

PRELIMINARY OFFICIAL STATEMENT DATED JULY 9, 2025

NEW ISSUE

RATING: NOT RATED

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

\$4,581,000

TOWNSHIP OF CARNEYS POINT

County of Salem, New Jersey

BOND ANTICIPATION NOTES OF 2025, SERIES A

(BOOK-ENTRY ONLY) (BANK-QUALIFIED) (NON-CALLABLE)

COUPON: ____% YIELD: ____% CUSIP*: _____

Dated: Date of Delivery

Due: July 29, 2026

The \$4,581,000 Bond Anticipation Notes of 2025, Series A ("Notes"), are general obligations of the Township of Carneys Point, County of Salem, New Jersey ("Township"), payable from *ad valorem* taxes levied upon all the taxable property within the Township without limitation as to rate or amount, as more fully described herein.

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

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

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2022-993, 2022-1000, 2022-1011, 2023-1020, and 2024-1057, each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on July 16, 2025.

The Notes are being issued by the Township to provide funds which will be used to: (i) currently refund the Township's outstanding Bond Anticipation Notes of 2024, Series A, maturing on July 31, 2025; (ii) temporarily finance the costs of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Notes.

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

The Notes are offered when, as and if issued and subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Solicitor, Adam Telsey, Esquire, Salem, 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 Notes. The Notes are expected to be available for delivery in definitive form through DTC in Brooklyn, New York on or about July 30, 2025.

BID PROPOSALS FOR THE NOTES WILL BE RECEIVED BY THE TOWNSHIP ON JULY 16, 2025 UNTIL 11:30 AM ELECTRONICALLY VIA THE PARITY ELECTRONIC BID SUBMISSION SYSTEM OR BY ELECTRONIC MAIL TO BMORRIS@MUNIADVISORS.COM. FOR MORE DETAILS ON HOW TO BID PLEASE VIEW THE NOTICE OF SALE POSTED AT WWW.GOVDEBT.NET.

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

TOWNSHIP OF CARNEYS POINT
County of Salem, New Jersey

Mayor and Township Committee

Kenneth H. Brown, Mayor
Patrick D. Bomba, Deputy Mayor
Almeda Johnson
Michelle M. Shaw
Wayne D. Pelura

Chief Financial Officer

Christie Ehret

Township Clerk

June Proffitt

Township Attorney

Adam Telsey, Esquire
Salem, New Jersey

Township Auditor

Bowman & Company LLP
Woodbury and Voorhees, New Jersey

Bond Counsel

Parker McCay P.A.
Mount Laurel, New Jersey

Municipal Advisor

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

The information which is set forth herein has been provided by the Township of Carneys Point, County of Salem, New Jersey ("Township"), The Depository Trust Company and by other sources which are believed to be reliable by the Township, but the information provided by such sources is not guaranteed as to accuracy or completeness by the Township. Certain general and financial information concerning the Township is contained in Appendices "A" and "B" to this Official Statement. Such information has been furnished by the Township.

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

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

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

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

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

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

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OFFICIAL STATEMENT
Relating to
\$4,581,000
TOWNSHIP OF CARNEYS POINT
County of Salem, New Jersey
BOND ANTICIPATION NOTES OF 2025, SERIES A
(BOOK-ENTRY ONLY) (BANK-QUALIFIED) (NON-CALLABLE)

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Carneys Point in the County of Salem, New Jersey (“Township”), in connection with the sale and the issuance of its \$4,581,000 Bond Anticipation Notes of 2025, Series A (“Notes”). This Official Statement has been executed by and on behalf of the Township by the Chief Financial Officer and may be distributed in connection with the sale of the Notes.

THE NOTES

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

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

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

AUTHORIZATION AND PURPOSE OF THE NOTES

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented (“Local Bond Law”); (ii) bond ordinances 2022-993, 2022-1000, 2022-1011, 2023-1020, and 2024-1057 (collectively, the “Bond Ordinances”), each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on July 16, 2025.

The Notes are being issued by the Township to provide funds which will be used to: (i) currently refund the Township's outstanding Bond Anticipation Notes of 2024, Series A, maturing on July 31, 2025; (ii) temporarily finance the costs of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized, but not yet issued; in anticipation of the issuance of bonds to provide funds for various capital improvements; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Notes.

The following table sets forth certain information with respect to the Bond Ordinances authorizing the Notes.

General Capital Improvements

<u>Ordinance Number</u>	<u>Description</u>	Amount Authorized	Prior Notes Outstanding	Available Funds	Amount of Notes to be Issued
2022-993	Fire Apparatus	\$1,000,000	\$0	\$0	\$1,000,000
2022-1000	Various Equipment and Capital Improvements	2,674,250	850,000	0	2,674,148
2022-1011	Acquisition of Ambulance	84,143	0	0	84,143
2023-1020	Various Capital Improvements	261,174	0	0	261,174
2024-1057	Various Capital Improvements	561,535	0	0	561,535
	Total:	\$4,581,102	\$850,000	\$0	\$4,581,000

BOOK-ENTRY ONLY SYSTEM

General

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

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the

Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. Beneficial Owners of the Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

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

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

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

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

SECURITY AND SOURCE OF PAYMENT

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

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

MARKET PROTECTION

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

GENERAL INFORMATION REGARDING THE TOWNSHIP

General

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

Financial

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

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

Local Bond Law

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

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

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

Exceptions to Debt Limits - Extensions of Credit – The Township may exceed its debt limit with the approval of the State Department of Community Affairs, Division of Local Government Services, Local Finance Board (“Local Finance Board”), a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval may be granted.

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

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

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

Local Fiscal Affairs Law

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

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

An independent examination of the Township’s books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division’s “Requirements of Audit”, includes recommendations for improvement of the municipality’s financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2024 is on file with the Chief Financial Officer and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the chief financial officer of the municipality file annually with the Director a verified statement of the financial condition of the municipality as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end municipalities and August 10 for June 30 fiscal year end municipalities.

The Local Budget Law

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

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

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

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

A statute passed in 1976, as amended (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the “Cap Law”, imposed limitations on increases in municipal appropriations subject to various exceptions.

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

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

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

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

Miscellaneous Revenues

N.J.S.A. 40A:4-26 provides that: “No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit.” Such determination may be made by the governing body and the Chief Financial Officer in any year during which the municipality is subject to local examination.

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

Real Estate Taxes

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

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

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

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

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

Deferral of Current Expenses

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

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

Budget Transfers

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

Capital Budget

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

Related Constitutional and Statutory Provisions

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

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

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

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

Rights and Remedies of Owners of Bonds

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

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

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

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

Limitation of Remedies Under Federal Bankruptcy Code

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

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

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

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

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties resulting in a decrease of the assessment ratio to its present level of 105.62%. This method assures equitable treatment to like property owners. Because of the escalation of

property resale values, annual adjustments could not keep pace with rising values. The last reassessment of property within the Township was for the 2025 tax year.

Upon the filing of certified adopted budgets by the Township, the 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, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in the State for various special services rendered to the properties located within the special district.

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

Tax Appeals

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

LITIGATION

To the knowledge of the Township’s Solicitor, Adam Telsey, Esquire (“Solicitor”), there is no litigation of any nature now pending, restraining or enjoining the issuance or the delivery of the Notes, or the levy or the collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Solicitor, no litigation is presently pending that, in the opinion of the Solicitor, would have a material adverse impact on the financial condition of the Township if adversely decided.

NO RATING

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

TAX MATTERS

Federal

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

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

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

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

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

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by Banks, Thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7,

1986 other than “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code. The Township **has** designated the Notes as “qualified tax-exempt obligations” for the purposes of Section 265(b)(1) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry “qualified tax-exempt obligations” is deductible.

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

New Jersey

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

Changes in Federal and State Tax Law

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

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

CONTINUING DISCLOSURE

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

The Township has previously entered into secondary market disclosure undertakings accordance with the Rule. The Township appointed Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

NO DEFAULT

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

CERTAIN RISK FACTORS

Recent Healthcare Developments

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

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

Pursuant to the funding methodology under the Plan, the Township received \$803,226 in funding ("Plan Funds"). The deadline to obligate the Plan Funds was December 31, 2024 and to spend the Plan Funds is December 31, 2026. Such Plan Funds were received in two (2) equal payments; one (1) received within 60 days of enactment of the Plan, and the balance was received no earlier than 12 months from the initial payment.

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

Cyber Security

The Township relies on a large and complex technology environment to conduct its various operations. As a result, the Township faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Township has invested in multiple forms of cybersecurity and operational safeguards. Specifically, the Township has an extensive security system in place, including network firewalls and established administrative rights and restrictions, with varying level of approvals, implemented entity-wide, for access to network drives and applications that are reviewed regularly to ensure proper internal control and protections and provide relevant employees and staff with cyber security training.

Climate Change

The State of New Jersey is naturally susceptible to the effects of extreme weather events and natural disasters including floods and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential

services to the Township as well as resulting in economic impacts such as loss of ad valorem tax revenue, interruption of municipal services, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the Township.

UNDERWRITING

The Notes have been purchased from the Township at a public sale by _____, _____ (“Underwriter”) at a price of \$ _____ (“Purchase Price”). The Purchase Price reflects the principal amount of the Notes plus a bid premium of \$ _____.

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

MUNICIPAL ADVISOR

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

APPROVAL OF LEGAL PROCEEDINGS

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

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

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

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying

on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, money or other funds belonging to them or within their control in any bonds of the Township, including the Notes, and such Notes are authorized security for any and all public deposits.

PREPARATION OF OFFICIAL STATEMENT

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

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

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

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

Parker McCay P.A. has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein (except under the heading "TAX MATTERS") and, accordingly, will express no opinion with respect thereto.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Christie Ehret, Chief Financial Officer, Township of Carneys Point, at (856) 299-0070, or to the Township's Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey, telephone (609) 291-0130.

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

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

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

TOWNSHIP OF CARNEYS POINT, NEW JERSEY

By: _____
CHRISTIE EHRET, Chief Financial Officer

Dated: July __, 2025

APPENDIX A

CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING THE TOWNSHIP OF CARNEYS POINT

GENERAL INFORMATION ON THE TOWNSHIP (1)

History

The Township of Carneys Point ("Township") was established in 1721 as Upper Penns Neck. In December of 1976, by public referendum, Upper Penns Neck became Carneys Point and has continued to be governed by a Township Committee.

Governmental Structure

The Township Committee is the Legislative Body. There are five members elected at large for staggered three-year terms at the general election. The Committee members serve part-time for a nominal salary. The Mayor is the Chief Executive of the Township who is chosen for a one-year term at the reorganization meeting by the Majority Committee.

Geographical Location and Size

The Township is located in the southwestern corner of Salem County. Its proximity is also the southwestern corner of New Jersey. The Township is bordered by the City of Wilmington, Delaware across the Delaware River to the west, the Township of Oldmans to the north, the Township of Pilesgrove to the east and the Townships of Pennsville and Mannington to the south. The Township is approximately 17.8 square miles with a population of 8,637.

Transportation

The Township's highway system is comprised of a combination of State, County, and Township-maintained roads, serving the community. New Jersey Transit Corporation and Salem County Transit bus service are the primary mass transit providers for the Community. The Township also has a railroad system.

Utilities

The Township is served by the following utilities:

Potable Water = NJ American Water; Natural Gas = South Jersey Gas Company; Sanitary Sewer System = Carneys Point Township Sewerage Authority; Cable TV = Comcast and Verizon; Electricity = Atlantic City Electric.

Public Safety (Police Department, Fire Services, Ambulance Services)

The Township maintains its own Police, Fire and Rescue Departments. The State Police and the Coast Guard of the State of New Jersey also assist the Township with its Public Safety efforts.

Free Public Library

Salem Community College Library serves the community.

Growth and Development

The economic plan of the Township considers all aspects of economic development to be vital. This includes a comparison of the types of employment expected to be provided by such economic development to be promoted with the characteristics of the labor pool resident in the Township. This has given The Township the opportunity to offer several large companies economic success.

(1) Source: The Township, unless otherwise noted

Business and Industry

The following analysis from the industrial commission reflects current developments planned and under construction:

Project/Location	Description	Status
25 North Golfwood Road	371,000 sq. ft. warehouse	Construction completed in fall/winter 2023.
12 Forest Lane	Application for two warehouses totaling 1,126,443 sq. ft.	In construction. Temporary certificate of occupancy is pending for July 2025
30 North Game Creek Road	Two warehouses totaling 587,750 sq. ft.	Construction completed in fall/winter 2023.
37 South Golfwood Avenue	587,500 sq. ft. warehouse	Construction is substantially complete
429 Shell Road	3 warehouses totaling 635,000 sq. ft.	Approved. Construction not started.
Courses Land Road (Block 268, Lots 5, 5.01, 6)	Application for two warehouses totaling 1,299,829 sq. ft.	Approvals pending
Harding Highway (Block 255, Lot 12) aka Kelly Farm South	1,700,000 +/- sq. ft. warehouse	Construction pending
Harding Highway (Block 239, Lots 14-17, 17.01, 17.02 & 19)	four warehouses totaling 2,048,022 sq. ft.	Approvals in progress
5 Central School House Lane (CT Clean, LLC)	Natural gas fueling facility. 104 truck fueling spaces. 104 passenger car spaces.	Construction complete
3 Collins Drive	154,000 sq. ft. warehouse. Warehouse increased to 274,400 sq. ft.	Construction started in May 2025
4 Collins Drive	245,000 sq. ft. warehouse	Construction pending
7 Collins Drive	178,500 sq. ft. warehouse	Construction pending
747 Courses Landing Road (aka Amazon)	1,049,834 sq. ft. warehouse.	Construction completed in 2022
790 Harding Highway	400,535 sq. ft. warehouse	Construction completed in 2022
411 Shell Road	Two warehouses totaling 177,064 sq. ft.	Approvals in progress
965 Harding Highway	Two warehouses totaling 476,300 sq. ft.	Approvals in progress
47 Seventh Avenue (aka Delaware View Apartments)	88 unit apartment building (17 – 1 Beds, 53 – 2 Beds, 18 – 3 Beds)	Construction in progress
Pointers Auburn Road (Block 255, Lots 10 and 11)	Three warehouses totaling 742,858 sq. ft.	Approvals in progress
15 South Pennsville Auburn Road	Two warehouses totaling 613,900 sq. ft.	Approvals in progress
RPI Construction Equipment	13,400 sq. ft. building for contractor equipment business	Temporary certificate of occupancy pending for June 2025
505 Shell Road Warehouse	243,000 sq. ft. cold storage warehouse	Approvals pending

Township Employees

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Permanent	51	46	51	46	49
Part-time	<u>65</u>	<u>65</u>	<u>33</u>	<u>33</u>	<u>30</u>
Total	<u>116</u>	<u>111</u>	<u>84</u>	<u>79</u>	<u>79</u>

Employee Collective Bargaining Units

The Township currently has two employee collective bargaining units. The following is a schedule of the employee bargaining units, number of employees represented, and dates of contract expiration:

<u>Bargaining Unit</u>	<u>Employee Represented</u>	<u>Contract Expiration Date</u>
Teamsters Local Union No. 676	10	December 31, 2028
Old Oak Lodge #6 Fraternal Order of Police	20	December 31, 2027

Compensated Absences

Township employees are entitled to paid vacation depending upon their length of service with the Township. Vacation days not used during the year may be accumulated and carried forward to the next succeeding year upon approval by the Township Committee. Vacation days carried forward must be used in the next succeeding year or be forfeited. Full-time employees are entitled to 96 hours of paid sick leave each year. Unused sick leave may be accumulated and carried forward to the subsequent year. For additional information regarding compensated absences, see Appendix B: Financial Statements of the Township, Note 10.

Pension Plans

Those Township employees who are eligible for pension coverage are enrolled in one of two pension systems established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State. For additional information regarding pension plans, see Appendix B: Financial Statements of the Township, Note 7.

Population (1)

2020 Federal Census	8,637
2010 Federal Census	8,049
2000 Federal Census	7,684
1990 Federal Census	8,443
1980 Federal Census	8,396

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

Selected Census 2023 Data for the Township (1)

Median household income	\$74,925
Per capita income	\$36,337

Labor Force (2)

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

<u>Year</u>	<u>Labor Force</u>	<u>Employed Persons</u>	<u>Unemployed Persons</u>	<u>Unemployment Rate</u>
Township				
2024	4,358	4,111	247	5.7%
2023	4,374	4,134	240	5.5
2022	4,274	4,068	206	4.8
2021	4,249	3,928	321	7.6
2020	4,259	3,897	362	8.5
County				
2024	30,499	28,690	1,809	5.9%
2023	30,514	28,845	1,669	5.5
2022	29,691	28,221	1,470	5.0
2021	29,590	27,245	2,345	7.9
2020	29,823	26,982	2,841	9.5
State				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3
2022	4,756,002	4,572,879	183,123	3.9
2021	4,654,243	4,342,075	312,168	6.7
2020	4,643,700	4,204,301	439,399	9.5

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

(2) Source: New Jersey Department of Labor

Building Permits (1)

<u>Year</u>	<u>Number of Permits</u>	<u>Value of Construction</u>
2025 (2)	167	\$3,234,462
2024	431	81,367,805
2023	414	108,362,601
2022	465	76,921,300
2021	444	33,238,161
2020	397	51,149,097

LARGEST SALEM COUNTY PRIVATE SECTOR EMPLOYERS (3)

<u>Employer</u>	<u>Nature of Business</u>
PSE&G	Energy - Nuclear Power Generating Plant
Mannington Mills, Inc.	Floor Coverings
Inspira Health	Healthcare Facility
Atlantic City Electric	Energy – Public Utility
R.E. Pierson Construction	Construction
McLane NJ	Logistics - Grocery Distribution
Walmart	Hypermarket
The Chemours Company	Chemicals
OxyVinyls	Chemicals
Amazon	Logistics

GENERAL INFORMATION ON THE SCHOOL DISTRICT (4)**Type**

The Penns Grove-Carneys Point Regional School District (“School District”) is comprised of: (i) three regional elementary schools providing a full-range of educational services appropriate to grade levels pre-kindergarten through five, (ii) one regional middle school providing a full-range of educational services appropriate to grade levels six through eight, and (iii) one regional high school providing a full-range of educational services appropriate to grade levels nine through twelve.

The School District is a Type II limited purpose regional school district that serves the Borough of Penns Grove (“Borough”) and the Township (collectively, the “Constituent Municipalities”). The School District was formed pursuant to Chapter 13 of Title 18A of New Jersey Statutes, which authorizes two or more municipalities to create a regional school district upon the approval of the voters of each of said municipalities.

The Board of Education (“Board”) is the policy-making body of the School District and has the general responsibility for providing an education program, the power to establish policies and supervise the public schools in the School District and the responsibility to develop the annual School District budget and present it to the legally registered voters in the School District. The Board’s fiscal year ends each June 30.

(1) Source: Construction Office

(2) As of June 2, 2025

(3) Source: County Economic Development Office

(4) Source: School District officials

GENERAL INFORMATION ON THE SCHOOL DISTRICT (CONTINUED) (1)

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

The Board appoints a Superintendent and Board Secretary/Business Administrator who are responsible for budgeting, planning and the operational functions of the School District. The administrative structure of the Board gives final responsibility for both the educational process and the business operation to the Superintendent.

Staff

The Superintendent is the chief executive officer of the Board and is in charge of carrying out Board policies. The Board Secretary/Business Administrator is the chief financial officer of the Board and must submit monthly financial reports to the Board and annual reports to the New Jersey Department of Education.

Pupil Enrollments

The following table presents the historical average daily pupil enrollments for the past five school years and projections of pupil enrollment.

Pupil Enrollments	
<u>School Year</u>	<u>Enrollment</u>
2023-2024	2,171
2022-2023	2,167
2021-2022	2,188
2020-2021	2,188
2019-2020	2,171

Present School Facilities, Enrollment and Capacity (1)

<u>Facility</u>	<u>Date Constructed</u>	<u>Grades</u>	<u>Enrollment 6/30/2024</u>	<u>Functional Capacity</u>
Lafayette-Pershing School	1991	Pre-K-K	296	400
Field Street School	1955	1-3	493	489
Paul W. Carleton School	1951	4-5	319	369
Penns Grove Middle School	1935	6-8	465	541
Penns Grove High School	1971	9-12	<u>621</u>	<u>990</u>
Totals			<u>2,194</u>	<u>2,789</u>

(1) Source: School District officials.

HIGHER EDUCATION FACILITIES

The Salem County Vocational Technical School ("SCVTS") operates a special purpose district in which a wide range of educational programs and services are provided to county residents. The educational programs offered by the SCVTS focus on secondary full time and share time careers, technical education programs, and Career Academy programs offered in partnership with five school districts in the County. SCVTS also operates the New Jersey Regional Day School for the New Jersey Department of Education. The program serves disabled students from Cumberland, Gloucester, and Salem Counties. Additionally, SCVTS provides programs for post-secondary students and a wide array of community and continuing education programs, all of which are available for one purpose; to serve the community's interests.

Salem Community College ("SCC" or "College") is a two-year, public, comprehensive institution of higher education authorized to grant associate degrees in the arts, fine arts, science and applied science, and certificates. The College offers more than 40 programs of study in liberal arts, social science, business, nursing, allied health and technology. SCC features the nation's only associate degree program in scientific glass technology and offers a unique fine arts degree program in glass art. Thanks to a federal grant, the College now offers associate in applied science degree programs in nuclear and sustainable energy technology. Fall semester enrollment exceeded 1,000 students. SCC also enrolls students in noncredit courses and customized training programs.

CERTAIN TAX INFORMATION TEN LARGEST REAL PROPERTY TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2025 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
McLane New Jersey, Inc.	Food Service Supply	\$ 41,863,900	3.83%
RG Carneys Point Urban Renewal LLC	Warehousing	40,458,900	3.70%
Courses Landing Urban Renewal LLC	Warehousing	37,991,400	3.47%
The Chemours c/o Chambers Cogeneration Ltd.	Cogeneration Facility	27,618,800	2.52%
DPIF3 NJ 6 Game Creek Road Urban Renewal	Warehousing	20,571,200	1.88%
Exit 4 Harding Hwy Urban Renew LLC	Property Management	20,562,500	1.88%
The Chemours Co. FC, LLC	Chemical Manufacturing	17,063,500	1.56%
RBA Assoc LLC c/o Switzenbaum & Assoc.	Apartment Building	15,918,600	1.45%
PHI Service Co c/o Conective Real Est	Business Park	14,065,000	1.29%
Harding Hwy Land Urban Renewal, LP	Property Management	14,017,500	1.28%
Total		<u>\$250,131,300</u>	<u>22.86%</u>

CURRENT TAX COLLECTIONS (2)

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding December 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2024	\$ 25,898,039	\$ 25,101,666	96.92%	\$ 684,774	2.64%
2023	25,741,158	24,863,173	96.59%	775,798	3.01%
2022	23,720,441	22,942,085	96.72%	687,733	2.90%
2021	23,036,112	22,135,724	96.09%	694,272	3.01%
2020	22,153,383	21,264,891	95.99%	621,600	2.81%

(1) Source: Assessor's Office.

(2) Source: Annual Reports of Audit

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding</u>	<u>Collected</u>		<u>Transferred</u>	<u>Other</u>	<u>Outstanding</u>
	<u>January 1</u>	<u>Amount</u>	<u>Percentage</u>	<u>to Liens</u>	<u>Credits</u>	<u>December 31</u>
2024	\$ 798,459	\$ 780,086	97.70%	\$ -	\$ (8,210)	\$ 26,583
2023	708,294	636,565	89.87%	69	48,998	22,662
2022	707,886	688,040	97.20%	2,276	(2,991)	20,561
2021	630,991	616,737	97.74%	63	577	13,614
2020	849,669	763,441	89.85%	5,212	71,623	9,392

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance</u>	<u>Added by</u>		<u>Property</u>	<u>Balance</u>
	<u>January 1</u>	<u>Sales and</u>	<u>Collected</u>	<u>Acquired</u>	<u>December 31</u>
		<u>Transfers</u>		<u>for Taxes</u>	
2024	\$ 903,167	\$ 69,671	\$ 10,170		\$ 962,668
2023	834,896	68,271			903,167
2022	799,523	62,059	26,687		834,896
2021	1,013,397	83,320	60,873	\$ 236,320	799,523
2020	913,904	117,001	17,508		1,013,397

FORECLOSED PROPERTY (1)(2) (ACQUIRED BY TAXES AND BY DEED)

<u>Year</u>	<u>Balance</u>	<u>Transfers</u>	<u>Sale of</u>	<u>Adjustment</u>	<u>Balance</u>
	<u>Jan. 1</u>		<u>Foreclosed</u>	<u>to Assessed</u>	<u>Dec. 31</u>
			<u>Property</u>	<u>Valuation</u>	
2024	\$1,542,300	\$(1,387,100)			\$ 155,200
2023	1,661,600		\$(119,300)		1,542,300
2022	2,454,800		(140,750)	\$ (652,450)	1,661,600
2021	1,618,200	236,320	-	600,280	2,454,800
2020	1,618,200		-		1,618,200

(1) Source: Annual Reports of Audit

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

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (1)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (2)</u>			
		<u>Total Rate</u>	<u>Municipal</u>	<u>County</u>	<u>Regional School</u>
2025 (6)	\$1,094,233,300	N/A	N/A	N/A	N/A
2024	701,830,000	\$3.687	\$ 0.763	\$ 1.577	\$ 1.347
2023	674,818,100	3.560	0.723	1.438	1.399
2022	665,340,900	3.350	0.699	1.217	1.434
2021	658,849,200	3.318	0.669	1.175	1.474
2020	643,271,000	3.347	0.631	1.186	1.530

RATIO OF ASSESSED VALUATION TO TRUE VALUE AND TRUE VALUE PER CAPITA (3)

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita (4)</u>
2025 (6)	\$ 1,094,233,300	105.62%	\$1,036,009,563	\$ 119,950
2024	701,830,000	73.74%	951,762,951	110,196
2023	674,818,100	85.25%	791,575,484	91,649
2022	665,340,900	101.57%	655,056,513	75,843
2021	658,849,200	104.35%	631,383,996	73,102

REAL PROPERTY CLASSIFICATION (5)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Farm</u>
2025 (6)	\$ 1,094,233,300	\$ 92,605,900	\$ 617,428,400	\$ 146,366,900	\$ 178,935,900	\$ 38,973,800	\$19,922,400
2024	701,830,000	38,100,800	374,924,500	111,327,600	137,359,300	27,601,500	12,516,300
2023	674,818,100	31,203,700	376,893,100	108,365,000	118,189,500	27,601,500	12,565,300
2022	665,340,900	37,368,300	377,214,200	109,877,100	100,536,100	27,601,500	12,743,700
2021	658,849,200	33,813,600	377,415,900	106,949,600	100,467,300	27,291,100	12,911,700

(1) Source: Township Tax Collector

(2) Per \$100 of assessed valuation.

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

(4) Based on Census 2020 of 8,637

(5) Source: Township Assessor

(6) Revaluation

**TOWNSHIP OF CARNEYS POINT
STATEMENT OF INDEBTEDNESS
AS OF DECEMBER 31, 2024**

The following table summarizes the direct debt of the Township of Carneys Point 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 and debt of the Regional School District. Deductions from gross debt to arrive at net debt include school debt. The resulting net debt of \$8,162,517 represents 0.92% of the average of equalized valuations for the Township for the last three years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued				Deductions		
	<u>Bonds</u>	<u>Loans</u>	<u>Notes</u>	<u>Authorized But Not Issued</u>	<u>Gross Debt</u>	<u>School Debt</u>	<u>Net Debt</u>
General	\$ 2,355,000	\$ 500,229	\$ 950,000	\$ 4,357,288	\$ 8,162,517		\$ 8,162,517
Regional School Debt	3,184,844				3,184,844	\$ 3,184,844	
	<u>\$ 5,539,844</u>	<u>\$ 500,229</u>	<u>\$ 950,000</u>	<u>\$ 4,357,288</u>	<u>\$ 11,347,362</u>	<u>\$ 3,184,844</u>	<u>\$ 8,162,517</u>

Source: Annual Debt Statement
As of: December 31, 2024

DEBT RATIOS AND VALUATIONS (1)(2)

Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024	\$ 890,841,689
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024	0.916%
2025 Net Valuation Taxable	\$ 1,094,233,300
2025 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$ 1,036,009,563
Gross Debt (3):	
As a percentage of 2025 Net Valuation Taxable	1.04%
As a percentage of 2025 Equalized Valuations	1.10%
Net Debt (3):	
As a percentage of 2025 Net Valuation Taxable	0.75%
As a percentage of 2025 Equalized Valuations	0.79%
Gross Debt Per Capita (4)	\$ 1,314
Net Debt Per Capita (4)	\$ 945

TOWNSHIP BORROWING CAPACITY (1)(2)

3.5% of Averaged (2022-24) Equalized Valuation of Real Property including Improvements	\$ 31,179,459
Net Debt	<u>8,162,517</u>
Remaining Borrowing Capacity	<u>\$ 23,016,942</u>

REGIONAL SCHOOL DISTRICT BORROWING CAPACITY (1)(2)

4% of Averaged (2022-24) Equalized Valuation of Real Property including Improvements	\$ 37,726,693
Regional School Debt (5)	<u>3,840,000</u>
Remaining Borrowing Capacity	<u>\$ 33,886,693</u>

(1) As of December 31, 2024

(2) Source: Annual Debt Statement

(3) Excluding overlapping debt

(4) Based on 2020 Federal Census of 8,637

(5) Carneys Point's share of Regional School Debt is \$3,184,844 which is included

**TOWNSHIP OF CARNEYS POINT
OVERLAPPING DEBT
AS OF DECEMBER 31, 2024**

DEBT ISSUED					
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Issuer</u>	Debt Auth. but not <u>Issued</u>
County of Salem:					
General	\$ 69,750,000	\$ 4,124,900 (1)	\$ 65,625,100	\$ 9,522,202 (3)	\$ 1,990,428
Salem County Improvement Authority	26,855,000	26,855,000 (2)			
	<u>\$ 96,605,000</u>	<u>\$ 30,979,900</u>	<u>\$ 65,625,100</u>	<u>\$ 9,522,202</u>	<u>\$ 1,990,428</u>

(1) Includes Open Space and Farmland Trust and County College Bonds paid with State Aid.

(2) Deductible in accordance with N.J.S. 40:37A-80

(3) Such debt is allocated as a proportion of the Issuer's share of the total 2024 Net Valuation on which County taxes are apportioned, which is 14.51%.

TOWNSHIP OF CARNEYS POINT
SCHEDULE OF DEBT SERVICE
Existing Debt (1)

<u>Year</u>	<u>General - Bonds</u>		<u>Loans (2)</u>		<u>Grand</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 450,000	\$ 63,900	\$ 9,373	\$ 415	\$ 523,689
2026	450,000	50,400	3,042	119	503,561
2027	470,000	36,600			506,600
2028	485,000	22,275			507,275
2029	500,000	7,500			507,500
	<u>\$ 2,355,000</u>	<u>\$ 180,675</u>	<u>\$ 12,415</u>	<u>\$ 534</u>	<u>\$ 2,548,625</u>

(1) As of December 31, 2024

(2) Excludes Green Acres Trust Loan Payable

Source: Township Records

**TOWNSHIP OF CARNEYS POINT
2025 MUNICIPAL BUDGET**

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 3,051,182.00
Miscellaneous Revenues:	
Local Revenues	2,477,818.00
State Aid Without Offsetting Appropriations	817,002.00
Dedicated Uniform Construction Code Fees	
Offset With Appropriations	350,000.00
Special Items of Revenue with Consent of DLGS:	
Shared Service Agreements	202,993.00
Public and Private Revenues	19,039.87
Other Special Items	183,818.90
Receipts From Delinquent Taxes	600,000.00
Amount to be Raised by Taxation for Municipal Purposes:	
Local Tax for Municipal Purposes	<u>5,607,417.68</u>
Total Anticipated Revenues	<u><u>\$13,309,271.45</u></u>
Appropriations:	
Within CAPS:	
Operations	\$ 9,760,634.00
Deferred Charges and Statutory Expenditures	1,136,050.00
Excluded from CAPS:	
Other Operations	75,316.00
Shared Service Agreements	324,793.00
Public and Private Programs	20,028.12
Capital Improvements	150,000.00
Debt Service	666,550.00
Deferred Charges	106,000.00
Reserve for Uncollected Taxes	<u>1,069,900.33</u>
Total Appropriations	<u><u>\$13,309,271.45</u></u>

**TOWNSHIP OF CARNEYS POINT
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2025 - 2027**

	<u>Estimated Total Cost</u>	<u>Current Year 2025</u>	<u>Capital Improvement Fund</u>	<u>Bond and Notes - General</u>
Police Equipment	\$ 405,000.00		\$ 20,250.00	\$ 384,750.00
Administration Equipment	19,500.00		975.00	18,525.00
Fire Department Building	60,500.00		3,025.00	57,475.00
Public Works Improvements and Equipment	1,270,000.00		63,500.00	1,206,500.00
Ambulance Equipment	58,000.00		2,900.00	55,100.00
Fire Department Equipment	81,500.00		4,075.00	77,425.00
Recreation Improvements	50,000.00	\$ 50,000.00		
Various Streets and Roads	725,000.00		36,250.00	688,750.00
Total - All Projects	<u>\$ 2,669,500.00</u>	<u>\$ 50,000.00</u>	<u>\$ 130,975.00</u>	<u>\$ 2,488,525.00</u>

APPENDIX B

FINANCIAL STATEMENTS OF THE TOWNSHIP OF CARNEYS POINT

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Carneys Point
Carneys Point, New Jersey 08069

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 Carneys Point, in the County of Salem, State of New Jersey, as of December 31, 2024, 2023, 2022, 2021 and 2020, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Carneys Point, in the County of Salem, State of New Jersey, as of December 31, 2024, 2023, 2022, 2021 and 2020, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Township of Carneys Point, in the County of Salem, State of New Jersey, as of December 31, 2024, 2023, 2022, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

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

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

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

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 10). 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.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Respectfully submitted,

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

/s/ Fred S. Caltabiano
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
June 20, 2025

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

	As of December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS:</u>					
Regular Fund:					
Cash - Chief Financial Officer	\$10,066,020.32	\$11,178,995.64	\$ 9,833,676.91	\$ 7,609,929.72	\$ 6,209,040.57
Cash - Tax Collector			297,403.45	3,368.38	3,368.36
Cash - Change Funds	<u>775.00</u>	<u>775.00</u>	<u>775.00</u>	<u>775.00</u>	<u>775.00</u>
	<u>10,066,795.32</u>	<u>11,179,770.64</u>	<u>10,131,855.36</u>	<u>7,614,073.10</u>	<u>6,213,183.93</u>
Receivables and Other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	711,357.53	798,459.39	708,294.18	707,885.94	630,991.35
Tax Title Liens Receivable	962,668.29	903,167.06	834,896.32	799,524.23	1,013,397.02
Property Acquired for Taxes	155,200.00	1,542,300.00	1,661,600.00	2,454,800.00	1,618,200.00
Solid Waste Fee Liens				1,426.70	1,426.70
Interfunds Receivable	8,518.64	30,276.12	190,900.23	24,357.35	22,416.98
Due from Regional School District	<u>157,412.00</u>	<u>1,251,761.00</u>	<u>176,689.00</u>	<u>13,883.00</u>	
	<u>1,995,156.46</u>	<u>4,525,963.57</u>	<u>3,572,379.73</u>	<u>4,001,877.21</u>	<u>3,286,432.05</u>
Deferred Charges:					
Special Emergency	<u>460,000.00</u>			<u>210,000.00</u>	<u>315,000.00</u>
Total Regular Fund	<u>12,521,951.78</u>	<u>15,705,734.21</u>	<u>13,704,235.09</u>	<u>11,825,950.31</u>	<u>9,814,615.98</u>
Federal and State Grant Fund:					
Cash			467,603.46	629,788.28	268,893.58
Interfunds Receivable	21,999.14	181,736.63	21,999.14		
Grants Receivable	<u>1,793,993.70</u>	<u>1,400,884.68</u>	<u>645,286.06</u>	<u>470,129.74</u>	<u>437,555.81</u>
Total Federal and State Grant Fund	<u>1,815,992.84</u>	<u>1,582,621.31</u>	<u>1,134,888.66</u>	<u>1,099,918.02</u>	<u>706,449.39</u>
	<u><u>\$14,337,944.62</u></u>	<u><u>\$17,288,355.52</u></u>	<u><u>\$14,839,123.75</u></u>	<u><u>\$12,925,868.33</u></u>	<u><u>\$10,521,065.37</u></u>

(Continued)

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

	As of December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE:</u>					
Regular Fund:					
Appropriation Reserves	\$ 509,303.58	\$ 990,573.69	\$ 1,110,297.55	\$ 1,052,241.72	\$ 1,004,492.03
Reserve for Encumbrances	73,369.18	240,895.20	104,260.47	192,667.95	213,581.92
Tax Overpayments	12,631.77	11,656.40	38,124.52	154,015.15	237,992.13
Prepaid Taxes	604,325.63	351,348.98	349,183.68	373,828.25	207,247.86
County Taxes Payable	9,217.49	642,442.51	489,242.07		
Accounts Payable	9,284.52	7,572.05	7,572.05	15,731.81	
Due to Federal and State Fund		159,737.49			
Interfunds Payable	102,120.00		411.04		6,371.06
Due State of New Jersey:					
Senior Citizens and Veterans					
Deductions	12,962.79	16,149.09	16,779.40	15,667.06	13,027.68
DCA Training Fees	4,530.00	41,407.00	53,355.00	3,459.00	99,567.00
Other Reserves	310,901.96	176,601.17	111,942.73	150,522.78	347,870.59
	<u>1,648,646.92</u>	<u>2,638,383.58</u>	<u>2,281,168.51</u>	<u>1,958,133.72</u>	<u>2,130,150.27</u>
Reserves for Receivables and Other Assets	1,995,156.46	4,525,963.57	3,572,379.73	4,001,877.21	3,286,432.05
Fund Balance	<u>8,878,148.40</u>	<u>8,541,387.06</u>	<u>7,850,686.85</u>	<u>5,865,939.38</u>	<u>4,398,033.66</u>
Total Regular Fund	<u>12,521,951.78</u>	<u>15,705,734.21</u>	<u>13,704,235.09</u>	<u>11,825,950.31</u>	<u>9,814,615.98</u>
Federal and State Grant Fund:					
Interfunds Payable	4,510.59				
Reserve for Encumbrances	416,673.07	632,452.35	413,416.87	83,707.24	123,335.69
Reserve for Grants - Appropriated	1,375,769.31	948,325.21	719,843.73	614,597.54	583,113.70
Reserve for Grants - Unappropriated	19,039.87	1,843.75	1,628.06	401,613.24	
Total Federal and State Grant Fund	<u>1,815,992.84</u>	<u>1,582,621.31</u>	<u>1,134,888.66</u>	<u>1,099,918.02</u>	<u>706,449.39</u>
	<u>\$14,337,944.62</u>	<u>\$17,288,355.52</u>	<u>\$14,839,123.75</u>	<u>\$12,925,868.33</u>	<u>\$10,521,065.37</u>

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

TOWNSHIP OF CARNEYS POINT
CURRENT FUND

Statements of Operations and Changes in Fund Balance -- Regulatory Basis

	For the Years Ended December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
REVENUE AND OTHER INCOME REALIZED:					
Fund Balance Utilized	\$ 3,365,953.00	\$ 2,235,000.00	\$ 1,790,000.00	\$ 1,390,000.00	\$ 1,163,500.00
Miscellaneous Revenues Anticipated	3,852,784.03	5,844,623.76	6,779,174.05	5,322,691.08	5,840,322.87
Receipts from Delinquent Taxes and Tax Title Liens	790,255.82	636,565.47	714,726.52	680,235.79	780,949.54
Receipts from Current Taxes	25,101,666.00	24,863,173.44	22,942,085.31	22,135,724.15	21,264,891.28
Non-Budget Revenue	755,767.54	214,681.38	588,015.54	347,040.92	197,076.67
Other Credits to Income:					
Unexpended Balance of Appropriation Reserves	813,833.96	1,026,236.18	956,105.21	887,461.66	524,113.52
Adjustments/Canceled Grants Receivable	1,440.13				
Excess Animal Control Fund	3,921.73				
Interfunds Receivable Liquidated	1,116,106.48				
Total Income	35,801,728.69	34,820,280.23	33,770,106.63	30,763,153.60	29,770,853.88
EXPENDITURES:					
Budget Appropriations:					
Within "CAPS":					
Operations:					
Salaries and Wages	4,343,180.00	4,110,500.00	3,640,469.69	3,516,212.17	3,380,929.00
Other Expenses	4,358,054.50	4,003,731.50	3,707,286.50	3,535,895.83	3,486,833.00
Deferred Charges and Statutory Expenditures	1,043,810.00	1,019,111.00	959,453.40	883,510.00	804,130.30
Excluded from "CAPS":					
Operations:					
Salaries and Wages	139,620.00	134,380.63	386,788.69	380,935.00	381,971.00
Other Expenses	1,343,690.37	1,061,049.51	1,829,949.23	688,650.94	1,177,051.83
Capital Improvements	100,000.00	200,000.00	292,500.00	240,000.00	40,000.00
Debt Service	680,563.98	651,225.49	594,300.77	600,909.36	678,604.60
Deferred Charges	14,119.00	10,500.00	117,625.00	120,625.00	120,625.00
County Taxes	11,070,551.57	10,340,888.75	8,583,458.57	8,151,297.67	7,846,099.09
Regional School Tax	9,454,390.00	9,436,289.00	9,540,569.00	9,711,831.00	9,842,855.00
Municipal Open Space Tax	7,018.30	6,748.18	7,064.44	6,650.14	6,432.71
Other Debits to Income:					
Refund of Prior Year Revenue	2,460.37		4,051.72	49,517.75	1,035.25
Refund of Prior Year Taxes - Tax Appeals					224,661.28
Prior Year Senior Citizen/Veteran Deductions Disallowed	250.00		2,663.36	2,625.00	1,250.00
Adjustments / Canceled Grants Receivable	1,306.26	5,708.07			
Creation of Interfunds		914,447.89	329,178.79	16,588.02	2,590.40
Total Expenditures	32,559,014.35	31,894,580.02	29,995,359.16	27,905,247.88	27,995,068.46
Excess in Revenues	3,242,714.34	2,925,700.21	3,774,747.47	2,857,905.72	1,775,785.42
Adjustments to Income Before Surplus:					
Special Emergency - Revaluation	460,000.00				
Statutory Excess to Fund Balance	3,702,714.34	2,925,700.21	3,774,747.47	2,857,905.72	1,775,785.42
FUND BALANCE:					
Balance January 1	8,541,387.06	7,850,686.85	5,865,939.38	4,398,033.66	3,785,748.24
	12,244,101.40	10,776,387.06	9,640,686.85	7,255,939.38	5,561,533.66
Decreased by:					
Utilized as Revenue	3,365,953.00	2,235,000.00	1,790,000.00	1,390,000.00	1,163,500.00
Balance December 31	\$ 8,878,148.40	\$ 8,541,387.06	\$ 7,850,686.85	\$ 5,865,939.38	\$ 4,398,033.66

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

TOWNSHIP OF CARNEYS POINT
TRUST FUNDS
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

	As of December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS:</u>					
Animal Control Fund:					
Cash	\$ 20,376.33	\$ 12,306.33	\$ 4,534.23	\$ 1,085.13	\$ 991.43
	<u>20,376.33</u>	<u>12,306.33</u>	<u>4,534.23</u>	<u>1,085.13</u>	<u>991.43</u>
Other Funds:					
Cash - Chief Financial Officer	4,380,660.42	6,693,167.96	7,759,877.48	2,925,659.45	1,658,074.42
Cash - Tax Collector	732,817.90	604,405.53	817,592.18	650,714.24	536,358.94
Investments - LOSAP	814,918.43	693,758.71	631,171.18	766,729.05	638,820.85
	<u>5,928,396.75</u>	<u>7,991,332.20</u>	<u>9,208,640.84</u>	<u>4,343,102.74</u>	<u>2,833,254.21</u>
Municipal Open Space Fund:					
Cash	366,047.21	359,028.91	351,869.69	345,216.29	332,064.00
Due from Current Fund			411.04		6,371.06
	<u>366,047.21</u>	<u>359,028.91</u>	<u>352,280.73</u>	<u>345,216.29</u>	<u>338,435.06</u>
Total Trust Funds	<u>\$ 6,314,820.29</u>	<u>\$ 8,362,667.44</u>	<u>\$ 9,565,455.80</u>	<u>\$ 4,689,404.16</u>	<u>\$ 3,172,680.70</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE:</u>					
Animal Control Fund:					
Interfunds Payable	\$ 3,921.73				
Reserve for Animal Control Expenditures	16,295.00	\$ 12,184.53	\$ 4,533.03	\$ 1,083.93	\$ 984.83
Due State of New Jersey - Dept. of Health	159.60	121.80	1.20	1.20	6.60
	<u>20,376.33</u>	<u>12,306.33</u>	<u>4,534.23</u>	<u>1,085.13</u>	<u>991.43</u>

(Continued)

TOWNSHIP OF CARNEYS POINT
TRUST FUNDS
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

	As of December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
LIABILITIES, RESERVES AND FUND					
<u>BALANCE (CONT'D):</u>					
Other Funds:					
Interfunds Payable	\$ 86.32	\$ 30,276.12	\$ 120,998.37	\$ 24,357.35	\$ 22,416.98
Reserve for:					
Developers Escrow/Abandon Property					
Registration	1,220,219.79	1,452,598.30	1,401,248.26	969,528.91	926,357.36
Accumulated Absences	17,697.60	7,697.60	7,697.60	2,697.60	10,868.79
Payroll Deductions Payable	47,559.99	78,230.06	75,108.53	72,594.80	39,140.20
Street Opening Deposits Escrow	50,982.33	47,914.11	29,575.19	26,425.19	68,750.15
Recreation	65,003.22	51,450.03	48,564.53	50,414.57	59,580.13
Unemployment	6,748.44	28,474.22	34,784.52	33,442.46	39,012.62
Police Donations	750.00				
Public Defender	8,620.42	4,111.42	761.42	211.42	2,411.42
Municipal Alliance	3,181.09	3,586.60	1,135.10	1,295.10	1,291.10
Police Outside Employment	217,201.03	178,068.20	33,717.45	54,936.15	57,262.76
Forfeiture Trust	4.51	4.51	4.51	84.51	104.47
House Revitalization Loan Account	116,227.42	71,829.42	106,379.42	146,864.42	114,561.19
COAH	2,595,976.18	4,708,861.29	5,865,036.47	1,506,578.00	278,327.59
Tax Title Liens Redemption	99,917.90	33,205.53	23,992.18	64,208.16	48,309.52
Tax Title Liens Premiums	632,900.00	571,200.00	793,600.00	586,500.00	488,000.00
Snow Removal	27,287.52	27,287.52	26,821.20	24,609.88	26,448.13
Fire/Rescue				3,509.50	3,508.11
Recreation Facility Improvement	1,202.42	1,202.42	6,652.77	6,752.77	6,750.09
POAA	1,912.14	1,576.14	1,392.14	1,362.90	1,332.75
LOSAP	814,918.43	693,758.71	631,171.18	766,729.05	638,820.85
	<u>5,928,396.75</u>	<u>7,991,332.20</u>	<u>9,208,640.84</u>	<u>4,343,102.74</u>	<u>2,833,254.21</u>
Municipal Open Space Fund:					
Due to Current Fund					
Reserve for Future Use	366,047.21	359,028.91	352,280.73	345,216.29	338,435.06
	<u>366,047.21</u>	<u>359,028.91</u>	<u>352,280.73</u>	<u>345,216.29</u>	<u>338,435.06</u>
Total Trust Funds	<u>\$ 6,314,820.29</u>	<u>\$ 8,362,667.44</u>	<u>\$ 9,565,455.80</u>	<u>\$ 4,689,404.16</u>	<u>\$ 3,172,680.70</u>

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

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

	As of December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS:</u>					
Cash	\$ 1,120,268.75	\$ 1,007,130.03	\$ 297,872.47	\$ 1,743,014.07	\$ 2,200,102.60
Grants Receivable	345,856.59	345,856.59	345,856.59	104,428.59	62,833.09
Interfunds Receivable	102,120.00				
Deferred Charges to Future Taxation:					
Funded	2,855,228.93	2,830,752.05	3,280,511.29	3,719,760.78	4,178,526.33
Unfunded	5,307,288.29	5,347,686.00	5,197,012.00	901,244.00	941,869.00
	<u>\$ 9,730,762.56</u>	<u>\$ 9,531,424.67</u>	<u>\$ 9,121,252.35</u>	<u>\$ 6,468,447.44</u>	<u>\$ 7,383,331.02</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE</u>					
Bonds Payable	\$ 2,355,000.00	\$ 2,785,000.00	\$ 3,195,000.00	\$ 3,595,000.00	\$ 4,015,000.00
Green Acres Trust Loan Payable	487,813.71	6,887.18	20,457.65	33,760.73	46,801.69
Bond Anticipation Note Payable	950,000.00	950,000.00	300,000.00	350,000.00	375,000.00
NJEIT Loan Payable	12,415.22	38,864.87	65,053.64	91,000.05	116,724.64
Due to Current Fund			69,901.86		
Due to Federal and State Grant Fund	21,999.14	21,999.14	21,999.14		
Improvement Authorizations:					
Funded	645,485.53	667,901.29	659,668.24	1,176,834.03	1,575,093.02
Unfunded	1,519,856.46	2,732,279.69	2,825,020.07	478,244.48	482,204.48
Contracts/Encumbrances Payable	2,793,120.36	1,532,565.76	1,854,479.01	608,854.55	599,627.10
Reserves for:					
Improvements to Recreation Sites	37,955.00	61,374.60	61,374.60	61,374.60	61,374.60
Rockafeller Contribution	600,000.00	500,000.00			
Payment of Debt				69,901.86	69,901.86
Capital Improvement Fund	301,777.11	231,332.11	45,078.11	257.11	24,257.11
Fund Balance	<u>5,340.03</u>	<u>3,220.03</u>	<u>3,220.03</u>	<u>3,220.03</u>	<u>17,346.52</u>
	<u>\$ 9,730,762.56</u>	<u>\$ 9,531,424.67</u>	<u>\$ 9,121,252.35</u>	<u>\$ 6,468,447.44</u>	<u>\$ 7,383,331.02</u>

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

TOWNSHIP OF CARNEYS POINT
INDUSTRIAL COMMISSION
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

	As of December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS:</u>					
Cash	\$ 61,964.65	\$ 55,505.41	\$ 57,383.19	\$ 2,814.21	\$ 3,630.48
Land	<u>1,705,750.00</u>	<u>318,650.00</u>	<u>318,650.00</u>	<u>318,650.00</u>	<u>318,650.00</u>
	<u><u>\$ 1,767,714.65</u></u>	<u><u>\$ 374,155.41</u></u>	<u><u>\$ 376,033.19</u></u>	<u><u>\$ 321,464.21</u></u>	<u><u>\$ 322,280.48</u></u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE:</u>					
Reserve for Receivables and Other Assets	\$ 1,705,750.00	\$ 318,650.00	\$ 318,650.00	\$ 318,650.00	\$ 318,650.00
Fund Balance	<u>61,964.65</u>	<u>55,505.41</u>	<u>57,383.19</u>	<u>2,814.21</u>	<u>3,630.48</u>
	<u><u>\$ 1,767,714.65</u></u>	<u><u>\$ 374,155.41</u></u>	<u><u>\$ 376,033.19</u></u>	<u><u>\$ 321,464.21</u></u>	<u><u>\$ 322,280.48</u></u>

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Carneys Point (hereafter referred to as the "Township") was originally incorporated as Upper Penns Neck Township on February 21, 1798. The voters approved a referendum on November 8, 1976 and on November 10, 1976 the Township Committee changed the name. The Township is located in Salem County, New Jersey approximately twenty-three miles southeast of the City of Philadelphia. The population according to the 2020 census is 8,637.

There are five Committee Members each elected to three-year terms on a staggered basis, with one or two seats coming up for election each year. Annually the Committee elects one of themselves to serve as Mayor. Executive and administrative responsibilities rest with the Mayor, who is assisted by the Township Administrator.

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

Carneys Point Township Sewerage Authority
303 Harding Highway
Carneys Point, New Jersey 08069

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

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.

Industrial Commission - Provides assistance to new businesses and helps existing business expand. The seven-member board is appointed by the mayor under authority of New Jersey State law and Township ordinance.

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the Township's length of service awards program, however, are stated at fair value.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

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

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

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

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

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

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

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

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

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

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

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

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

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

School Taxes - The Township is responsible for levying, collecting and remitting school taxes for the Penns Grove Carneys Point Regional School District. Operations is charged for the full amount required to be raised from taxation to operate the regional school district for the period from January 1 to December 31.

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

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

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

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

Appropriations for principal payments on outstanding general capital 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.

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

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

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

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

Because of the implementation of GASB Statement No. 101, the Township has updated the measurement of compensated absences in accordance with the Statement (note 10).

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2024, the Township’s bank balances of \$6,244,655.37 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 5,098,122.47
Uninsured and Uncollateralized	<u>1,146,532.90</u>
Total	<u><u>\$ 6,244,655.37</u></u>

New Jersey Cash Management Fund - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2024, the Township’s deposits with the New Jersey Cash Management Fund were \$5,162,257.60.

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$ 3.687</u>	<u>\$ 3.560</u>	<u>\$ 3.350</u>	<u>\$ 3.318</u>	<u>\$ 3.347</u>
Apportionment of Tax Rate:					
Municipal	.763	.722	.698	.668	.630
Municipal Open Space	.001	.001	.001	.001	.001
County	1.549	1.414	1.197	1.155	1.166
County Open Space	.027	.024	.020	.020	.020
Regional School	1.347	1.399	1.434	1.474	1.530

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2024	\$ 701,830,000.00
2023	674,818,100.00
2022	665,340,900.00
2021	658,849,200.00
2020	643,271,000.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2024	\$ 25,898,039.43	\$ 25,101,666.00	96.92%
2023	25,741,157.75	24,863,173.44	96.59%
2022	23,720,440.87	22,942,085.31	96.72%
2021	23,036,111.64	22,135,724.15	96.09%
2020	22,153,383.01	21,264,891.28	95.99%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2024	\$ 962,668.29	\$ 711,357.53	\$ 1,674,025.82	6.46%
2023	903,167.06	798,459.39	1,701,626.45	6.61%
2022	834,896.32	708,294.18	1,543,190.50	6.51%
2021	799,524.23	707,885.94	1,507,410.17	6.54%
2020	1,013,397.02	630,991.35	1,644,388.37	7.42%

Note 3: PROPERTY TAXES (CONT'D)

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

<u>Year</u>	<u>Number</u>
2024	56
2023	58
2022	58
2021	58
2020	77

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2024	\$ 155,200.00
2023	1,542,300.00
2022	1,661,600.00
2021	2,454,800.00
2020	1,618,200.00

Note 5: 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:

<u>Current Fund</u>		<u>Utilized in</u>	<u>Percentage</u>
<u>Year</u>	<u>Balance</u>	<u>Budget of</u>	<u>of Fund</u>
	<u>December 31,</u>	<u>Succeeding Year</u>	<u>Balance Used</u>
2024	\$ 8,878,148.40	\$ 3,051,182.00	34.37%
2023	8,541,387.06	3,365,953.00	39.41%
2022	7,850,686.85	2,235,000.00	28.47%
2021	5,865,939.38	1,790,000.00	30.52%
2020	4,398,033.66	1,390,000.00	31.61%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 8,518.64	\$ 102,120.00
Federal and State Grant	21,999.14	4,510.59
Trust - Animal Control Fund		3,921.73
Trust - Other		86.32
General Capital	102,120.00	21,999.14
	<u>\$ 132,637.78</u>	<u>\$ 132,637.78</u>

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

Note 7: 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, several Township employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower (formerly Prudential Financial) for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. As a local participation employer of these pension plans, the Township is referred to as "Employer" throughout this note. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

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

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

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

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

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

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

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

Contributions

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

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

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

The Employer's contractually required contribution rate for the year ended December 31, 2023 was 15.28% 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 \$187,335.00 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 \$207,473.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were \$96,177.48.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2023 was .52% 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 \$6,331.00. 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 \$5,224.00.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

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

The Employer's contractually required contribution rate for the year ended December 31, 2023 was 33.77% 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 \$659,657.00 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 \$599,838.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were \$196,012.70.

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 5.91% 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 \$115,373.00 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 \$116,970.00, which was paid on April 1, 2023.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

For the year ended December 31, 2024, employee contributions totaled \$7,575.86, and the Employer's contributions were \$4,132.29. There were no forfeitures during the year.

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

Pension Liability - As of December 31, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was \$2,030,209.00. 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 .0140165491%, which was a decrease of .0024358775% 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 \$(80,354.00). 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 \$207,473.00, 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 \$6,331.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Note 7: 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	\$ 5,475,061.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>1,008,844.00</u>
	<u><u>\$ 6,483,905.00</u></u>

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 .0495535200%, which was an increase of .0034317700% from its proportion measured as of June 30, 2022. Likewise, at June 30, 2023, the State of New Jersey's proportion, on-behalf of the Employer, was .0495535800%, which was an increase of .0034317600% 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 \$366,710.00. 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 \$599,838.00, 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 \$114,754.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Note 7: 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		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 19,411.00	\$ 234,431.00	\$ 253,842.00	\$ 8,299.00	\$ 261,112.00	\$ 269,411.00
Changes of Assumptions	4,460.00	11,817.00	16,277.00	123,039.00	369,698.00	492,737.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	9,349.00	278,834.00	288,183.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	161,903.00	507,744.00	669,647.00	371,727.00	350,862.00	722,589.00
Contributions Subsequent to the Measurement Date	93,668.00	329,829.00	423,497.00	-	-	-
	<u>\$ 288,791.00</u>	<u>\$ 1,362,655.00</u>	<u>\$ 1,651,446.00</u>	<u>\$ 503,065.00</u>	<u>\$ 981,672.00</u>	<u>\$ 1,484,737.00</u>

Deferred outflows of resources in the amounts of \$93,668.00 and \$329,829.00 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 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Employer will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 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 7: 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:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2024	\$ (126,659.00)	\$ (193,710.00)	\$ (320,369.00)
2025	(116,077.00)	(169,010.00)	(285,087.00)
2026	34,492.00	370,996.00	405,488.00
2027	(93,554.00)	(28,972.00)	(122,526.00)
2028	(6,144.00)	60,132.00	53,988.00
Thereafter	-	11,718.00	11,718.00
	<u>\$ (307,942.00)</u>	<u>\$ 51,154.00</u>	<u>\$ (256,788.00)</u>

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:

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

Note 7: 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
	<u>100.00%</u>	

Note 7: 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	<u>\$ 2,642,901.00</u>	<u>\$ 2,030,209.00</u>	<u>\$ 1,508,728.00</u>

Note 7: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Employer's annual required contribution. As such, the net pension liability as of the June 30, 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	\$ 7,628,539.00	\$ 5,475,061.00	\$ 3,681,728.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>1,405,647.00</u>	<u>1,008,844.00</u>	<u>678,401.00</u>
	<u>\$ 9,034,186.00</u>	<u>\$ 6,483,905.00</u>	<u>\$ 4,360,129.00</u>

Pension Plan Fiduciary Net Position

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

Note 7: 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,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.0140165491%	0.0164524266%	0.0155744576%	0.0159956186%	0.0147869020%
Proportionate Share of the Net Pension Liability	\$ 2,030,209.00	\$ 2,482,898.00	\$ 1,845,028.00	\$ 2,608,467.00	\$ 2,664,375.00
Covered Payroll (Plan Measurement Period)	\$ 1,012,756.00	\$ 1,167,520.00	\$ 1,164,772.00	\$ 1,157,508.00	\$ 1,038,620.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	200.46%	212.66%	158.40%	225.35%	256.53%
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,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.0156106970%	0.0162160085%	0.0177581648%	0.0170360105%	0.0173577758%
Proportionate Share of the Net Pension Liability	\$ 3,073,668.00	\$ 3,774,828.00	\$ 5,259,459.00	\$ 3,824,243.00	\$ 3,249,850.00
Covered Payroll (Plan Measurement Period)	\$ 1,066,196.00	\$ 1,099,540.00	\$ 1,221,648.00	\$ 1,099,852.00	\$ 1,242,164.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	288.28%	343.31%	430.52%	347.71%	261.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)***

	<u>Year Ended December 31,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 187,335.00	\$ 207,473.00	\$ 182,395.00	\$ 174,984.00	\$ 143,833.00
Contribution in Relation to the Contractually Required Contribution	(187,335.00)	(207,473.00)	(182,395.00)	(174,984.00)	(143,833.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 1,225,919.00	\$ 1,095,373.00	\$ 1,212,459.00	\$ 1,162,583.00	\$ 1,151,737.00
Contributions as a Percentage of Covered Payroll	15.28%	18.94%	15.04%	15.05%	12.49%
	<u>Year Ended December 31,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 155,276.00	\$ 150,224.00	\$ 157,761.00	\$ 146,464.00	\$ 143,095.00
Contribution in Relation to the Contractually Required Contribution	(155,276.00)	(150,224.00)	(157,761.00)	(146,464.00)	(143,095.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 1,054,863.00	\$ 1,059,398.00	\$ 1,099,629.00	\$ 1,153,054.00	\$ 1,149,959.00
Contributions as a Percentage of Covered Payroll	14.72%	14.18%	14.35%	12.70%	12.44%

Note 7: 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,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.0495535200%	0.0461217500%	0.0496685306%	0.0476226173%	0.0478920825%
Proportionate Share of the Net Pension Liability	\$ 5,475,061.00	\$ 5,279,260.00	\$ 3,630,348.00	\$ 6,153,470.00	\$ 5,860,946.00
State's Proportionate Share of the Net Pension Liability	1,008,844.00	939,554.00	1,021,035.00	954,991.00	925,455.00
Total	<u>\$ 6,483,905.00</u>	<u>\$ 6,218,814.00</u>	<u>\$ 4,651,383.00</u>	<u>\$ 7,108,461.00</u>	<u>\$ 6,786,401.00</u>
Covered Payroll (Plan Measurement Period)	\$ 1,810,096.00	\$ 1,643,572.00	\$ 1,741,136.00	\$ 1,555,212.00	\$ 1,623,212.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	302.47%	321.21%	208.50%	395.67%	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,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.0485172908%	0.0460238989%	0.0467365422%	0.0423944937%	0.0479997198%
Proportionate Share of the Net Pension Liability	\$ 6,565,189.00	\$ 7,105,200.00	\$ 8,927,875.00	\$ 7,061,445.00	\$ 6,037,920.00
State's Proportionate Share of the Net Pension Liability	891,772.00	795,842.00	795,842.00	619,265.00	650,182.00
Total	<u>\$ 7,456,961.00</u>	<u>\$ 7,901,042.00</u>	<u>\$ 9,723,717.00</u>	<u>\$ 7,680,710.00</u>	<u>\$ 6,688,102.00</u>
Covered Payroll (Plan Measurement Period)	\$ 1,609,584.00	\$ 1,523,164.00	\$ 1,493,812.00	\$ 1,408,004.00	\$ 1,516,064.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.88%	466.48%	597.66%	501.52%	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 7: 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,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 659,657.00	\$ 599,838.00	\$ 578,869.00	\$ 532,026.00	\$ 483,763.00
Contribution in Relation to the Contractually Required Contribution	(659,657.00)	(599,838.00)	(578,869.00)	(532,026.00)	(483,763.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 1,953,134.00	\$ 1,835,859.00	\$ 1,634,513.00	\$ 1,679,617.00	\$ 1,610,188.00
Contributions as a Percentage of Covered Payroll	33.77%	32.67%	35.42%	31.68%	30.04%
	Year Ended December 31,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 474,328.00	\$ 407,320.00	\$ 381,062.00	\$ 344,604.00	\$ 368,671.00
Contribution in Relation to the Contractually Required Contribution	(474,328.00)	(407,320.00)	(381,062.00)	(344,604.00)	(368,671.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 1,585,637.00	\$ 1,586,919.00	\$ 1,500,230.00	\$ 1,536,779.00	\$ 1,403,738.00
Contributions as a Percentage of Covered Payroll	29.91%	25.67%	25.40%	22.42%	26.26%

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

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

Changes in Assumptions

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

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

Police and Firemen's Retirement System (PFRS)**Changes in Benefit Terms**

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

Changes in Assumptions

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
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 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

TOWNSHIP OF CARNEYS POINT POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided - The Township provides postretirement benefits through a plan for retirees, which includes medical, dental, vision and prescription drug benefits. The Township provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree populations: certain police officers and non-contractual active employees who are age sixty (60) or older and who retire from the Township with at least twenty-five (25) years of full-time service with the Township and who are already covered by health insurance through the Township to receive fully paid health and prescription benefits. This entitlement requires that police officers retire from service with the Township, be covered by any collective bargaining agreement between the Township and the Fraternal Order of Police, Labor Council Lodge No. 6 and have served at least twenty-five years. The continuation of benefits to the members of the employee's family will be, as the family exists as of the date of retirement and only to those family members who exist as of the date of retirement. The plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers.

Employees Covered by Benefit Terms - 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	24
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	<u>42</u>
	<u>66</u>

Total OPEB Liability

The Township's total OPEB liability of \$11,747,865.00 was measured as of December 31, 2024 and was determined by an actuarial valuation as of December 31, 2024.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (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:

Mortality	PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021
Turnover	NJ State Pension Ultimate Withdrawal Rates - prior to benefits eligibility
Assumed Retirement Age	At first eligibility after completing 25 years of service and attainment of age 60
Full Attribution Period	Service to Assumed Retirement Age
Annual Discount Rate	3.26% Based on Bond Buyer 20 Index Dec. 31, 2023 4.08% Based on Bond Buyer 20 Index Dec. 31, 2024
CPI Increase	2.50%
Rate of Salary Increase	2.50%
Medical Trend	Medical: 6.50% in 2024, reducing by 0.25% per annum, leveling at 4.50% per annum in 2032 Drug: 14.00% in 2024, 10.00% in 2025, 7.50% in 2026, reducing by 0.75% per annum, leveling at 4.50% per annum in 2030 Medicare Advantage 4.50% per annum Dental and Vision: 3.50% per annum
Medical Cost Aging Factor	NJ SHBP Medical Morbidity Rates

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 the SOA or developed for the applicable State Pension system in which the Township participates. The actuary has used their professional judgement in applying these assumptions to this Plan.

Changes in Total OPEB Liability

Balance at December 31, 2023		\$ 11,497,473.00
Changes for the Year:		
Service Cost	\$ 152,430.00	
Interest Cost	372,130.00	
Benefit Payments	(469,783.00)	
Changes in Assumptions	(583,713.00)	
Difference between Expected and Actual Experience	<u>779,328.00</u>	
Net Changes		<u>250,392.00</u>
Balance at December 31, 2024		<u>\$ 11,747,865.00</u>

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 3.26% at December 31, 2023 to 4.08% at December 31, 2024.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (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 (3.08%)	Current Discount Rate (4.08%)	1.00% Increase (5.08%)
Total OPEB Liability	<u>\$ 13,906,813.00</u>	<u>\$ 11,747,865.00</u>	<u>\$ 10,212,570.00</u>

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates - 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	<u>\$ 10,287,257.00</u>	<u>\$ 11,747,865.00</u>	<u>\$ 13,789,831.00</u>

OPEB 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 expense of \$617,577.00. 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	\$ 1,029,760.00	\$ 1,626,882.00
Difference Between Expected and Actual Experience	<u>1,919,834.00</u>	<u>-</u>
	<u>\$ 2,949,594.00</u>	<u>\$ 1,626,882.00</u>

Amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending Dec 31,	
2025	\$ 93,017.00
2026	93,017.00
2027	93,017.00
2028	93,017.00
2029	93,017.00
Thereafter	<u>857,627.00</u>
	<u>\$ 1,322,712.00</u>

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information**

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

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

	Plan Measurement Date December 31,			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability				
Service Cost	\$ 152,430.00	\$ 162,674.00	\$ 162,674.00	130,954.00
Interest Cost	372,130.00	433,477.00	224,206.00	240,830.00
Benefit Payments	(469,783.00)	(515,747.00)	(433,985.00)	(482,282.00)
Changes in Assumptions	(583,713.00)	(330,728.00)	(510,857.00)	(421,522.00)
Difference Between Expected and Actual Experience	779,328.00	-	1,367,665.00	-
Net Change in Total OPEB Liability	250,392.00	(250,324.00)	809,703.00	(532,020.00)
Total OPEB Liability - Beginning of Year	11,497,473.00	11,747,797.00	10,938,094.00	11,470,114.00
Total OPEB Liability - End of Year	<u>\$ 11,747,865.00</u>	<u>\$ 11,497,473.00</u>	<u>\$ 11,747,797.00</u>	<u>\$ 10,938,094.00</u>
Covered-Employee Payroll	\$ 4,317,039.98	\$ 4,083,433.46	\$ 3,833,583.20	\$ 3,543,523.93
Total OPEB Liability as a Percentage of Covered Payroll	272.13%	281.56%	306.44%	308.68%

	Plan Measurement Date December 31,		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 130,954.00	\$ 191,382.00	\$ 191,382.00
Interest Cost	294,514.00	402,310.00	393,119.00
Benefit Payments	(442,277.00)	(442,086.00)	(278,568.00)
Changes in Assumptions	648,039.00	845,171.00	-
Difference Between Expected and Actual Experience	-	-	-
Net Change in Total OPEB Liability	631,230.00	996,777.00	305,933.00
Total OPEB Liability - Beginning of Year	10,838,884.00	9,842,107.00	9,536,174.00
Total OPEB Liability - End of Year	<u>\$ 11,470,114.00</u>	<u>\$ 10,838,884.00</u>	<u>\$ 9,842,107.00</u>
Covered-Employee Payroll	\$ 3,400,312.66	\$ 3,298,028.10	\$ 3,345,973.79
Total OPEB Liability as a Percentage of Covered Payroll	337.33%	328.65%	294.15%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Other Notes to Supplementary OPEB Information****Changes in Benefit Terms**

None

Changes in Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

December 31, 2024	4.08%	December 31, 2020	2.12%
December 31, 2023	3.26%	December 31, 2019	2.74%
December 31, 2022	3.72%	December 31, 2018	4.105
December 31, 2021	2.06%		

Note 9: LENGTH OF SERVICE AWARDS PROGRAM

Plan Description - The Township's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Ordinance adopted on August 30, 1999 pursuant to Section 457 (e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*.

The voters of the Township approved the adoption of the Plan at the general election held on November 2, 1999, and the first year of eligibility for entrance into the Plan by qualified volunteers was calendar year 2000. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the volunteer fire department and the first aid organization come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Plan Amendments - The Township may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the Township, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the Township's governing body, provided, however, that any amendment required by the IRS, may be adopted by the Township's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the Township shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The Township may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the Township shall notify all participants in writing prior to making any amendment to the Plan.

Note 9: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

The Township elected to contribute \$1,150.00 for the year ended December 31, 2024, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2024, the Township's total expenditure, net of forfeitures of \$0.00, to the Plan was \$17,250.00.

Participant Accounts - Each participant's account is credited with the Township's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Township has placed the amounts deferred, including earnings, in an account maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the Township to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the Township. These funds, however, are not available for funding the operations of the Township.

Vesting - The Township, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

Payment of Benefits - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

Forfeited Accounts - For the year ended December 31, 2024, no accounts were forfeited.

Investments - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

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

Note 10: COMPENSATED ABSENCES

Township employees are entitled to paid vacation and sick time depending on length of service, job classification, and other factors. Employees are represented by a number of labor unions, and each contract contains different provisions for employee compensated absences.

The Township does not record accrued expenses related to compensated absences. The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2024, the balance of the fund was \$17,697.60. It is estimated that, at December 31, 2024, accrued benefits for compensated absences are valued at \$424,643.79 under New Jersey regulations and \$1,769,961.14 under GASB 101.

Note 11: CAPITAL DEBT**General Improvement Bonds**

On April 17, 2017, the Township issued \$5,150,000.00 of general obligation bonds, with interest rates 2.00%-3.00%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is April 15, 2029.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 450,000.00	\$ 63,900.00	\$ 513,900.00
2026	450,000.00	50,400.00	500,400.00
2027	470,000.00	36,600.00	506,600.00
2028	485,000.00	22,275.00	507,275.00
2029	500,000.00	7,500.00	507,500.00
	<u>\$ 2,355,000.00</u>	<u>\$ 180,675.00</u>	<u>\$ 2,535,675.00</u>

General Debt - New Jersey Environmental Infrastructure Loans

On February 19, 2010, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$373,316.00, at no interest, from the fund loan, and \$124,439.00 at interest rates ranging from 0.61% to 3.92% from the trust loan. The proceeds were used to fund improvements to the Plant Road Pump Station. Semiannual debt payments are due February 1st and August 1st through 2026. On November 14, 2011 the loan was decreased to the final allowable costs of the project. The final loan agreement provided \$280,033.00, at no interest, from the fund loan, and \$93,344.00 from the trust loan.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 9,373.42	\$ 415.10	\$ 9,788.52
2026	3,041.80	119.24	3,161.04
	<u>\$ 12,415.22</u>	<u>\$ 534.34</u>	<u>\$ 12,949.56</u>

Note 11: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Green Acres Loans**

During 2024 the Township received \$487,813.71 in Green Acres Trust Loans. Total amount of Green Acres Trust Loans award but not yet completed at December 31, 2024 were \$1,524,573.00. Since the project is not complete, a payback schedule has not been finalized, the interest rate will be 2.00%, and the proceeds are being used for recreation improvements with the Township.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 3,805,228.93	\$ 3,780,752.05	\$ 3,580,511.29
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	<u>4,357,288.29</u>	<u>4,397,686.00</u>	<u>4,897,012.00</u>
Net Debt	<u>\$ 8,162,517.22</u>	<u>\$ 8,178,438.05</u>	<u>\$ 8,477,523.29</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 0.916%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 3,184,844.45	\$ 3,184,844.45	
General	<u>8,162,517.22</u>		<u>\$ 8,162,517.22</u>
	<u>\$ 11,347,361.67</u>	<u>\$ 3,184,844.45</u>	<u>\$ 8,162,517.22</u>

Net debt \$8,162,517.22 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$890,841,689.33 equals 0.916%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 31,179,459.13
Less: Net Debt	<u>8,162,517.22</u>
Remaining Borrowing Power	<u>\$ 23,016,941.91</u>

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.

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

The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ 2,000.00	\$ 4,016.05	\$ 95.89	\$ 27,837.72	\$ 6,748.44
2023	2,000.00	-	204.16	8,514.46	28,474.22
2022	2,000.00	-	10.18	668.12	34,784.52

Joint Insurance Pool - The Township is a member of the Gloucester, Salem and Cumberland Counties Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
General Liability other than motor vehicles
Property Damage other than motor vehicles
Automobile Liability and Damage
Public Employees Blanket Bond

Contributions to the Fund, including a reserve for contingencies, are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

Coverage in excess of the Fund's self-insured retention limits is provided through the Fund's membership in the Municipal Excess Liability Joint Insurance Fund.

The Fund publishes its own financial reports, which can be obtained from:

Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund
P.O. Box 490
Marlton, New Jersey 08053

Note 12: RISK MANAGEMENT (CONT'D)

Self-Insurance Plan - The Township has adopted a plan of self-insurance for medical, dental and prescription insurance. The UHY Advisors of Insurance Design Administrators act as administrator of the plan. The Township purchases commercial insurance for claims in excess of \$40,000.00.

The following is a summary of the estimated claim's liability of the Township's for the current and previous two years:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Claims Liability Balance, January 1	\$ 122,795.02	\$ 29,800.20	\$ 188,547.44
Claims/Other	1,165,727.06	996,982.71	914,271.82
Payment of Claims/Other	(1,236,716.22)	(903,987.89)	(1,073,019.06)
Claims Liability Balance, December 31	<u>\$ 51,805.86</u>	<u>\$ 122,795.02</u>	<u>\$ 29,800.20</u>

Note 13: 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 14: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 7, 2006 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 a Township Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2007, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. The Township proposed to levy a tax not to exceed two cents per one hundred dollars of equalized 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 Open Space, Recreation and Farmland Preservation Trust Fund.

Note 15: TAX ABATEMENTS

The Township has entered into various property tax abatement agreements with developers under the Long-Term Tax Exemption Law N.J.S.A. 40A:20-1. Under this law, municipalities may grant property tax abatements for the clearance, replanning, development, and redevelopment of certain areas. For the year ended December 31, 2024, the Township abated approximately \$1,310,907.44 in property taxes.

Note 16: CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY SERVICE AGREEMENT

Under Section 403 of a service agreement between Carneys Point Township Sewerage Authority and Township, the Township is required to pay a sum of money equal to the excess (if any) of:

- (1) Operating expenses, interest on bonds, principal or redemption premium on bonds, any deficits of the Authority resulting from failure to receive sums payable to the Authority by the Township, to maintain such reserves or sinking funds to provide for expenses of operations and maintenance of the system or for any interest on or principal on redemption premium of bonds or for any such deficits as may be required by the terms of any contract of the Authority or agreement with or for the benefit of holders of bonds or be deemed necessary or desirable by the Authority, over
- (2) The sum of such parts (if any) of the several amounts of service charges collected, the proceeds of bond received by or for account of the authority, the proceeds of insurance received, interest received on investments of funds held for benefit or security of the Authority, contributions received by or for the account of the Authority and not repayable by the Authority, reserves on hand and available, therefore, at the beginning of such fiscal year.

The computation for the Sewerage Authority's Fiscal Year November 30, 2024 showed no amount due under this agreement.

Note 17: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

<u>Description</u>	<u>Balance December 31, 2024</u>	<u>2025 Budget Appropriation</u>
Current Fund:		
Special Emergency - Revaluation	\$ 460,000.00	\$ 92,000.00

The appropriation in the 2025 Budget as adopted is not less than that required by the statutes.

Note 18: 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 19: 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.
- Tax Appeals** - As of December 31, 2024, several tax appeals were on file against the Township. If such appeals are not settled in favor of the Township, the estimated impact of the tax refunds could be significant.

Note 20: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Date</u>	<u>Authorization</u>
Various Capital Improvements	05/21/25	\$ 2,250,859.00

APPENDIX C

FORM OF BOND COUNSEL OPINION



July 30, 2025

Mayor and Township Committee
of the Township of Carneys Point
303 Harding Highway
Carneys Point, New Jersey

**RE: \$4,581,000 TOWNSHIP OF CARNEYS POINT, COUNTY OF SALEM, NEW
JERSEY, BOND ANTICIPATION NOTES OF 2025, SERIES A**

Mayor and Committee Members:

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

The Notes are issued pursuant to and in accordance with: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2022-993, 2022-1000, 2022-1011, 2023-1020, and 2024-1057, each duly and finally adopted by the Township Committee (collectively, the "Bond Ordinances"), and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on July 16, 2025 ("Award Certificate").

The Notes are issued in anticipation of the issuance of bonds to provide funds for various capital improvements. The Notes are issued in [registered book-entry only] [bearer] form without coupons and are not subject to redemption prior to maturity. The Notes are dated July 30, 2025 and mature on July 29, 2026.

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

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

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



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

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

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

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

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

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

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



income of the taxpayer exceeds certain amounts. Interest on the Notes is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Notes.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has designated the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

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

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

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

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

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

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

Very truly yours,

APPENDIX D

FORM OF INFORMATION REPORTING UNDERTAKING AGREEMENT

INFORMATION REPORTING UNDERTAKING AGREEMENT

ISSUER: Township of Carneys Point, County of Salem, New Jersey ("Issuer")

ISSUE: \$4,581,000 Bond Anticipation Notes of 2025, Series A
(Non-Callable) ("Notes")

DATED: July 30, 2025

CUSIP: 143654____

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

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

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;

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

- vii. Modifications to the rights of Noteholders, if material;
- viii. Note calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- ix. Defeasances;
- x. Release, substitution, or sale of property securing repayment of the Notes, if material;
- xi. Rating changes;
- xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;
- xiii. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- xv. Incurrence of a financial obligation² of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- xvi. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

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

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

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

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

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

IN WITNESS WHEREOF, the Issuer has executed and delivered this Agreement as of this 30th day of July, 2025.

ISSUER:

**TOWNSHIP OF CARNEYS POINT,
COUNTY OF SALEM, NEW JERSEY**

By: _____
CHRISTIE EHRET,
Chief Financial Officer