00
Amount to be Raised by Taxation for Municipal Purposes:		
Local Tax		6,396,571.61
Total Anticipated Revenues	$	9,305,454.56
Appropriations:		
Within CAPS:		
Operations	$	7,458,562.00
Excluded from CAPS:		
Other Operations		94,983.00
Shared Service Agreements		471,000.00
Public and Private Programs		1,909.56
Capital Improvements		230,000.00
Debt Service		934,000.00
Reserve for Uncollected Taxes		115,000.00
Total Appropriations	$	9,305,454.56

MUNICIPAL OPEN SPACE FUND

Anticipated Revenues:		
Amount to be Raised by Taxation	$	181,705.92
Reserve Funds		99,977.53
Total Revenues	$	281,683.45
Appropriations:		
Development of Lands	$	123,683.45
Debt Service		158,000.00
Total Appropriations	$	281,683.45

TOWNSHIP OF EASTAMPTON
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2025 - 2027

	Estimated Total Cost	Capital Improvement Fund	Bonds and Notes General
2025 Capital Various Improvements	$ 1,000,000.00	$ 50,000.00	$ 950,000.00
2026 Capital Various Improvements	1,000,000.00	50,000.00	950,000.00
2027 Capital Various Improvements	1,000,000.00	50,000.00	950,000.00
Total - All Projects	$ 3,000,000.00	$ 150,000.00	$ 2,850,000.00

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE TOWNSHIP OF EASTAMPTON FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, 2022, 2021 AND 2020

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Eastampton
Eastampton, New Jersey 08060

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 Eastampton, in the County of Burlington, State of New Jersey, as of December 31, 2024, 2023, 2022, 2021 and 2020, and the related statements of operations and changes in reserve for future use and 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 Eastampton, in the County of Burlington, State of New Jersey, as of December 31, 2024, 2023, 2022, 2021 and 2020, and the results of its operations and changes in reserve for future use and 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 Eastampton, in the County of Burlington, State of New Jersey, as of December 31, 2024, 2023, 2022, 2021 and 2020, or the results of its operations and changes in reserve for future use and 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 in 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in note 1 to the financial statements, during the year ended December 31, 2024, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101*, Compensated Absences.* The adoption of this new accounting principle resulted in an updated measurement of compensated absences in accordance with the Statement (note 8). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only impacted financial statement disclosures. Our opinions are not modified with respect to this matter.

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.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we (cont'd):

- 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

Todd R. Saler

Todd R. Saler
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 23, 2025

TOWNSHIP OF EASTAMPTON
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

	As of December 31,				
ASSETS	2024	2023	2022	2021	2020
Regular Fund:					
Cash and Investments	$ 7,260,604	$ 6,152,359	$ 4,586,766	$ 3,384,735	$ 2,266,169
Cash - Change Fund	500	500	500	500	500
Due State of New Jersey - Senior and Veteran	24,156	24,656	22,656	21,406	20,906
Receivables and Other Assets with Full Reserves:					
Delinquent Property Taxes Receivable		2,742	15,275	27,300	109,063
Tax Title Liens Receivable	835,937	810,825	773,382	741,572	718,606
Fire District Taxes	207	207	27	27	27
Revenue Accounts Receivable	5,340	5,863	3,870	5,615	2,526
Interfunds Receivable	299,806	924,193	205,215	104,708	349,969
Deferred Charges			60,000		
Total Current Fund	8,426,550	7,921,346	5,667,691	4,285,864	3,467,767
Federal and State Grant Fund:					
Federal and State Grants Receivable	802,456	1,601,681	1,032,391	1,179,827	1,082,276
Interfunds Receivable					16,023
Total Federal and State Grant Fund	802,456	1,601,681	1,032,391	1,179,827	1,098,300
	$ 9,229,006	$ 9,523,027	$ 6,700,082	$ 5,465,691	$ 4,566,067

LIABILITIES, RESERVES AND FUND BALANCE	2024	2023	2022	2021	2020
Regular Fund:					
Liabilities and Reserves:					
Appropriation Reserves	$ 871,602	$ 606,368	$ 447,791	$ 379,727	$ 308,515
Reserve for Encumbrances	97,118	88,169	165,975	71,381	57,777
Accounts Payable	70,580	133,437	24,477	4,954	4,954
Prepaid Taxes	93,500	95,782	101,884	144,356	145,882
Tax Overpayments	27,618	32,334	43,993	41,680	49,030
Due County for Added and Omitted Taxes	93,167	240,622	118,477	71,711	53,992
Due Local District School Taxes	295,854	250,854	61,845	29,857	
Due Regional School Taxes	316,321	232,287	146,178	6,149	
Due Mount Holly Municipal Utilities Authority	45,099	71,011	63,404		
Due to the State of New Jersey	3,935	4,533	4,748	4,196	5,212
Other Reserves	163,729	207,480	184,389	161,903	161,872
Interfunds Payable	5,561	15,584	96,463	8,695	235,712
Reserves for Receivables and Other Assets	1,141,290	1,743,831	997,769	879,223	1,180,192
Fund Balance	5,201,174	4,199,056	3,210,296	2,482,034	1,264,628
Total Current Fund	8,426,550	7,921,346	5,667,691	4,285,864	3,467,767
Federal and State Grant Fund:					
Reserve for Encumbrances	25,876	376,725	80,789	281,546	477,027
Interfunds Payable	258,958	911,834	156,815	96,716	309,568
Unappropriated Reserves	1,910	1,780	653,529	321,542	
Appropriated Reserves	515,712	311,341	141,258	480,023	311,705
Total Federal and State Grant Fund	802,456	1,601,681	1,032,391	1,179,827	1,098,300
	$ 9,229,006	$ 9,523,027	$ 6,700,082	$ 5,465,691	$ 4,566,067

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

TOWNSHIP OF EASTAMPTON
CURRENT FUND
Statements of Operations and Changes in Fund Balance -- Regulatory Basis

	For the Years Ended December 31,				
	2024	2023	2022	2021	2020
REVENUES AND OTHER INCOME REALIZED:					
Fund Balance Utilized	$ 870,000	$ 425,000	$ 700,000	$ 675,000	$ 575,000
Miscellaneous Revenue Anticipated	2,116,331	3,116,713	2,196,487	2,324,949	1,814,202
Receipts from Delinquent Taxes	9,985	17,629	31,911	110,980	11,627
Receipts from Current Taxes	19,258,038	18,843,751	16,417,290	15,409,066	14,570,699
Non-Budget Revenues	58,788	125,031	98,432	112,984	115,793
Other Credits to Income	1,165,787	508,181	339,173	520,222	271,804
Total Revenues	23,478,929	23,036,305	19,783,293	19,153,202	17,359,125
EXPENDITURES AND ENCUMBRANCES:					
Budget Appropriations:					
Within "CAPS"					
Operations					
Salaries and Wages	3,412,660	3,145,480	2,924,250	2,741,500	2,480,330
Other Expenses	2,527,950	2,348,502	2,143,137	1,923,739	1,868,221
Statutory Expenditures - Deferred Charges	965,203	897,855	854,201	756,041	732,932
Excluded From "CAPS":					
Operations	708,943	1,205,397	544,734	657,147	733,347
Capital Improvements	150,000	150,000	150,000	177,500	97,000
Municipal Debt Service	913,070	854,770	335,428	230,317	158,814
Deferred Charge		60,000			
Local District School Tax	6,463,952	6,319,337	5,938,764	5,867,966	5,742,627
Regional District School Tax	2,784,080	2,616,012	2,443,793	2,163,734	2,046,045
County Taxes	2,971,028	2,497,115	2,225,251	2,110,277	1,986,408
Due County for Added and Omitted Taxes	93,167	240,622	118,477	71,711	53,992
Municipal Open Space Tax	181,552	172,989	259,010	243,456	230,889
Fire District Taxes	405,672	359,197	337,192	316,000	296,884
Interfunds Created	28,489	755,019	103,127	1,408	152,001
Prior Year Senior Citizens Disallowed		250			
Cancelations	1,043		2,039		27
Refund of Prior Year Revenue			35,628		400
Total Expenditures	21,606,809	21,622,544	18,415,031	17,260,796	16,579,916
Excess Revenues over Expenditures	1,872,119	1,413,760	1,368,263	1,892,405	779,209
Adjustments to Income Before Fund Balance			60,000		
Statutory Excess to Fund Balance	1,872,119	1,413,760	1,428,263	1,892,405	779,209
FUND BALANCE:					
January 1	4,199,056	3,210,296	2,482,034	1,264,628	1,060,420
	6,071,174	4,624,056	3,910,296	3,157,034	1,839,628
Decreased by:					
Utilized in Budget	870,000	425,000	700,000	675,000	575,000
December 31	$ 5,201,174	$ 4,199,056	$ 3,210,296	$ 2,482,034	$ 1,264,628

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

TOWNSHIP OF EASTAMPTON
TRUST FUNDS
Statements of Assets, Liabilities and Reserves -- Regulatory Basis

	As of December 31,				
ASSETS	2024	2023	2022	2021	2020
Animal Control Fund:					
Cash	$ 8,147	$ 8,198	$ 8,982	$ 10,083	$ 9,463
Municipal Open Space Fund:					
Cash	94,416	60,892	111,223	355,401	506,203
Interfunds Receivable	5,561	15,584		7,972	234,990
	99,978	76,476	111,223	363,373	741,193
Other Funds:					
Cash	3,847,106	3,403,926	3,168,586	2,477,921	1,222,000
Interfunds Receivable		1,336	14,426	1,336	1,890
	3,847,106	3,405,262	3,183,012	2,479,256	1,223,890
	$ 3,955,230	$ 3,489,936	$ 3,303,217	$ 2,852,713	$ 1,974,546
LIABILITIES AND RESERVES					
Animal Control Fund:					
Interfunds Payable	$ 2,903	$ 2,301	$ 2,819	$ 3,658	$ 2,250
Prepaid Licenses					10
Due to State of New Jersey				1	
Reserve for Animal Control Expenditures	5,244	5,897	6,163	6,424	7,203
	8,147	8,198	8,982	10,083	9,463
Municipal Open Space Fund:					
Reserve for Municipal Open Space	99,978	75,141	68,812	362,038	739,303
Interfunds Payable		1,336	42,411	1,336	1,890
	99,978	76,476	111,223	363,373	741,193
Other Funds:					
Payroll Deductions Payable	5,165	3,960	24,602	20,773	2,007
Interfunds Payable	37,945	10,058	4,505	4,334	38,151
Reserve for Trust Other Funds	3,803,996	3,391,245	3,153,905	2,454,150	1,183,733
	3,847,106	3,405,262	3,183,012	2,479,257	1,223,891
	$ 3,955,230	$ 3,489,936	$ 3,303,217	$ 2,852,713	$ 1,974,546

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

TOWNSHIP OF EASTAMPTON
GENERAL CAPITAL FUND
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

	As of December 31,				
ASSETS	2024	2023	2022	2021	2020
Cash	$ 947,579	$ 791,353	$ 468,700	$ 688,677	$ 1,403,513
Interfunds Receivable			83,373	723	723
Deferred Charges to Future Taxation:					
Funded	3,530,000	4,145,000	4,765,000	5,305,000	5,835,000
Unfunded	7,365,000	6,532,000	5,699,000	4,607,500	1,995,000
	$ 11,842,579	$ 11,468,353	$ 11,016,073	$ 10,601,900	$ 9,234,236
LIABILITIES, RESERVES AND FUND BALANCE					
General Serial Bonds	$ 3,530,000	$ 4,145,000	$ 4,765,000	$ 5,305,000	$ 5,835,000
Bond Anticipation Notes	6,415,000	5,582,000	4,549,000	1,995,000	1,995,000
Improvement Authorizations:					
Funded	177,593	177,593	177,593	194,990	278,138
Unfunded	1,174,365	526,367	891,429	2,211,382	524,973
Capital Improvement Fund	139,583	89,583	39,583	83	83
Reserve for Encumbrances	261,681	839,505	513,217	870,377	573,058
Reserve for Payment of Debt Service	2,415	2,415	2,415		
Interfunds Payable					16,023
Fund Balance	141,943	105,891	77,837	25,068	11,961
	$ 11,842,579	$ 11,468,353	$ 11,016,073	$ 10,601,900	$ 9,234,236

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Eastampton (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on February 11, 1880 from portions of Westampton Township. The Township, located in Burlington County, New Jersey, has a total area of approximately five square miles, and is located approximately twenty-three miles from the City of Philadelphia. The Township borders Mount Holly, Westampton, Springfield, Pemberton, Southampton, and Lumberton Townships. According to the 2020 census, the population is 6,191.

The Township is governed under the Faulkner Act System using Council-Manager form of government, with a five-member Council. The Council is elected directly by the voters in partisan elections to serve four-year terms of office on a staggered basis in even years as part of the November general election. At an annual reorganization meeting, the Council selects one of its members to serve as Mayor and another as Deputy Mayor. The Township Manager oversees the daily functions of the Township.

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.

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.

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

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. 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.

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

<u>General Fixed Assets</u> - 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.

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.

<u>Foreclosed Property</u> - 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.

<u>Deferred Charges</u> - 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.

<u>Liens Sold for Other Governmental Units</u> - 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.

<u>Fund Balance</u> - Fund balance included in the current fund represents amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

<u>Revenues</u> - 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.

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington, the Township of Eastampton School District, the Rancocas Valley Regional High School District, the Township of Eastampton Open Space Trust Fund and the Township of Eastampton Fire District No.1. 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 Eastampton School District and the Rancocas Valley Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local and regional school districts for the period from July 1 to June 30.

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

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Eastampton Fire District No. 1. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

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 and interest payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash 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 fund. Where an improvement is a “local Improvement”, i.e., assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

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

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

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

Recently Issued and Adopted Accounting Pronouncements

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

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

Because of the implementation of GASB Statement No. 101, the Township has updated the measurement of compensated absences in accordance with the Statement (note 8).

Note 2: <u>CASH AND CASH EQUIVALENTS</u>

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

As of December 31, 2024, the Township's bank balances of $12,217,151.63 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	$ 11,790,969.25
Uninsured and Uncollateralized	426,182.38
Total	$ 12,217,151.63

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				
	2024	**2023**	**2022**	**2021**	**2020**
Tax Rate	$ 3.195	$ 3.293	$ 3.183	$ 3.184	$ 3.193
Apportionment of Tax Rate:					
Municipal	$ 1.013	$ 1.013	$ 0.907	$ 0.907	$ 0.863
Municipal Open Space	.030	0.030	0.050	0.050	0.050
Fire District	.070	0.069	0.069	0.068	0.067
County	.420	0.405	0.388	0.392	0.386
County Library	.036	0.038	0.035	0.035	0.035
County Open Space	.050	0.034	0.030	0.023	0.023
Local School	1.102	1.205	1.207	1.249	1.291
Regional High School District	.474	0.499	0.497	0.460	0.478

Assessed Valuation

Year	Amount
2024	$ 586,867,678.00
2023	524,426,029.00
2022	491,836,107.00
2021	469,945,907.00
2020	449,612,105.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2024	$ 19,342,976.38	$ 19,258,038.18	99.56%
2023	18,931,324.66	18,843,751.19	99.54%
2022	16,484,050.98	16,417,289.83	99.59%
2021	15,470,777.69	15,409,066.27	99.60%
2020	14,742,266.58	14,570,698.68	98.84%

Note 3: PROPERTY TAXES (CONT'D)

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 (cont'd):

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2024	$ 835,937.05	$ -	$ 835,937.05	4.32%
2023	810,825.46	2,742.26	813,567.72	4.30%
2022	773,382.02	15,275.33	788,657.35	4.78%
2021	741,572.24	27,300.47	768,872.71	4.97%
2020	718,606.21	109,063.37	827,669.58	5.61%

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
2024	27
2023	30
2022	31
2021	32
2020	30

Note 4: FUND BALANCES APPROPRIATED

The following schedule details 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
2024	$ 5,201,174.35	$ 1,300,000.00	24.99%
2023	4,199,055.58	870,000.00	20.72%
2022	3,210,296.38	425,000.00	13.24%
2021	2,482,033.71	700,000.00	28.20%
2020	1,264,628.30	675,000.00	53.38%

Note 5: INTERFUND RECEIVABLES AND PAYABLES

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

Fund	Interfunds Receivable	Interfunds Payable
Current	$ 299,805.99	$ 5,561.06
Federal and State Grant		258,958.44
Trust - Animal Control		2,902.60
Trust - Municipal Open Space	5,561.06	
Trust - Other		37,944.95
Totals	$ 305,367.05	$ 305,367.05

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

Note 6: PENSION PLANS

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB No. 68, *Accounting and Financial Reporting for Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2024 was not available; therefore, the information from the measurement period June 30, 2023 is disclosed below.

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, certain Township employees may be eligible to 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

Note 6: PENSION PLANS (CONT'D)

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 and medical 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 and medical 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.

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

Note 6: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

Public Employees' Retirement System (Cont'd) - 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.

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.

Note 6: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

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 17.20% 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 $151,554.00, 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 $151,817.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023, were $67,849.78.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer's, under Chapter 133, P.L. 2001, for the year ended December 31, 2023, was 0.58% 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 $5,122.00. 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 $3,823.00.

Note 6: <u>PENSION PLANS (CONT'D)</u>

<u>General Information about the Pension Plans (Cont'd)</u>

Contributions (Cont'd)

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

Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity.

Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Employer's contractually required contribution rate for the year ended December 31, 2023, was 32.35% 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 $533,406.00, 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 $563,825.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023, were $164,898.00.

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 5.66% 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 $93,292.00, 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 $109,947.00, which was paid on April 1, 2023.

Note 6: <u>PENSION PLANS (CONT'D)</u>

<u>General Information about the Pension Plans (Cont'd)</u>

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 Township contributes 3% of the employees' base salary, for each pay period. The Township adopted a Defined Contribution Retirement Program on September 22, 2008. Currently, no Township employees participate in the program.

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

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 $1,642,439.00. 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 0.0113393871%, which was a decrease of 0.0006995676% 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 $21,517.00. 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 $151,817.00, 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 $5,122.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Note 6: 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	$ 4,427,195.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	815,762.00
	$ 5,242,957.00

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 0.0400695300%, which was a decrease of 0.0032631700% from its proportion measured as of June 30, 2022. At June 30, 2023, the State of New Jersey's proportion, on-behalf of the Employer, was 0.0400696300%, which was a decrease of 0.0032829800% 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 $266,629.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer's contribution to PFRS was $563,825.00, 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 $92,791.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Note 6: 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	$ 15,704.00	$ 189,564.00	$ 205,268.00	$ 6,714.00	$ 211,138.00	$ 217,852.00
Changes of Assumptions	3,608.00	9,555.00	13,163.00	99,539.00	298,942.00	398,481.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	7,564.00	225,469.00	233,033.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	251,678.00	512,891.00	764,569.00	157,683.00	440,819.00	598,502.00
Contributions Subsequent to the Measurement Date	75,777.00	266,703.00	342,480.00	-	-	-
	$ 354,331.00	$ 1,204,182.00	$ 1,558,513.00	$ 263,936.00	$ 950,899.00	$ 1,214,835.00

Deferred outflows of resources in the amounts of $75,777.00 and $266,703.00 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 6: 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 Township 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 6: 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	$ (65,937.00)	$ (137,477.00)	$ (203,414.00)
2025	13,092.00	(146,228.00)	(133,136.00)
2026	102,071.00	337,739.00	439,810.00
2027	(32,976.00)	(15,190.00)	(48,166.00)
2028	(1,632.00)	(42,874.00)	(44,506.00)
Thereafter	-	(9,390.00)	(9,390.00)
	$ 14,618.00	$ (13,420.00)	$ 1,198.00

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 6: 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 6: 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	$ 2,138,106.00	$ 1,642,439.00	$ 1,220,561.00

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	$ 6,168,522.00	$ 4,427,195.00	$ 2,977,087.00
State of New Jersey's Proportionate Share of Net Pension Liability	1,136,622.00	815,762.00	548,563.00
	$ 7,305,144.00	$ 5,242,957.00	$ 3,525,650.00

Pension Plan Fiduciary Net Position

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

Note 6: PENSION PLANS (CONT'D)

Supplementary Pension Information

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

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

	Measurement Date Ended June 30,				
	2023	2022	2021	2020	2019
Proportion of the Net Pension Liability	0.0113393871%	0.0120389547%	0.0106605132%	0.0096901177%	0.0109554235%
Proportionate Share of the Net Pension Liability	$ 1,642,439.00	$ 1,816,844.00	$ 1,262,898.00	$ 1,580,205.00	$ 1,974,001.00
Covered Payroll (Plan Measurement Period)	$ 855,144.00	$ 849,464.00	$ 752,004.00	$ 662,480.00	$ 701,408.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	192.07%	213.88%	167.94%	238.53%	281.43%
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	0.0103357179%	0.0104937083%	0.0076926045%	0.0092285757%	0.0094062781%
Proportionate Share of the Net Pension Liability	$ 2,035,051.00	$ 2,442,768.00	$ 2,278,329.00	$ 2,071,630.00	$ 1,761,113.00
Covered Payroll (Plan Measurement Period)	$ 725,832.00	$ 687,768.00	$ 494,196.00	$ 636,596.00	$ 650,504.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	280.37%	355.17%	461.02%	325.42%	270.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

Note 6: 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	$ 151,554.00	$ 151,817.00	$ 124,847.00	$ 106,005.00	$ 106,564.00
Contribution in Relation to the Contractually Required Contribution	(151,554.00)	(151,817.00)	(124,847.00)	(106,005.00)	(106,564.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 881,123.00	$ 851,103.00	$ 834,130.00	$ 757,892.00	$ 647,209.00
Contributions as a Percentage of Covered Payroll	17.20%	17.84%	14.97%	13.99%	16.47%

	Year Ended December 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Contractually Required Contribution	$ 102,807.00	$ 97,213.00	$ 68,340.00	$ 79,341.00	$ 77,544.00
Contribution in Relation to the Contractually Required Contribution	(102,807.00)	(97,213.00)	(68,340.00)	(79,341.00)	(77,544.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 662,040.00	$ 734,307.00	$ 689,447.00	$ 551,887.00	$ 596,113.00
Contributions as a Percentage of Covered Payroll	15.53%	13.24%	9.91%	14.38%	13.01%

Note 6: 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	0.0400695300%	0.0433527000%	0.0406311883%	0.0375629205%	0.0397298080%
Proportionate Share of the Net Pension Liability	$ 4,427,195.00	$ 4,962,305.00	$ 2,969,795.00	$ 4,853,625.00	$ 4,862,062.00
State's Proportionate Share of the Net Pension Liability	815,762.00	883,145.00	835,254.00	753,260.00	767,729.00
Total	$ 5,242,957.00	$ 5,845,450.00	$ 3,805,049.00	$ 5,606,885.00	$ 5,629,791.00
Covered Payroll (Plan Measurement Period)	$ 1,494,444.00	$ 1,477,316.00	$ 1,424,332.00	$ 1,313,964.00	$ 1,346,564.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	296.24%	335.90%	208.50%	369.39%	361.07%
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	0.0388541949%	0.0394284432%	0.0371495057%	0.0374406943%	0.0349794064%
Proportionate Share of the Net Pension Liability	$ 5,257,613.00	$ 6,086,989.00	$ 7,096,506.00	$ 6,236,315.00	$ 4,400,085.00
State's Proportionate Share of the Net Pension Liability	714,160.00	681,794.00	595,930.00	546,904.00	473,815.00
Total	$ 5,971,773.00	$ 6,768,783.00	$ 7,692,436.00	$ 6,783,219.00	$ 4,873,900.00
Covered Payroll (Plan Measurement Period)	$ 1,303,928.00	$ 1,276,288.00	$ 1,155,936.00	$ 1,185,676.00	$ 1,104,820.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	403.21%	476.93%	613.92%	525.97%	398.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%	56.31%	62.41%

Note 6: 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	$ 533,406.00	$ 563,825.00	$ 473,542.00	$ 419,642.00	$ 401,315.00
Contribution in Relation to the Contractually Required Contribution	(533,406.00)	(563,825.00)	(473,542.00)	(419,642.00)	(401,315.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 1,648,980.00	$ 1,533,680.00	$ 1,483,128.00	$ 1,416,361.00	$ 1,315,534.00
Contributions as a Percentage of Covered Payroll	32.35%	36.76%	31.93%	29.63%	30.51%

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 379,857.00	$ 348,949.00	$ 302,895.00	$ 304,337.00	$ 268,666.00
Contribution in Relation to the Contractually Required Contribution	(379,857.00)	(348,949.00)	(302,895.00)	(304,337.00)	(268,666.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 1,319,527.00	$ 1,301,945.00	$ 1,277,557.00	$ 1,192,196.00	$ 1,171,763.00
Contributions as a Percentage of Covered Payroll	28.79%	26.80%	23.71%	25.53%	22.93%

Note 6: <u>PENSION PLANS (CONT'D)</u>

<u>Supplementary Pension Information (Cont'd)</u>

<u>Other Notes to Supplementary Pension Information</u>

Public Employees' Retirement System (PERS)

<u>Changes in Benefit Terms</u>

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.

<u>Changes in Assumptions</u>

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)

<u>Changes in Benefit Terms</u>

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.

<u>Changes in Assumptions</u>

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 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersy Division of Pension's reporting on GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2024 was not available; therefore, the information from the measurement period June 30, 2023 is disclosed below.

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 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (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 $9,439.80, for the year ended December 31, 2023, representing .37% of the Employer's covered payroll. During the year ended December 31, 2023, retirees were required to contribute $496.44 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 $(836,465.00) for the year ended December 31, 2023, representing -33.02% of the Employer's covered payroll.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (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	$	328,943.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Employer		4,607,696.00
	$	4,936,639.00

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 .002192%, which was an increase of .000310% from its proportion measured as of the June 30, 2022 measurement date.

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 .132060%, which was a decrease of .013925% 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 $(362,990.00). 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 $9,439.80.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (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	$ 15,169.00	$ 89,330.00
Changes of Assumptions	42,611.00	92,982.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	54.00
Changes in Proportion	448,582.00	2,448,095.00
Contributions Subsequent to the Measurement Date	4,719.90	-
	$ 511,081.90	$ 2,630,461.00

Deferred outflows of resources in the amount of $4,719.90 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 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (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	$	(309,134.00)
2025		(290,741.00)
2026		(303,825.00)
2027		(227,554.00)
2028		(368,231.00)
Thereafter		(624,614.00)
	$	(2,124,099.00)

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 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (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	$ 381,021.00	$ 328,943.00	$ 287,054.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	5,337,181.00	4,607,696.00	4,020,938.00
	$ 5,718,202.00	$ 4,936,639.00	$ 4,307,992.00

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (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	$ 279,563.00	$ 328,943.00	$ 392,165.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	3,915,999.00	4,607,696.00	5,493,279.00
	$ 4,195,562.00	$ 4,936,639.00	$ 5,885,444.00

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 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (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	0.002192%	0.001882%	0.015243%	0.014395%
Proportionate Share of the Net OPEB Liability	$ 328,943.00	$ 303,935.00	$ 2,743,707.00	$ 2,583,415.00
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	4,607,696.00	4,925,256.00	5,778,059.00	4,946,498.00
Total	$ 4,936,639.00	$ 5,229,191.00	$ 8,521,766.00	$ 7,529,913.00
Covered Payroll (Plan Measurement Period)	$ 2,436,246.00	$ 2,397,952.00	$ 2,221,014.00	$ 2,060,939.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	13.50%	12.67%	123.53%	125.35%
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	0.012519%	0.015449%	0.014297%
Proportionate Share of the Net OPEB Liability	$ 1,695,833.00	$ 2,420,336.00	$ 2,918,845.00
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	4,448,425.00	5,248,151.00	7,185,020.00
Total	$ 6,144,258.00	$ 7,668,487.00	$ 10,103,865.00
Covered Payroll (Plan Measurement Period)	$ 1,957,873.00	$ 2,010,221.00	$ 2,027,139.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	86.62%	120.40%	143.99%
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 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Supplementary OPEB Information (Cont'd)

Schedule of Contributions (Last Seven Years)

	Year Ended December 31,			
	2023	2022	2021	2020
Required Contributions	$ 9,439.80	$ 9,439.80	$ 8,826.36	$ 10,959.05
Actual Contributions in Relation to the Required Contribution	(9,439.80)	(9,439.80)	(8,826.36)	(10,959.05)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 2,530,103.00	$ 2,384,783.00	$ 2,317,258.00	$ 2,174,253.00
Contributions as a Percentage of Covered Payroll	0.37%	0.40%	0.38%	0.50%

	Year Ended December 31,		
	2019	2018	2017
Required Contributions	$ 13,277.40	$ 10,205.73	$ 7,556.16
Actual Contributions in Relation to the Required Contribution	(13,277.40)	(10,205.73)	(7,556.16)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 1,964,743.00	$ 1,981,567.00	$ 2,036,252.00
Contributions as a Percentage of Covered Payroll	0.68%	0.52%	0.37%

Note 7: <u>POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)</u>

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

<u>Other Notes to Supplementary OPEB Information</u>

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.

B. TOWNSHIP OF EASTAMPTON POSTEMPLOYMENT BENEFIT PLAN

<u>Plan Description and Benefits Provided</u> - The Township provides postretirement medical and dental coverage to eligible retired employees and their families until Medicare age is attained. The Township's plan provides an agent multiple-employer post-employment healthcare plan which covers the following retiree population: eligible retirees who retire from active employment with the Township who have at least twenty (25) years of service with the Township and are at least 55 years of age. Currently, two (2) retirees meet these eligibility requirements. The plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers. Reimbursements by the retiree are paid in semi-yearly installments after the Township provides the retiree with a detailed accounting of the costs.

<u>Employees Covered by Benefit Terms</u> - As of December 31, 2024, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	2
Active Employees	23
	25

Total OPEB Liability

The Township's total OPEB liability of $106,563.00 was measured as of December 31, 2024 and was determined by an actuarial valuation as of December 31, 2024.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. TOWNSHIP OF EASTAMPTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

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

Inflation	5.00%
Discount Rate	4.28%
Healthcare Cost Trend Rates	2.00%
Retirees' Share of Benefit-Related Costs	20% of premium charged

The discount rate was based on the S&P Municipal Bond 20-year High Grade Bond index rate.

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

An experience study was not performed on the actuarial assumptions used in the December 31, 2024 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

Changes in Total OPEB Liability

Balance at December 31, 2023		$ 119,889.00
Changes for the Year:		
Service Cost	$ 9,176.00	
Interest Cost	4,766.00	
Benefit Payments	(1,498.00)	
Changes in Assumptions	(6,394.00)	
Difference between Expected and Actual Experience	(19,376.00)	
		(13,326.00)
Balance at December 31, 2024		$ 106,563.00

Changes of benefit terms reflect no increase in the retirees' share of health insurance premiums.

Changes of assumptions and other inputs reflect a change in the discount rate from 4.00% at December 31, 2023 to 4.28% at December 31, 2024.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. TOWNSHIP OF EASTAMPTON 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, 2024		
	1.00% Decrease (3.28%)	Current Discount Rate (4.28%)	1.00% Increase (5.28%)
Total OPEB Liability	$ 132,577.00	$ 106,563.00	$ 87,936.00

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, 2024		
	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	$ 85,493.00	$ 106,563.00	$ 136,819.00

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2024, the Township recognized OPEB (benefit) expense of $3,904.68. As of December 31, 2024, 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	$ 48,877.74	$ 97,147.88
Difference Between Expected and Actual Experience	9,531.79	77,379.14
	$ 58,409.53	$ 174,527.02

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. TOWNSHIP OF EASTAMPTON 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,		
2025	$	(7,997.74)
2026		(7,997.74)
2027		(7,997.74)
2028		(7,997.74)
2029		(7,997.74)
Thereafter		(76,128.80)
	$	(116,117.49)

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.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. TOWNSHIP OF EASTAMPTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

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

	Plan Measurement Date December 31,			
	2024	**2023**	**2022**	**2021**
Total OPEB Liability				
Service Cost	$ 9,176.00	$ 8,631.00	$ 24,334.00	$ 7,138.00
Interest Cost	4,766.00	4,303.00	4,953.00	1,314.00
Benefit Payments	(1,498.00)	(999.00)	(999.00)	(499.00)
Changes in Assumptions	(6,394.00)	7,611.00	(86,822.00)	(8,792.00)
Difference Between Expected and Actual Experience	(19,376.00)		(61,757.00)	
Net Change in Total OPEB Liability	(13,326.00)	19,546.00	(120,291.00)	(839.00)
Total OPEB Liability - Beginning of Year (As Reported)	100,343.00	100,343.00	68,193.00	69,032.00
Adjustment for Change in Eligibility Conditions			152,441.00	
Total OPEB Liability - Beginning of Year (As Adjusted)	119,889.00	100,343.00	220,634.00	69,032.00
Total OPEB Liability - End of Year	$ 106,563.00	$ 119,889.00	$ 100,343.00	$ 68,193.00
Covered-Employee Payroll	$ 2,570,834.00	$ 3,057,126.71	$ 2,959,556.97	$ 2,664,379.74
Total OPEB Liability as a Percentage of Covered Payroll	4.15%	3.92%	3.39%	2.56%

	Plan Measurement Date December 31,		
	2020	**2019**	**2018**
Total OPEB Liability			
Service Cost	$ 5,118.00	$ 3,684.00	$ 3,386.00
Interest Cost	1,138.00	793.00	1,353.00
Benefit Payments	(499.00)	(406.00)	(406.00)
Changes in Assumptions	4,399.00	9,831.00	(3,509.00)
Difference Between Expected and Actual Experience	12,936.00		(6,148.00)
Net Change in Total OPEB Liability	23,092.00	13,902.00	(5,324.00)
Total OPEB Liability - Beginning of Year (As Reported)	45,940.00	32,038.00	37,362.00
Adjustment for Change in Eligibility Conditions			
Total OPEB Liability - Beginning of Year (As Adjusted)	45,940.00	32,038.00	37,362.00
Total OPEB Liability - End of Year	$ 69,032.00	$ 45,940.00	$ 32,038.00
Covered-Employee Payroll	$ 2,571,890.38	$ 2,466,966.70	$ 2,608,780.68
Total OPEB Liability as a Percentage of Covered Payroll	2.68%	1.86%	1.23%

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. TOWNSHIP OF EASTAMPTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Other Notes to Supplementary OPEB Information

Changes of Benefit Terms:
None.

Changes of Assumptions:
In 2024, the discount rate changed to 4.28% from 4.00%.
In 2023, the discount rate changed to 4.00% from 4.31%.
In 2022, the discount rate changed to 4.31% from 2.25%.
In 2021, the discount rate changed to 2.25% from 1.91%.
In 2020, the discount rate changed to 1.91% from 3.64%.
In 2019, the discount rate was 3.64%.
In 2018, the discount rate was 3.64%.

Note 8: COMPENSATED ABSENCES

Under the existing policy of the Township, full-time employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward.

The Township compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated and is paid at the average of the last three years' rate of pay upon termination or retirement for police officers and at the last year's rate of pay for all other employees.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2024, accrued benefits for compensated absences are valued at $1,282,436.15.

Note 9: 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 10: CAPITAL DEBT

General Improvement Bonds

General Improvement Bonds, Series 2020 - On July 15, 2020, the Township issued $2,566,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 3.0%. The bonds are callable on and after July 15, 2028. The purpose of the bonds is to fund various capital ordinances. The final maturity of the bonds is July 15, 2033.

General Obligation Refunding Bonds, Series 2022 - On April 5, 2022, the Township issued $2,600,000.00 of general improvement refunding bonds, with an interest rate of 1.992% to refund outstanding 2012 general obligation bonds with interest rates ranging from 2.0% to 4.0%. The final maturity of the bonds is July 1, 2028.

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

Year	Principal	Interest	Total
2025	$ 610,000.00	$ 74,015.20	$ 684,015.20
2026	605,000.00	60,100.00	665,100.00
2027	605,000.00	46,234.00	651,234.00
2028	615,000.00	34,167.20	649,167.20
2029	215,000.00	21,900.00	236,900.00
2030-2033	880,000.00	44,300.00	924,300.00
Totals	$ 3,530,000.00	$ 280,716.40	$ 3,810,716.40

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

	2024	2023	2022
Issued			
General:			
Bonds and Notes	$ 9,945,000.00	$ 9,727,000.00	$ 9,314,000.00
Authorized but not Issued			
General:			
Bonds and Notes	950,000.00	950,000.00	1,150,000.00
Total Authorized but not Issued	950,000.00	950,000.00	1,150,000.00
Total Issued and Authorized but not Issued	10,895,000.00	10,677,000.00	10,464,000.00
Deductions			
General:			
Reserve for Payment of Debt	2,415.03	2,415.03	2,415.03
Net Debt	$ 10,892,584.97	$ 10,674,584.97	$ 10,461,584.97

Note 10: CAPITAL DEBT (CONT'D)

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 1.394%.

	Gross Debt	Deductions	Net Debt
School Purposes	$ 7,404,959.38	$ 7,404,959.38	
General	10,895,000.00	2,415.03	$ 10,892,584.97
	$ 18,299,959.38	$ 7,407,374.41	$ 10,892,584.97

Net debt $10,892,584.97 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, $781,498,336.67, equals 1.394%.

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)	$ 27,352,441.78
Less: Net Debt	10,892,584.97
Remaining Borrowing Power	$ 16,459,856.81

Note 11: SCHOOL TAXES

Local School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	Balance December 31, 2024	2023
Balance of Tax	$ 3,199,980.00	$ 3,154,980.00
Deferred	2,904,126.50	2,904,126.50
Taxes Payable	$ 295,853.50	$ 250,853.50

Rancocas Valley Regional High School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	Balance December 31, 2024	2023
Balance of Tax	$ 1,392,039.90	$ 1,308,005.90
Deferred	1,075,718.42	1,075,718.42
Taxes Payable	$ 316,321.48	$ 232,287.48

Note 12: 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.

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

Property Coverage
Equipment Breakdown Coverage
Inland Marine Coverage
Crime Coverage/Public Officials Bonds
General Liability Coverage
Automobile Coverage
Law Enforcement Liability Coverage
Workers Compensation Coverage
Public Officials/Employment Practices Liability
Non-Owned Aircraft Liability
Cyber Liability
Disaster Recovery

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of $50,000.00 to $200,000.00 based on the line of coverage for each insured event.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Garden State Municipal Joint Insurance Fund
900 Route 9 North, Suite 503
Woodbridge, New Jersey 07095-1003

Note 13: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 3, 1998, and November 6, 2001 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Eastampton Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 1999, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the two referendums, the Township levies a tax not to exceed twenty-three cents per one hundred dollars of assessed valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Eastampton Open Space, Recreation and Farmland Preservation Trust Funds. The tax levy authorization expired in 2019, but on June 24, 2019, the Township authorized that a binding referendum be submitted to the voters of the Township of Eastampton as to whether the Township Council should continue, for a period of no more than twenty years, to dedicate a portion of the local tax levy to fund the Township's Open Space Trust Fund at a rate not to exceed three cents per one hundred dollars of assessed valuations. In the November 2019 general election, the voters approved the referendum. The existing rate of five cents per one hundred dollars of assessed valuations remained through the 2022 year, while the approved rate of three cents per one hundred dollars of assessed valuations was initiated in 2023. The open space tax levy will expire in 2039.

Note 14: 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.

Note 15: 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 16: SUBSEQUENT EVENTS

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

Purpose	Introduction Date	Authorization Amount
General Improvements		
Various Capital Improvments	5-27-25	$ 2,000,000.00

APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

MS&B McMANIMON • SCOTLAND • BAUMANN 75 Livingston Avenue, Roseland, NJ 07068 (973) 622-1800

________________, 2025

Township Council of the
Township of Eastampton, in the
County of Burlington, New Jersey

Dear Council Members:

We have acted as bond counsel to the Township of Eastampton, in the County of Burlington, New Jersey (the "*Township*"), in connection with the issuance by the Township of its $5,905,000 General Improvement Bonds, Series 2025 (the "*Bonds*"), dated the date hereof. In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to us as we have deemed necessary.

The Bonds are issued pursuant to the Local Bond Law of the State of New Jersey, a resolution of the Township duly adopted June 9, 2025 pursuant to N.J.S.A. 40A:2-26(f), in all respects duly approved, and the various bond ordinances referred to therein, each in all respects duly approved and published as required by law.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Bonds are valid and legally binding obligations of the Township, and the Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "*Certificate*") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Bonds in order to preserve the tax-exempt status of the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "*Code*"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Bonds. Further, in our opinion, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

This opinion is issued as of the date hereof. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever.

Very truly yours,