

**NEW ISSUE**  
**BOOK-ENTRY ONLY**

RATING: NOT RATED

*In the opinion of Malamut & Associates, LLC, Bond Counsel to the Township, based on certifications of the Township (as hereinafter defined) and assuming continuing compliance with their respective covenants pertaining to provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and subject to certain provisions of the Code which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Notes (as hereinafter defined), interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference for purposes of calculating the alternative minimum tax, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. In the opinion of Bond Counsel, interest on the Notes and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein for a full discussion.*

**\$3,344,000**  
**TOWNSHIP OF FLORENCE**  
**IN THE COUNTY OF BURLINGTON, NEW JERSEY**  
**BOND ANTICIPATION NOTES, SERIES 2025**  
**(Non-Callable) (Bank Qualified)**  
**Interest Rate: 3.75%**  
**Yield: 2.77%**  
**CUSIP\*: 340279NZ7**

**Dated: Date of Delivery****Due: November 20, 2026**

The \$3,344,000 Bond Anticipation Notes, Series 2025 of the Township of Florence, in the County of Burlington, State of New Jersey (the "Township"), dated the date of delivery, are general obligations of the Township and the full faith and credit and unlimited ad valorem taxing power of the Township are pledged to the payment of the principal thereof and the interest thereon.

The Notes will be issued in fully registered book-entry only form and, when issued, will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"). DTC, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Notes. Individual purchases of the Notes will be made in book-entry form in the principal amount of \$5,000 and any integral multiple thereof except for one necessary odd denomination.

The Notes will bear interest at the rates per annum and reoffering yields, as shown above, commencing from their date of delivery, as shown below. Interest on the Notes will be payable at maturity, as shown above. Principal of and interest on the Notes will be payable by the Township or a duly designated paying agent at the date of maturity. While DTC is acting as securities depository for the Notes, the principal of and interest on the Notes will be payable by wire transfer to DTC or its nominee, which is obligated to remit such principal and interest payments to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such principal and interest payments to the Beneficial Owners of the Notes. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Notes are being issued to: (i) provide new money in the amount of \$3,344,000 to finance various general improvements in and by the Township; and (ii) pay the costs associated with the issuance of the Notes.

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

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

*The Notes are offered when, as and if issued and delivered to the Underwriters, subject to withdrawal or modification of the offer without notice, to the prior approval of legality by the law firm of Malamut & Associates, LLC, Cherry Hill, New Jersey, Bond Counsel, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its counsel. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, served as Municipal Advisor to the Township in connection with the Notes. It is expected that delivery of the Notes in book-entry only form will be made at DTC, on or about December 23, 2025.*

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\* A registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Noteholders only at the time of issuance of the Notes and the Township does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity 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 certain maturities of the Notes.

**TOWNSHIP OF FLORENCE  
IN THE COUNTY OF BURLINGTON, NEW JERSEY  
711 Broad Street  
Florence, NJ 08518**

**MAYOR**  
Kristan I. Marter

**TOWNSHIP COUNCIL**  
Joseph Frappolli, President/Ward #3  
John Fratinardo, Council Member-at-Large  
Talaya Loftin, Council Member-at-Large  
Frank K. Baldorossi, Jr, Ward #1  
Nick Haas, Ward #2

**CHIEF FINANCIAL OFFICER**  
Michelle L. Chiemiego, CMFO, QPA

**TAX COLLECTOR**  
Christine Swiderski

**TOWNSHIP CLERK**  
Nancy L. Erlston, RMC

**AUDITOR**  
Bowman & Company, LLP  
Voorhees, New Jersey

**BOND COUNSEL**  
Malamut & Associates, LLC  
Cherry Hill, New Jersey

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

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 office of the Township Clerk 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, salesman 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 Purchaser. The Purchaser has reviewed the information in this official statement pursuant to their responsibilities to investors under the federal securities laws, but the Purchaser do not guarantee the accuracy or completeness of such information.

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, other than the Township, will have passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE. THE PUBLIC OFFERING YIELDS STATED ON THE COVER HEREOF MAY BE CHANGED FROM TIME TO TIME BY THE PURCHASER 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.

THIS OFFICIAL STATEMENT IS SUBMITTED IN CONNECTION WITH THE SALE OF THE NOTES, AND MAY NOT BE REPRODUCED OR BE USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE.

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**OFFICIAL STATEMENT  
RELATING TO  
  
\$3,344,000  
TOWNSHIP OF FLORENCE  
IN THE COUNTY OF BURLINGTON, NEW  
BOND ANTICIPATION NOTES, SERIES 2025  
(Non-Callable) (Bank Qualified)**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Florence (the “Township”), in the County of Burlington, in the State of New Jersey (the “State”) in connection with the sale and issuance of \$3,344,000 Bond Anticipation Notes, Series 2025 of the Township (the “Notes”).

**THE NOTES**

**General Description**

The Notes shall be dated and shall bear interest from their dated date, and will mature on the date and in the amount, all as shown on the front cover page hereof. The Notes shall bear interest, which is payable at maturity, at the interest rate set forth on the front cover page hereof. The Notes may be purchased in book-entry-only form in the amount of \$5,000 and any integral multiple thereof except for one necessary odd denomination, through book-entries made on the books and the records of DTC and its participants. See “Book-Entry-Only System”. The Township will act as the “Note Registrar/Paying Agent” for the Notes.

**Redemption**

The Notes are not subject to redemption prior to maturity.

**AUTHORIZATION AND PURPOSE OF THE NOTES**

The Notes are being issued to: (i) provide new money in the amount of \$3,344,000 to finance various general improvements in and by the Township; and (ii) pay the costs associated with the issuance of the Notes. The Notes and the improvements or purposes for which the Notes are to be issued have been authorized by bond ordinances duly adopted by the Township, which ordinances are described in the following table:

<u>Ordinance No.</u>	<u>Purpose</u>	<u>Amount of New Money</u>
2022-03	Improvements to Township Roads and Streets	\$300,000
2022-16	Replacement of Two Above Ground Fuel Storage Tanks	49,000
2022-17	Rehabilitation and Improvements to Township Owned Property	334,000
2023-03	Improvements to Municipal Parks	308,000
2023-14	Acquisition and Demolition of 100 Main Street	50,000
2023-18	Improvements to Township Roads, Streets and Parks	1,432,000
2024-02	Acquisition of Police Vehicles	130,000
2024-03	Acquisition of Police Equipment	135,000
2025-03	Improvements to Municipal Buildings	109,000
2025-04	Improvements to Municipal Sidewalks, Ramps and Curbs	55,000
2025-05	Acquisition of Remote Police Cameras	199,000
2025-06	Acquisition of Police Vehicles	161,000
2025-07	Information Technology & Document Management Equipment	<u>82,000</u>
<b>Total Notes:</b>		<b><u>\$3,344,000</u></b>

### Payment of Notes

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

### BOOK-ENTRY-ONLY SYSTEM\*

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Notes, payment of principal and interest, and other payments on the Notes to DTC Participants or Beneficial Owners, 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 as to the completeness or accuracy of such information.

The Depository Trust Company ("DTC"), Brooklyn, New York, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for the maturity of the Notes, respectively, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of

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\* Source: The Depository Trust Company

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](http://www.dtcc.com).

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

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

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

Redemption notices shall be sent to DTC. If less than all of the Notes within 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 the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions 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, on 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, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Township. 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-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but neither the Township nor the Underwriters take any responsibility for the accuracy thereof.

**NEITHER THE TOWNSHIP NOR ANY PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.**

**SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.**

#### **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 a Securities Depository, or if the Township determines, in its sole discretion, that it is in the best interest of the Township or that the interest of the Beneficial Owners might be adversely affected if the book-entry-only system of transfer is continued (the Township undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination), the Township shall notify DTC of the termination of the book-entry-only system.

#### **SECURITY FOR THE NOTES**

The Notes are general obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal, redemption premium, if any, and the interest on the Notes. The Township is required by law to levy *ad valorem* taxes on all taxable real property in the Township for the



payment of the principal, redemption premium, if any, of and the interest on the Notes, without limitation as to rate or amount.

### **The Township**

The Township is located in Burlington County, New Jersey. See Appendix “A” for demographic and statistical information concerning the Township.

## **MARKET PROTECTION**

In addition to the Notes, the Township may issue additional bond anticipation notes, as necessary, during calendar year 2025.

## **DISCLOSURE REGARDING COVID-19**

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to state and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Township have not been materially adversely affected by the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the “Plan”), signed into law by the President of the United States on March 12, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Township received \$1,306,891.57 from the Plan. The deadline to spend the funds was December 31, 2024. Generally, according to the Plan, the allowable uses of the funds to be provided to the Township include the following categories: (a) to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (b) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the Township that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (c) for the provision of government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the Township prior to the emergency; (d) to make necessary investments in water, sewer or broadband infrastructure.

## PROVISIONS FOR THE PROTECTION OF 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 or 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 New Jersey 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. As shown in Appendix "A", as of December 31, 2024, the Township has not exceeded its statutory debt limit. The Township will not exceed its statutory debt limit with the issuance of the Notes.

**Exceptions to Debt Limits – Extensions of Credit** - The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or 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 and/or funding outstanding notes, 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 such refunding bonds.

## **Local Fiscal Affairs Law**

The Local Fiscal Affairs Law, Chapter 5 of Title 40A of the New Jersey 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 most recent fiscal year ended is on file with the Township Clerk 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 Annual Compiled Financial Statement for the most recent fiscal year ended is on file with the Township Clerk and is available for review during business hours.

## **Local Budget Law**

The Local Budget Law, Chapter 4 of Title 40A of the NJ State statutes, 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 their 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 2011 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.

### **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 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 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 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 and Notes**

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 of the State Department of Community Affairs (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 bonds or notes 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 or of 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.**

## **TAX MATTERS**

### **General**

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

Assuming the Township observes its covenants with respect to compliance with the Code, Malamut & Associates, LLC, Bond Counsel to the Township, is of the opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax, however, for tax years beginning after December 31, 2022, interest on the Notes is included in the “adjusted financial statement income” of “applicable corporations” subject to alternative minimum tax under Section 55 of the Code as amended by the Inflation Reduction Act of 2022, P.L. 117-169.

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

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the owners of the Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a

program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Notes.

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

### **Original Issue Premium**

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

### **Bank-Qualification**

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

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

### **Additional Federal Income Tax Consequences of Holding the Notes**

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

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Notes from gross income pursuant to Section 103 of the Code



and interest on the Notes not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Notes.

### **Changes in Federal Tax Law Regarding the Notes**

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

### **State Taxation**

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

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

## **LEGALITY FOR INVESTMENT**

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

## **LITIGATION**

Upon delivery of the Notes, the Township shall furnish a certification of its counsel, Robert N. Wright, Jr., Esq. (the "Township Counsel"), dated the date of delivery of the Notes, to the effect that to his knowledge there is no litigation of any nature, pending or threatened, to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes. In addition, such certification shall state that, to the Township Counsel's knowledge and information, there is no litigation of any nature now pending or threatened by or against the Township wherein an adverse judgment or ruling could have a material and adverse impact on the Township's ability to meet its obligations for the payment of the Notes.

## SECONDARY MARKET DISCLOSURE

The Township has agreed to undertake for the benefit of the Noteholders and the beneficial owners of the Notes to provide certain secondary market disclosure information pursuant to SEC Rule 15c2-12 (the “Rule”). Specifically, the Township will do the following for the benefit of the holders of the Notes and the beneficial owners thereof:

(a) Provide or cause to be provided to the MSRB notice of the occurrence of any of the following events within 10 business days of such occurrence with respect to the Notes:

- (i) Principal or interest payment delinquencies on the Notes.
- (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 of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes.
- (vii) Modifications to the rights of Noteholders, if material.
- (viii) Note calls, if material, and 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 Township.
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (xv) Incurrence of a Financial Obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect holders of the Notes, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Township, if any such event reflects financial difficulties; and

For the purposes of the event identified in subparagraph (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

If the Township fails to comply with the above-described undertaking, any Noteholder or beneficial owner of the Notes may pursue an action for specific performance to enforce the rights of all Noteholders and beneficial owners with respect to such undertaking; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Notes

or any liability by the Township for monetary damages. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Noteholders and beneficial owners of the Notes.

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

The Township has previously entered into secondary market disclosure undertakings in accordance with the Rule. The Township appointed Phoenix Advisors, 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.

There can be no assurance that there will be a secondary market for the sale or purchase of the Notes. Such factors as prevailing market conditions, financial condition or market position of firms who may make the secondary market and the financial condition of the Township may affect the future liquidity of the Notes.

### **APPROVAL OF LEGAL PROCEEDINGS**

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

The various legal opinions to be delivered concurrently with the delivery of the Bonds and 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.

### **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.

### **RATING**

The Notes have not been rated.

### **PURCHASER**

The Notes have been purchased from the Township at a public sale by Jefferies LLC (the “Purchaser”) at a price of \$3,371,186.72. The purchase price reflects the part amount of the Notes plus a bid premium of \$27,186.72.

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

## **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.

## **PREPARATION OF OFFICIAL STATEMENT**

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

All other information has been obtained from sources that 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.

Bond Counsel 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.

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.

Bowman & Company, LLP, Voorhees, New Jersey (the “Auditor”), has not participated in the compilation of this Official Statement and takes no responsibility for the information contained herein. Information has been obtained from Township management and other various sources they consider to be reliable and make no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

## **FINANCIAL STATEMENTS**

Appendix B contains certain audited financial data of the Township for the fiscal years ending December 31, 2024 and 2023. The audited financial data was extracted from the report prepared by the Auditor to the extent and for the period set forth in their report appearing in Appendix B to this Official Statement. The Auditor 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 for the financial statements appearing in Appendix B hereto) and, accordingly, will express no opinion with respect thereto. See “APPENDIX B - FINANCIAL DATA OF THE TOWNSHIP”.

## **CERTIFICATES OF THE TOWNSHIP**

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

## **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Michelle L. Chiemiego, Chief Financial Officer, Township of Florence, 711 Broad Street, Florence, NJ 08518-2323, (609) 499-2525 or to its Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey 08691, telephone (609) 291-0130.

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.

## **MISCELLANEOUS**

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

## **TOWNSHIP OF FLORENCE, IN THE COUNTY OF BURLINGTON, NEW JERSEY**

By: /s/ Michelle L. Chiemiego  
Michelle L. Chiemiego,  
Chief Financial Officer

**Dated:** December 9, 2025

**APPENDIX A**  
**CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION**  
**REGARDING THE TOWNSHIP**

## **INFORMATION REGARDING THE TOWNSHIP<sup>1</sup>**

The following material presents certain economic and demographic information of the Township of Florence (the “Township”), in the County of Burlington (the “County”), State of New Jersey (the “State”).

### **General Information**

The Township is located in the northern portion of the County approximately 12 miles south of Trenton and 20 miles north of Philadelphia and Camden. The Township has about 3 miles of frontage on the Delaware River and encompasses a total area of 10.17 square miles. The Township consists of three areas: Florence, the Historic Village of Roebling, and Bustleton. The Township was incorporated on March 7, 1872.

The Township provides a variety of municipal services. All municipal services performed within the Township are supervised and coordinated through a full-time Township Administrator.

### **Form of Government**

The present form of government is the Mayor-Council Plan F under the provisions of the Faulkner Act, Chapter 210 of the 1971 laws of New Jersey, as amended, N.J.S.A. 40:69A-1 et seq. Under this form of government, the voters elect a Mayor for a 4-year term and 2 Councilmen-At-Large and 3 Councilmen from the 3 Wards, for overlapping terms of 4 years. The legislative power is vested in the Council, and the executive power is vested in the Mayor. The Mayor appoints a professionally qualified Township Administrator with the advice and consent of the Council.

### **Transportation**

Major highway routes provide the primary transportation links with other parts of the State and the nation. Route 130 and Interstate Route 295 traverse the Township in a north-south direction. The Pennsylvania Extension of the New Jersey Turnpike is located within the Township, providing access to and from the Pennsylvania and New Jersey Turnpikes. The Township has been notified by the New Jersey Turnpike Authority that there has been preliminary approval of a new east-west interchange which will provide enhanced access to the Turnpike Extension and the main north-south Turnpike.

Along with the access to major highways, public transportation services are available for commuters in the Township. New Jersey Transit offers bus service to metropolitan areas in the greater Delaware Valley, such as Trenton and Philadelphia. Train services are accessible via the New Jersey Transit River Line light rail system at the Florence Station and the Roebling station. The light rail system connects the Township to Camden and the Trenton Rail Station, which then connects riders to the larger transportation networks of Amtrak, PATCO, and SEPTA. Air travel

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<sup>1</sup> Source: The Township, unless otherwise indicated.

is another transportation option that is available. Major airports, such as Philadelphia International and Newark International, are within an hour drive of the Township.

### **Public Safety**

The Township provides police protection on a 24-hour, 7 day a week basis. Additional manpower serves in an administrative, clerical and special capacity, including the staffing of the Township's detective bureau.

The Fire District consolidated all of its fire company locations and is housed in a firehouse that is located on Firehouse Lane. They are officially called the Florence Township Volunteer Fire Company #1. They sold a building (on Delaware Avenue) to a private investor who converted it into professional office space. The building in Roebling was given to the Township and was converted into a community/senior center. Ownership of the last building on West Third Street reverted back to the Township and is used for the storage of municipal equipment. First aid service is provided by the Florence Township Volunteer Fire Company #1. The Township turned over all emergency medical services to the fire company.

### **Public Utilities**

Along with trash and garbage removal and disposal, the Township supplies water and sewerage service to customers within the Florence and Roebling sections of the Township through the municipally owned Water and Sewer Department. The Township previously expended over one million dollars for the renovation of the sewerage treatment facility in order to ensure that it is in compliance with all applicable permits and New Jersey Department of Environmental Protection and Energy guidelines. The plant capacity increased from 1.5 million gallons per day to 2.5 million gallons per day as a result of the upgrades. The plant is operating with more than sufficient capacity to handle daily demands and future growth.

Gas and electric service is provided by the privately-owned Public Service Electric and Gas Co. Telephone service is provided by Verizon.

### **School District**

The School District serving the Township is an independent legal entity under the laws of the State but is geographically coterminous with the Township. It provides a comprehensive program for students from kindergarten (K) to twelve grade (12) with one (1) elementary school, one (1) middle school and one (1) high school.

The School District is governed by the Board, which consists of nine (9) members who serve 3-year, staggered terms. The Board President is appointed by the members of the Board.

There is also a charter school for students in grades K to grade 3.



## **Pension and Retirement Systems**

Substantially all eligible employees participate in the Public Employees' Retirement System, the Police and Firemen's Retirement System or the Defined Contribution Retirement Program, which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (the "Division"). Benefits, contributions, means of funding and the manner of administration are established pursuant to State statute. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations and the employees contribute a portion of the cost. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or is available online at [www.nj.gov/treasury/pensions/financial-reports.shtml](http://www.nj.gov/treasury/pensions/financial-reports.shtml).

The Public Employees' Retirement System ("PERS") 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, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other State pension fund or local jurisdiction's pension fund.

The Police and Firemen's Retirement System ("PFRS") 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, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time county and municipal police and firemen or officer employees with police powers appointed after June 30, 1944.

The Defined Contribution Retirement Program ("DCRP") is a multiple-employer defined contribution pension fund which was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

*[Remainder of Page Intentionally Left Blank]*

## **Employment and Unemployment Comparisons**

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>Township</u></b>				
2024	7,201	6,861	340	4.7%
2023	7,127	6,836	291	4.1%
2022	6,961	6,714	247	3.5%
2021	6,832	6,411	421	6.2%
2020	6,791	6,227	564	8.3%
<b><u>County</u></b>				
2024	248,122	237,708	10,414	4.2%
2023	246,548	236,845	9,703	3.9%
2022	240,684	232,054	8,630	3.6%
2021	235,227	221,531	13,696	5.8%
2020	232,816	213,811	19,005	8.2%
<b><u>State</u></b>				
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%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

## **Income (as of 2023)**

	<b><u>Township</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Median Household Income	\$104,792	\$105,271	\$101,050
Median Family Income	128,963	127,277	123,892
Per Capita Income	49,521	53,077	53,118

Source: US Bureau of the Census, 2023 American Community Survey 5-Year Estimates

## **Population**

The following tables summarize population increases and the decreases for the Township, the County, and the State.

<b><u>Year</u></b>	<b><u>Township</u></b>		<b><u>County</u></b>		<b><u>State</u></b>	
	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>
2024 est.	13,247	3.40%	475,515	2.96%	9,500,851	2.28%
2020	12,812	5.81	461,860	2.93	9,288,994	5.65
2010	12,109	12.68	448,734	5.98	8,791,894	4.49
2000	10,746	4.68	423,394	7.17	8,414,350	8.85
1990	10,266	13.01	395,066	8.97	7,730,188	4.96

Source: United States Department of Commerce, Bureau of the Census

## **Largest Taxpayers**

The ten largest taxpayers in the Township and their assessed valuations are listed below:

<b><u>Taxpayers</u></b>	<b><u>2024</u></b>	<b><u>% of Total</u></b>
	<b><u>Assessed Valuation</u></b>	<b><u>Assessed Valuation</u></b>
Haines Center Florence, LLC	\$69,409,200	5.18%
Prologis-Exchange, 270 Daniels Way	61,166,000	4.56%
IPT Railroad Logistics Center LLC	16,538,500	1.23%
Foxdale Properties, LLC	8,212,000	0.61%
500 Cedar Land Burlington, LLC	7,700,000	0.57%
Hunsberger, Bryan K	6,750,000	0.50%
Dean Dair Fluid, LLC	4,834,700	0.36%
SPAF Cedar Mgmt, LLC c/o A. Schneider	4,581,500	0.34%
Turnpike Crossing Urban Renewal, LLC	3,798,000	0.28%
DC Fabricators	<u>3,787,500</u>	<u>0.28%</u>
<b>Total</b>	<b><u>\$186,777,400</u></b>	<b><u>13.94%</u></b>

Source: Annual Comprehensive Financial Report of the School District and Municipal Tax Assessor

### **Comparison of Tax Levies and Collections**

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Current Year Collection</u></b>	<b><u>Current Year % of Collection</u></b>
2024	\$37,802,464	\$37,511,585	99.23%
2023	35,741,042	35,363,278	98.94%
2022	34,572,509	34,224,776	98.99%
2021	33,245,493	32,897,496	98.95%
2020	32,904,595	32,512,241	98.81%

Source: Annual Audit Reports of the Township

### **Delinquent Taxes and Tax Title Liens**

<b><u>Year</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Tax</u></b>	<b><u>Total Delinquent</u></b>	<b><u>% of Tax Levy</u></b>
2024	\$289,650	\$258,515	\$548,165	1.45%
2023	273,457	317,117	590,574	1.65%
2022	259,237	325,816	585,053	1.69%
2021	283,131	326,446	609,577	1.83%
2020	267,696	349,705	617,402	1.88%

Source: Annual Audit Reports of the Township

### **Property Acquired by Tax Lien Liquidation**

<b><u>Year</u></b>	<b><u>Amount</u></b>
2024	\$39,100
2023	39,100
2022	39,100
2021	0
2020	0

Source: Annual Audit Reports of the Township

## **Tax Rates per \$100 of Net Valuations Taxable and Allocations**

The table below lists the tax rates for Township residents for the past five (5) years.

<b><u>Year</u></b>	<b><u>Municipal</u></b>	<b><u>Local School</u></b>	<b><u>County</u></b>	<b><u>Fire District</u></b>	<b><u>Total</u></b>
2025	\$0.566	\$1.817	\$0.407	\$0.296	\$3.086
2024	0.536	1.557	0.411	0.283	2.787
2023	0.476	1.537	0.390	0.265	2.668
2022	0.469	1.554	0.392	0.196	2.611
2021	0.449	1.547	0.409	0.183	2.588

Source: Abstract of Ratables and State of New Jersey – Property Taxes

## **Valuation of Property**

<b><u>Year</u></b>	<b><u>Aggregate Assessed Valuation of Real Property</u></b>	<b><u>Aggregate True Value of Real Property</u></b>	<b><u>Ratio of Assessed to True Value</u></b>	<b><u>Assessed Value of Personal Property</u></b>	<b><u>Equalized Valuation</u></b>
2025	\$1,345,940,300	\$1,738,940,956	77.40%	\$100	\$1,738,941,056
2024	1,340,307,000	1,544,666,359	86.77	100	1,544,666,459
2023	1,337,542,300	1,541,480,120	86.77	100	1,541,480,220
2022	1,294,928,200	1,398,712,681	92.58	100	1,398,712,781
2021	1,274,255,000	1,312,312,049	97.10	100	1,312,312,149

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

## **Classification of Ratables**

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

<b><u>Year</u></b>	<b><u>Vacant Land</u></b>	<b><u>Residential</u></b>	<b><u>Farm</u></b>	<b><u>Commercial</u></b>	<b><u>Industrial</u></b>	<b><u>Apartments</u></b>	<b><u>Total</u></b>
2025	\$12,514,900	\$1,046,028,500	\$10,879,300	\$56,299,800	\$208,823,200	\$11,394,600	\$1,345,940,300
2024	13,370,200	1,040,458,300	11,046,400	55,714,300	208,323,200	11,394,600	1,340,307,000
2023	13,564,800	1,038,910,200	11,033,200	54,316,300	208,323,200	11,394,600	1,337,542,300
2022	35,749,600	1,033,648,500	11,014,600	50,666,500	152,454,400	11,394,600	1,294,928,200
2021	37,092,600	1,027,974,700	11,028,200	50,949,900	135,815,000	11,394,600	1,274,255,000

Source: Abstract of Ratables and State of New Jersey

## **Financial Operations**

The following table summarizes the Township's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

### **Summary of Current Fund Budget**

<b><u>Anticipated Revenues</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Fund Balance Utilized	\$1,716,500	\$1,875,000	\$1,890,000	\$900,000	\$725,000
Miscellaneous Revenues	5,511,961	6,109,417	6,069,232	6,550,028	7,000,940
Receipts from Delinquent Taxes	364,000	300,000	320,000	310,000	255,000
Amount to be Raised by Taxation	<u>5,595,341</u>	<u>5,938,490</u>	<u>6,229,791</u>	<u>7,046,976</u>	<u>7,475,364</u>
Total Revenue:	<u>\$13,187,802</u>	<u>\$14,222,907</u>	<u>\$14,509,023</u>	<u>\$14,807,004</u>	<u>\$15,456,304</u>
<b><u>Appropriations</u></b>					
General Appropriations	\$9,858,198	\$10,213,613	\$12,513,374	\$12,055,616	\$12,803,705
Operations (Excluded from CAPS)	133,210	245,683	106,658	238,603	98,448
Deferred Charges and Statutory Expenditures	1,334,886	1,334,635	0	28	0
Judgments	0	0	0	0	0
Capital Improvement Fund	0	250,000	50,000	100,000	50,000
Municipal Debt Service	1,357,390	1,665,000	1,390,000	2,004,938	2,196,600
Tranferred to Board of Education	40,000	40,000	0	0	0
Reserve for Uncollected Taxes	<u>464,118</u>	<u>473,976</u>	<u>448,991</u>	<u>407,819</u>	<u>307,551</u>
Total Appropriations:	<u>\$13,187,802</u>	<u>\$14,222,907</u>	<u>\$14,509,023</u>	<u>\$14,807,004</u>	<u>\$15,456,304</u>

Source: Annual Adopted Budget of the Township

## **Fund Balance**

### **Current Fund**

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

<b><u>Fund Balance - Current Fund</u></b>		
	<b>Balance</b>	<b>Utilized in Budget</b>
<b><u>Year</u></b>	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2024	\$1,524,473	\$725,000
2023	1,092,567	900,000
2022	2,235,810	1,890,000
2021	2,551,937	1,875,000
2020*	1,845,360	1,716,500

\*Restated

Source: Annual Audit Reports of the Township

Water & Sewer Utility Operating Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Water & Sewer Utility Operating Fund for the past five (5) fiscal years ending December 31.

**Fund Balance - Water and Sewer Operating Fund**

	<b>Balance</b>	<b>Utilized in Budget</b>
<b><u>Year</u></b>	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2024	\$1,671,719	\$835,837
2023	2,492,561	1,343,314
2022	3,030,457	1,481,667
2021	3,298,390	1,361,657
2020	3,188,713	1,259,276

Source: Annual Audit Reports of the Township

*[Remainder of page intentionally left blank]*

## **Township Indebtedness as of December 31, 2024**

### **General Purpose Debt**

Serial Bonds	\$26,420,000
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	12,662,867
Other Bonds, Notes and Loans	0
Total:	<u>\$39,082,867</u>

### **Local School District Debt**

Serial Bonds	\$8,649,848
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	4,000,000
Total:	<u>\$12,649,848</u>

### **Self-Liquidating Debt**

Serial Bonds	\$17,030,000
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	1,635,000
Other Bonds, Notes and Loans	0
Total:	<u>\$18,665,000</u>

### **TOTAL GROSS DEBT**

**\$70,397,715**

Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	12,649,848
Self-Liquidating Debt	12,904,760
Total:	<u>\$25,554,608</u>

### **TOTAL NET DEBT**

**\$44,843,107**

Source: Annual Debt Statement of the Township

*[Remainder of Page Intentionally Left Blank]*



**Overlapping Debt (as of December 31, 2024)<sup>2</sup>**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Township Percentage</u></b>	<b><u>Township Share</u></b>
Local School District	\$12,649,848	100.00%	\$12,649,848
County	611,689,001	2.41%	<u>14,754,101</u>
Net Indirect Debt			\$27,403,949
Net Direct Debt			<u>44,843,107</u>
Total Net Direct and Indirect Debt			<u><u>\$72,247,056</u></u>

**Debt Limit**

Average Equalized Valuation Basis (2022, 2023, 2024)	\$1,494,953,053
Permitted Debt Limitation (3 1/2%)	52,323,357
Less: Net Debt	<u>44,843,107</u>
Remaining Borrowing Power	<u><u>\$7,480,250</u></u>
Percentage of Net Debt to Average Equalized Valuation	3.000%
Gross Debt Per Capita based on 2020 population of 12,812	\$5,495
Net Debt Per Capita based on 2020 population of 12,812	\$3,500

Source: Annual Debt Statement of the Township

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<sup>2</sup> Township percentage of County debt is based on the Township's share of total equalized valuation in the County.

**APPENDIX B**  
**FINANCIAL DATA OF THE TOWNSHIP**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Council  
Township of Florence  
Florence, New Jersey 08518

### **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 Florence, in the County of Burlington, State of New Jersey, as of December 31, 2024 and 2023, and the related statements of operations and changes in reserve for future use and fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

#### ***Unmodified Opinions on Regulatory Basis of Accounting***

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

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

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

#### ***Basis for Opinions on Regulatory Basis of Accounting***

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

## ***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.
- 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.

***Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)***

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Todd R. Saler*

Todd R. Saler  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 25, 2025

**TOWNSHIP OF FLORENCE**  
**CURRENT FUND**

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

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>			
Regular Fund:			
Cash	SA-1	\$ 6,987,974.85	\$ 6,265,978.51
Change Funds	SA-3	550.00	550.00
		<u>6,988,524.85</u>	<u>6,266,528.51</u>
Receivables and Other Assets with			
Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	258,514.76	317,116.55
Tax Title Liens Receivable	SA-6	289,649.78	273,457.29
Property Acquired for Taxes--Assessed Valuation	A	39,100.00	39,100.00
Revenue Accounts Receivable	SA-7	98,050.34	210,775.65
Due from Animal Control Fund	SB-4	702.48	448.71
Due from Assessment Trust Fund	SB-1	222.71	63.10
Due from Trust Other Funds	SB-3	156,944.39	169,075.41
Due from Water & Sewer Utility Operating Fund	SD-15	287,153.35	227,887.41
Due from Water & Sewer Assessment Trust Fund	SD-8	79,747.64	50,000.00
		<u>1,210,085.45</u>	<u>1,287,924.12</u>
		<u>8,198,610.30</u>	<u>7,554,452.63</u>
Federal, State and Local Grant Fund:			
Federal, State and Local Grants Receivable	SA-22	67,954.65	260,336.31
Due from Current Fund	SA-23	557,446.25	650,337.46
		<u>625,400.90</u>	<u>910,673.77</u>
		<u>\$ 8,824,011.20</u>	<u>\$ 8,465,126.40</u>

(Continued)

**TOWNSHIP OF FLORENCE**  
**CURRENT FUND**

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

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3; SA-8	\$ 1,129,169.42	\$ 375,865.74
Reserve for Encumbrances	A-3; SA-8	82,976.76	131,963.22
Prepaid Taxes	SA-10	349,445.11	353,301.51
Tax Overpayments	SA-11	15,023.02	
Due County For Added and Omitted Taxes	SA-12	71,137.64	7,746.71
Accounts Payable	SA-13	13,902.57	11,075.00
Due to County for PILOT Collections	SA-14	358,566.01	249,482.95
Local District School Tax Payable	SA-16	1.52	0.98
Fire District Taxes Payable	SA-18		155,306.40
Reserve for Tax Appeals	A	16,560.30	16,560.30
Reserve for Library Aid	SA-20	9,988.67	8,262.67
Reserve for Land Lease	SA-22	42,000.00	28,000.00
Due to State of New Jersey:			
DCA Training Fees	SA-4	5,968.00	7,441.00
Veterans and Senior Citizens Deductions	SA-9	62,107.93	61,305.19
Marriage Licenses and Burial Permit Fees	SA-19	1,225.00	825.00
Lead Inspections Fees	SA-21	4,520.00	400.00
Due to Federal, State and Local Grant Fund	SA-23	557,446.25	650,337.46
Due to Open Space Trust Fund	SB-8	1,976.99	133,856.41
Due to General Capital Fund	SC-3	960,303.22	1,059,542.48
Due to Water & Sewer Utility Capital Fund	D	1,781,732.99	1,781,732.99
Reserve for Municipal Relief Aid	A-2		140,955.11
		5,464,051.40	5,173,961.12
Reserve for Receivables and Other Assets	A	1,210,085.45	1,287,924.12
Fund Balance	A-1	1,524,473.45	1,092,567.39
		8,198,610.30	7,554,452.63
Federal, State and Local Grant Fund:			
Due to General Capital Fund	SA-25	261,891.57	
Reserve for Federal, State and Local Grants:			
Unappropriated	SA-25	46,935.63	674,049.70
Appropriated	SA-26	316,417.70	236,554.07
Reserve for Encumbrances	SA-26	156.00	70.00
		625,400.90	910,673.77
		\$ 8,824,011.20	\$ 8,465,126.40

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

**TOWNSHIP OF FLORENCE**  
**CURRENT FUND**

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

	<u>2024</u>	<u>2023</u>
<u>Revenue and Other</u>		
<u>Income Realized</u>		
Fund Balance Utilized	\$ 900,000.00	\$ 1,890,000.00
Miscellaneous Revenue Anticipated	7,253,574.07	6,309,416.41
Receipts from Delinquent Taxes	314,257.16	326,858.57
Receipts from Current Taxes	37,511,585.02	35,363,278.49
Non-Budget Revenues	129,543.03	139,061.46
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	374,966.76	443,721.40
Cancellation of:		
Police Outside Employment Invoices		91,311.45
Reserves Liquidated:		
Due Trust Other Funds	12,131.02	
	<u>46,496,057.06</u>	<u>44,563,647.78</u>
Total Income		
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	6,558,786.69	6,238,350.00
Other Expenses	3,741,668.50	3,805,280.00
Deferred Charges and Statutory		
Expenditures Within "CAPS"	1,755,161.00	1,587,047.93
Operations--Excluded from "CAPS":		
Salaries and Wages	76,947.81	
Other Expenses	291,202.48	207,759.76
Capital Improvements--Excluded from "CAPS"	100,000.00	147,000.00
Municipal Debt Service--Excluded from "CAPS"	2,004,937.50	2,010,428.34
Deferred Charges Municipal--Excluded from "CAPS"	27.89	
County Taxes	5,507,395.67	5,210,538.23
County Share of Added and Omitted Taxes	71,137.64	7,746.71
Local District School Tax	20,864,236.00	20,564,736.00
Municipal Open Space Tax	135,809.27	133,856.41
Fire District Taxes	3,784,396.93	3,532,001.00
Refund of Prior Year Revenue:		
Disbursed	32,012.70	
Veterans and Senior Citizens Deductions Disallowed:		
By Tax Collector (Net)--Prior Year Taxes	633.56	2,000.00
Reimbursement due to State Taxation Audit	1,000.00	1,500.00

(Continued)



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

	<u>2024</u>	<u>2023</u>
<u>Expenditures (Cont'd)</u>		
Reserves Created:		
Due Federal, State and Local Grant Fund		
Due Animal Control Fund	\$ 253.77	\$ 265.69
Due Trust Other Funds		90,469.18
Due from Assessment Trust Fund	159.61	23.47
Due Water/Sewer Utility Assessment Fund	46,000.00	50,000.00
Due Water/Sewer Utility Operating Fund	192,383.98	227,887.41
	<hr/>	<hr/>
Total Expenditures	45,164,151.00	43,816,890.13
	<hr/>	<hr/>
Statutory Excess to Fund Balance	1,331,906.06	746,757.65
	<hr/>	<hr/>
<u>Fund Balance</u>		
Balance Jan. 1	1,092,567.39	2,235,809.74
	<hr/>	<hr/>
	2,424,473.45	2,982,567.39
Decreased by:		
Utilized as Revenue	900,000.00	1,890,000.00
	<hr/>	<hr/>
Balance Dec. 31	\$ 1,524,473.45	\$ 1,092,567.39
	<hr/> <hr/>	<hr/> <hr/>

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

**TOWNSHIP OF FLORENCE**  
**TRUST FUND**

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

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>			
Assessment Trust Fund:			
Cash--Treasurer	SB-1	\$ 9,564.48	\$ 9,404.87
Total Assessment Trust Fund		9,564.48	9,404.87
Animal Control Fund:			
Cash--Treasurer	SB-1	7,119.91	6,989.91
Total Animal Control Fund		7,119.91	6,989.91
Open Space Trust Fund:			
Cash--Treasurer	SB-1	242,252.19	60,706.77
Due from Current Fund	SB-8	1,976.99	133,856.41
Total Open Space Trust Fund		244,229.18	194,563.18
Other Funds:			
Cash--Treasurer	SB-1	4,161,124.52	3,830,903.01
Cash--Collector	SB-2	187,045.20	346,940.76
Accounts Receivable	SB-10	78,549.49	101,480.27
Total Other Funds		4,426,719.21	4,279,324.04
		<u>\$ 4,687,632.78</u>	<u>\$ 4,490,282.00</u>
<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
Assessment Trust Fund:			
Due to Current Fund	SB-1	\$ 222.71	\$ 63.10
Fund Balance	B	9,341.77	9,341.77
Total Assessment Trust Fund		9,564.48	9,404.87
Animal Control Fund:			
Due to Current Fund	SB-4	702.48	448.71
Reserve for Dog Fund Expenditures	SB-5	4,162.43	2,597.88
Reserve for Encumbrances	SB-5	2,255.00	3,943.32
Total Animal Control Fund		7,119.91	6,989.91

(Continued)

**TOWNSHIP OF FLORENCE**  
**TRUST FUND**

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

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE (CONT'D)</u>			
Open Space Trust Fund:			
Due to Water & Sewer Utility Operating Fund	SD-17	\$ 144,375.00	\$ 127,806.25
Reserve for Future Use	B-1	99,854.18	66,756.93
Total Open Space Trust Fund		244,229.18	194,563.18
Other Funds:			
Due to Current Fund	SB-3	156,944.39	169,075.41
Reserve for Encumbrances	SB-9	10,777.20	
Due to General Capital Fund	B	25,000.00	25,000.00
Payroll Deductions Payable	SB-7	59,918.48	71,500.16
Reserve for New Jersey State Unemployment			
Compensation Insurance	SB-9	67,301.05	80,398.85
Premiums Received at Tax Sales	SB-9	160,300.00	310,800.00
Reserve for Redemption of Tax Title Liens	SB-9	21,932.39	34,970.68
Reserve for FSH Developer Contributions	SB-9	3,410,928.91	2,866,728.13
Reserve for FSH In Lieu of Contributions	SB-9	5,326.95	5,326.95
Reserve for Special Law Enforcement	SB-9	604.46	11,191.71
Reserve for Land Use Escrow Deposits	SB-9	193,687.38	217,078.00
Reserve for Flexible Spending	SB-9	2,174.79	2,540.51
Reserve for Performance Bonds	SB-9	140,903.80	214,508.20
Reserve for Steet Opening Deposits	SB-9	5,018.75	2,868.75
Reserve for Police Quasi Duty	SB-9	62,221.54	101,480.27
Reserve for Parking Offenses Adjudication Act	SB-9	3,798.12	3,610.12
Reserve for Engineering Escrow Deposits	SB-9	8,195.20	6,245.20
Reserve for Miscellaneous Escrow	SB-9	6,408.57	6,408.57
Reserve for Patritotic Celebration	SB-9	2,347.24	16,241.79
Reserve for K-9 Care and Treatment	SB-9	10,537.00	10,537.00
Reserve for Municipal Sponsored Events	SB-9	8,580.06	8,580.06
Reserve for Public Defender	SB-9	7,702.00	3,814.00
Reserve for Accumulated Leave	SB-9	27,541.38	81,450.13
Reserve for Police Donations	SB-9	2,500.00	1,500.00
Reserve for Shade Tree	SB-9		1,400.00
Reserve for CDBG	SB-9	26,069.55	26,069.55
Total Other Funds		4,426,719.21	4,279,324.04
		\$ 4,687,632.78	\$ 4,490,282.00

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

**TOWNSHIP OF FLORENCE**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
 Statements of Operations and Changes in Reserve for Future Use - Regulatory Basis  
 For the Years Ended December 31, 2024 and 2023

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	<u>2024</u>	<u>2023</u>
REVENUE REALIZED:		
Amount to be Raised by Taxation	\$ 135,809.27	\$ 133,856.41
Miscellaneous	<u>425.48</u>	<u>248.88</u>
Total Income	<u>202,991.68</u>	<u>134,105.29</u>
EXPENDITURES		
Budget Appropriations:		
Debt Service	<u>103,137.50</u>	<u>105,937.50</u>
Total Expenditures	<u>103,137.50</u>	<u>105,937.50</u>
Excess to Reserve	99,854.18	28,167.79
RESERVE FOR FUTURE USE:		
Balance January 1	<u>66,756.93</u>	<u>38,589.14</u>
Balance December 31	<u><u>\$ 99,854.18</u></u>	<u><u>\$ 66,756.93</u></u>

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

**TOWNSHIP OF FLORENCE**  
**GENERAL CAPITAL FUND**

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Cash--Treasurer	SC-1; SC-2	\$ 3,959,058.59	\$ 2,216,405.84
Grants Receivable	SC-9	1,078,825.01	1,165,929.14
Deferred Charges to Future Taxation:			
Funded	SC-4	26,420,000.00	21,620,000.00
Unfunded	SC-5	9,400,475.73	15,424,755.19
Due from Current Fund	SC-3	960,303.22	1,059,542.48
Due from Federal, State and Local Grant Fund	SC-5	261,891.57	
Due from Trust Other Fund	B	25,000.00	25,000.00
Due from Water & Sewer Utility Operating Fund	D		145,696.36
Due from Water & Sewer Utility Capital Fund	SD-7	79,247.17	
		<u>\$ 42,184,801.29</u>	<u>\$ 41,657,329.01</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
Bond Anticipation Notes	SC-11		\$ 2,875,000.00
General Serial Bonds	SC-10	\$ 26,420,000.00	21,620,000.00
Capital Improvement Fund	SC-7	22,054.85	54.85
Improvement Authorizations:			
Funded	SC-6	3,472,577.76	3,258,091.46
Unfunded	SC-6	8,879,417.78	9,956,226.36
Reserve for Encumbrances	SC-6	1,051,945.43	1,541,998.37
Reserve for:			
Environmental Remediation Encumbrances	C	687.50	687.50
Recreation Improvements - Unappropriated	SC-8	78,099.98	158,099.98
Developer Impact Fees - Unappropriated	C	97,000.00	97,000.00
Sidewalk Improvements - Unappropriated	C	62,130.00	62,130.00
Reserve for Grants Receivable	SC-9	669,329.14	669,329.14
Reserve for Payment of Bonds	C	717,690.69	717,690.69
Reserve for Payment of Notes	C	76,750.00	76,750.00
Due to Water & Sewer Utility Capital Fund	SD-7		95,849.00
Due to Water & Sewer Utility Operating Fund	SD-16	36,803.64	
Fund Balance	C-1	600,314.52	528,421.66
		<u>\$ 42,184,801.29</u>	<u>\$ 41,657,329.01</u>

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

**TOWNSHIP OF FLORENCE**  
**WATER & SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balances -- Regulatory Basis  
 As of December 31, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>			
Operating Fund:			
Cash--Treasurer	SD-1	\$ 3,038,082.21	\$ 4,105,257.70
Due from Open Space Trust Fund	SD-17	144,375.00	127,806.25
Due from General Capital Fund	SD-16	36,803.64	
Due from Water & Sewer Utility Assessment Fund	SD-18	6,873.50	6,135.00
Due from Water & Sewer Utility Capital Fund	SD-14	498,735.31	390,346.85
		<u>3,724,869.66</u>	<u>4,629,545.80</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-5	347,779.25	281,841.67
Water & Sewer Utility Liens Receivable	SD-6	4,289.92	18,097.40
		<u>352,069.17</u>	<u>299,939.07</u>
Deferred Charges:			
Overexpenditure of Appropriations	D	-	254,340.69
Total Operating Fund		<u>4,076,938.83</u>	<u>5,183,825.56</u>
Assessment Trust Fund:			
Cash--Treasurer	SD-1; SD-4	212,686.17	228,200.03
Total Assessment Trust Fund		<u>212,686.17</u>	<u>228,200.03</u>
Capital Fund:			
Cash--Treasurer	SD-1; SD-3	4,092,808.28	4,619,249.83
Fixed Capital	SD-10	39,769,447.45	39,769,447.45
Fixed Capital Authorized and Uncompleted	SD-11	17,120,000.00	17,120,000.00
Due from Current Fund	A	1,781,732.99	1,781,732.99
Due from General Capital Fund	SD-7		95,849.00
Total Capital Fund		<u>62,763,988.72</u>	<u>63,386,279.27</u>
		<u>\$ 67,053,613.72</u>	<u>\$ 68,798,304.86</u>

(Continued)

**TOWNSHIP OF FLORENCE**  
**WATER & SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balances -- Regulatory Basis  
 As of December 31, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4; SD-9	\$ 1,124,603.45	\$ 987,758.85
Reserve for Encumbrances	D-4; SD-9	298,544.64	632,379.44
Prepaid Water & Sewer Rents	SD-12	8,129.85	9,851.23
Water & Sewer Rental Overpayments	SD-13	21,927.51	32,636.44
Due to Current Fund	SD-15	287,153.35	227,887.41
Due to General Capital Fund	SD-16		145,696.36
Accrued Interest on Loans, Bonds and Notes	SD-17	312,792.22	355,116.05
		<u>2,053,151.02</u>	<u>2,391,325.78</u>
Reserve for Receivables	D	352,069.17	299,939.07
Fund Balance	D-1	<u>1,671,718.64</u>	<u>2,492,560.71</u>
Total Operating Fund		<u>4,076,938.83</u>	<u>5,183,825.56</u>
Assessment Trust Fund:			
Assessment Bonds	SD-24		46,000.00
Due to Current Fund	SD-8	79,747.64	50,000.00
Due to Water & Sewer Utility Operating Fund	SD-18	6,873.50	6,135.00
Fund Balance	D	<u>126,065.03</u>	<u>126,065.03</u>
Total Assessment Trust Fund:		<u>212,686.17</u>	<u>228,200.03</u>
Capital Fund:			
Due to General Capital Fund	SD-7	79,247.17	
Due to Water/ Sewer Utility Operating Fund	SD-14	498,735.31	390,346.85
Improvement Authorizations:			
Funded	SD-20	4,302,925.11	87,193.26
Unfunded	SD-20	1,635,000.00	6,461,231.20
Reserve for:			
Encumbrances	SD-20	116,866.50	1,670,118.50
Amortization	SD-21	37,262,535.45	36,606,565.45
Deferred Amortization	SD-22	961,912.00	810,882.00
Developer Contributions	D	25,000.00	25,000.00
Serial Bonds	SD-23	17,030,000.00	5,067,000.00
Bond Anticipation Notes	SD-25		11,307,000.00
Capital Improvement Fund	D	259,140.62	259,140.62
Fund Balance	D-2	<u>592,626.56</u>	<u>701,801.39</u>
Total Capital Fund		<u>62,763,988.72</u>	<u>63,386,279.27</u>
		<u>\$ 67,053,613.72</u>	<u>\$ 68,798,304.86</u>

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

**TOWNSHIP OF FLORENCE**  
**WATER & SEWER UTILITY OPERATING FUND**  
**Statements of Operations and Changes in Operating Fund Balance -- Regulatory Basis**  
**For the Years Ended December 31, 2024 and 2023**

<u>Revenue and Other</u> <u>Income Realized</u>	<u>2024</u>	<u>2023</u>
Operating Surplus Anticipated	\$ 1,343,314.00	\$ 1,481,667.00
Water & Sewer Utility Capital Surplus	250,000.00	500,000.00
Rents	5,026,507.01	4,456,449.17
Miscellaneous	589,083.88	492,123.98
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	783,646.02	823,837.85
Accounts Payable Canceled		10.00
<b>Total Income</b>	<b>7,992,550.91</b>	<b>7,754,088.00</b>
<u>Expenditures</u>		
Budget Appropriations:		
Operating	5,674,106.00	5,480,417.00
Debt Service	1,150,264.29	1,235,991.38
Deferred Charges and Statutory Expenditures	645,708.69	348,250.00
<b>Total Expenditures</b>	<b>7,470,078.98</b>	<b>7,064,658.38</b>
Excess in Revenue	522,471.93	689,429.62
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budget of Succeeding Year	-	254,340.69
Statutory Excess to Fund Balance	522,471.93	943,770.31
<u>Fund Balance</u>		
Balance Jan. 1	2,492,560.71	3,030,457.40
	3,015,032.64	3,974,227.71
Decreased by:		
Utilized As Revenue:		
Water & Sewer Utility Operating Fund	1,343,314.00	1,481,667.00
Balance Dec. 31	<u>\$ 1,671,718.64</u>	<u>\$ 2,492,560.71</u>

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



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

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Township of Florence (hereafter referred to as the "Township") was incorporated as a township on March 7, 1872. The Township, located in Burlington County, New Jersey, has a total area of approximately 10.17 square miles and is located approximately 12 miles south of Trenton and 20 miles north of the cities of Camden and Philadelphia. The Township consists of three areas: Florence, the Historic Village of Roebling and Bustleton. According to the 2020 census, the population is 12,812.

The present form of government is the Mayor-Council Plan F under the provisions of the Faulkner Act, Chapter 210 of the 1971 laws of New Jersey, as amended, N.J.S.A. 40:69A-1 et seq. Under this form of government, the voters elect a Mayor for a 4-year term and 2 Councilmen-At-Large and 3 Councilmen from the 3 Wards, for overlapping terms of 4 years. The legislative power is vested in the Council, and the executive power is vested in the Mayor. The Mayor appoints a professionally qualified Township Administrator with the advice and consent of the Council.

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

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

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

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

**Trust Assessment Fund** - The trust assessment fund accounts for special assessments levied against property for the cost of an improvement (i.e. new sidewalk for a community), including debt service.

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

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

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

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

**Water & Sewer Utility Assessment Fund** - The water & sewer utility assessment fund accounts for all local improvements assessed for municipally owned utility purposes.

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

**Budgets and Budgetary Accounting** - The Township must adopt an annual budget for its current, municipal open space, water and sewer utility fund and water and sewer utility assessment 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.

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

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

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

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

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

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

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

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

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

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

**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.

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

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

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

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

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington, the Township of Florence School District and the Township of Florence Fire District No. 1. Unpaid property taxes are subject to tax sale in accordance with the statutes.

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

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

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

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

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

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

**Expenditures (Cont'd)** - Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

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

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

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

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

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

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

**Note 2: CASH AND CASH EQUIVALENTS (CONT'D)**

As of December 31, 2024, the Township's bank balances of \$14,509,215.90 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 14,465,146.07
Uninsured and Uncollateralized	<u>44,069.83</u>
Total	<u>\$ 14,509,215.90</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 \$1,577,017.14.

**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**

	Year Ended				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$ 2.787</u>	<u>\$ 2.668</u>	<u>\$ 2.611</u>	<u>\$ 2.588</u>	<u>\$ 2.578</u>
Apportionment of Tax Rate:					
Municipal	\$ .526	\$ .466	\$ .459	\$ .439	\$ .439
Municipal Open Space	.010	.010	.010	.010	.010
County	.411	.390	.392	.409	.405
Local School	1.557	1.537	1.554	1.547	1.542
Fire District	.283	.265	.196	.183	.182

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2024	\$ 1,340,307,100.00
2023	1,337,542,400.00
2022	1,294,928,300.00
2021	1,274,255,100.00
2020	1,263,876,100.00

**Note 3: PROPERTY TAXES (CONT'D)**

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

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2024	\$ 37,802,464.19	\$ 37,511,585.02	99.23%
2023	35,741,042.47	35,363,278.49	98.94%
2022	34,572,508.68	34,224,775.95	98.99%
2021	33,245,492.94	32,897,495.89	98.95%
2020	32,904,595.04	32,512,241.03	98.81%

**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	\$ 289,649.78	\$ 258,514.76	\$ 548,164.54	1.45%
2023	273,457.29	317,116.55	590,573.84	1.65%
2022	259,237.32	325,816.01	585,053.33	1.69%
2021	283,130.92	326,445.84	609,576.76	1.83%
2020	267,696.46	349,705.40	617,401.86	1.88%

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	14
2023	14
2022	19
2021	21
2020	21

**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	\$ 39,100.00
2023	39,100.00
2022	39,100.00
2021	-
2020	-

**Note 5: WATER & SEWER UTILITY SERVICE CHARGES**

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

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2024	\$281,841.67	\$ 18,097.40	\$ 5,078,637.11	\$ 5,378,576.18	\$ 5,026,507.01
2023	274,968.64	16,717.40	4,464,702.20	4,756,388.24	4,456,449.17
2022	393,028.57	15,337.40	4,928,449.74	5,336,815.71	5,045,129.67
2021	380,316.79	13,919.45	4,892,202.71	5,286,438.95	4,878,072.98
2020	341,941.33	12,514.15	4,854,559.82	5,209,015.30	4,814,799.06

**Note 6: FUND BALANCES APPROPRIATED**

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

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2024	\$ 1,524,473.45	\$ 725,000.00	47.56%
2023	1,092,567.39	900,000.00	82.37%
2022	2,235,809.74	1,890,000.00	84.53%
2021	2,551,936.81	1,875,000.00	73.47%
2020	1,845,360.07	1,716,499.60	93.02%



**Note 6: FUND BALANCES APPROPRIATED (CONT'D)**

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

**Water & Sewer Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2024	\$ 1,671,718.64	\$ 835,837.00	50.00%
2023	2,492,560.71	1,343,314.00	53.89%
2022	3,030,457.40	1,481,667.00	48.89%
2021	3,298,390.17	1,361,657.00	41.28%
2020	3,188,712.93	1,259,275.60	39.49%

**Note 7: INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 524,770.57	\$ 3,301,459.45
Federal, State and Local Grant	557,446.25	261,891.57
Trust - Assessment		222.71
Trust - Animal Control		702.48
Trust - Other		181,944.39
Municipal Open Space Trust	1,976.99	144,375.00
General Capital	1,326,441.96	36,803.64
Water & Sewer Utility - Operating	686,787.45	287,153.35
Water & Sewer Utility - Capital	1,781,732.99	577,982.48
Water & Sewer Utility - Assessment		86,621.14
Totals	<u>\$ 4,879,156.21</u>	<u>\$ 4,879,156.21</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 8: 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 Pensions' 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.

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

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

**Tier Definition**

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> 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 8: 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 8: 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 16.80% 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 \$584,498.00, 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 \$540,211.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were \$262,994.66.

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 .51% 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 \$17,755.00. 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 \$13,602.00.

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

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd) - *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 35.78% 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 \$1,165,845.00, and is payable by April 1, 2024. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022 was \$1,082,596.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were \$330,611,74.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2023 was 6.26% 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 \$203,904.00, 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 \$211,109.00, which was paid on April 1, 2023.

**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 \$10,335.35, and the Employer's contributions were \$7,940.01. There were no forfeitures during the year.

**Note 8: PENSION PLANS (CONT'D)****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 \$6,334,392.00. 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 .04237325910%, which was an increase of .0008943334% 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 \$4,045.00. 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 \$540,211.00, 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 \$19,755.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

**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 PERS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 9,676,350.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>1,782,980.00</u>
	<u>\$ 11,459,330.00</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 .0875784300%, which was an increase of .0043372500% 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 .0875783300%, which was an increase of .0043370700% from its proportion, on-behalf of the Employer, measured as of June 30, 2022.

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System (Cont'd)**

**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 \$915,467.00. 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 \$1,082,596.00, 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 \$202,810.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

**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:

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 60,565.00	\$ 414,322.00	\$ 474,887.00	\$ 25,893.00	\$ 461,476.00	\$ 487,369.00
Changes of Assumptions	13,915.00	20,885.00	34,800.00	383,891.00	653,386.00	1,037,277.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	29,171.00	492,798.00	521,969.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	183,658.00	1,507,949.00	1,691,607.00	119,465.00	309,245.00	428,710.00
Contributions Subsequent to the Measurement Date	292,249.00	582,923.00	875,172.00	-	-	-
	<u>\$ 579,558.00</u>	<u>\$ 3,018,877.00</u>	<u>\$ 3,598,435.00</u>	<u>\$ 529,249.00</u>	<u>\$ 1,424,107.00</u>	<u>\$ 1,953,356.00</u>

Deferred outflows of resources in the amounts of \$292,249.00 and \$582,923.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2024. These amounts were based on an estimated April 1, 2025 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2023 to the Employer's year end of December 31, 2023.



**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

	<u>PERS</u>		<u>PFRS</u>	
	<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 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

<b><u>Year Ending Dec 31,</u></b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2024	\$ (343,260.00)	\$ (17,058.00)	\$ (360,318.00)
2025	(157,236.00)	(31,620.00)	(188,856.00)
2026	273,454.00	729,014.00	1,002,468.00
2027	(18,049.00)	178,541.00	160,492.00
2028	3,151.00	137,634.00	140,785.00
Thereafter	-	15,336.00	15,336.00
	<u>\$ (241,940.00)</u>	<u>\$ 1,011,847.00</u>	<u>\$ 769,907.00</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:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
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 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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

**Police and Firemen's Retirement System**

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

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

<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 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Discount Rate -**

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

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

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Proportionate Share of the Net Pension Liability	<u>\$ 8,246,031.00</u>	<u>\$ 6,334,392.00</u>	<u>\$ 4,707,335.00</u>

**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:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Proportionate Share of the Net Pension Liability	<u>\$ 13,482,300.00</u>	<u>\$ 9,676,351.00</u>	<u>\$ 6,506,904.00</u>
State of New Jersey's Proportionate Share of Net Pension Liability	<u>2,484,271.00</u>	<u>1,782,980.00</u>	<u>1,198,973.00</u>
	<u>\$ 15,966,571.00</u>	<u>\$ 11,459,331.00</u>	<u>\$ 7,705,877.00</u>

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Pension Plan Fiduciary Net Position**

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

**Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.0437325910%	0.0428382576%	0.0433893741%	0.0427242732%	0.0438353672%
Proportionate Share of the Net Pension Liability	\$ 6,334,392.00	\$ 6,464,883.00	\$ 5,140,122.00	\$ 6,967,212.00	\$ 7,898,468.00
Covered Payroll (Plan Measurement Period)	\$ 3,319,944.00	\$ 3,157,140.00	\$ 3,233,840.00	\$ 3,072,260.00	\$ 3,118,004.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	190.80%	204.77%	158.95%	226.78%	253.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%
	<u>Measurement Date Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.0434287749%	0.0409770926%	0.0386172350%	0.0374733142%	0.0361230240%
Proportionate Share of the Net Pension Liability	\$ 8,550,909.00	\$ 9,538,812.00	\$ 11,437,317.00	\$ 8,412,008.00	\$ 6,763,218.00
Covered Payroll (Plan Measurement Period)	\$ 3,054,072.00	\$ 2,822,564.00	\$ 2,660,672.00	\$ 2,551,784.00	\$ 2,503,356.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	279.98%	337.95%	429.87%	329.65%	270.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)***

	<b>Year Ended December 31,</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Contractually Required Contribution	\$ 584,498.00	\$ 540,211.00	\$ 508,140.00	\$ 467,382.00	\$ 426,389.00
Contribution in Relation to the Contractually Required Contribution	<u>(584,498.00)</u>	<u>(540,211.00)</u>	<u>(508,140.00)</u>	<u>(467,382.00)</u>	<u>(426,389.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 3,479,457.00	\$ 3,287,021.00	\$ 3,161,452.00	\$ 3,186,526.00	\$ 3,067,540.00
Contributions as a Percentage of Covered Payroll	16.80%	16.43%	16.07%	14.67%	13.90%
	<b>Year Ended December 31,</b>				
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contractually Required Contribution	\$ 431,976.00	\$ 379,609.00	\$ 343,070.00	\$ 322,170.00	\$ 297,793.00
Contribution in Relation to the Contractually Required Contribution	<u>(431,976.00)</u>	<u>(379,609.00)</u>	<u>(343,070.00)</u>	<u>(322,170.00)</u>	<u>(297,793.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 3,109,687.00	\$ 3,025,344.00	\$ 2,833,550.00	\$ 2,708,496.00	\$ 2,577,195.00
Contributions as a Percentage of Covered Payroll	13.89%	12.55%	12.11%	11.89%	11.55%

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Ten Plan Years)***

	<b>Measurement Date Ended June 30,</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Proportion of the Net Pension Liability	0.0875784300%	0.0832411800%	0.0757633665%	0.0796437713%	0.0724388334%
Proportionate Share of the Net Pension Liability	\$ 9,676,350.00	\$ 9,528,083.00	\$ 5,537,660.00	\$ 10,291,026.00	\$ 8,828,220.00
State's Proportionate Share of the Net Pension Liability	<u>1,782,980.00</u>	<u>1,695,719.00</u>	<u>1,557,466.00</u>	<u>1,597,120.00</u>	<u>1,393,993.00</u>
Total	<u>\$ 11,459,330.00</u>	<u>\$ 11,223,802.00</u>	<u>\$ 7,095,126.00</u>	<u>\$ 11,888,146.00</u>	<u>\$ 10,222,213.00</u>
Covered Payroll (Plan Measurement Period)	\$ 3,038,036.00	\$ 2,966,340.00	\$ 2,689,836.00	\$ 2,748,096.00	\$ 2,430,648.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	318.51%	321.21%	205.87%	374.48%	363.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.16%	68.33%	77.26%	63.52%	65.00%
	<b>Measurement Date Ended June 30,</b>				
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Proportion of the Net Pension Liability	0.0717524588%	0.0703902833%	0.0646085825%	0.0622773543%	0.0625877308%
Proportionate Share of the Net Pension Liability	\$ 9,709,291.00	\$ 10,866,899.00	\$ 12,341,892.00	\$ 10,373,236.00	\$ 7,872,956.00
State's Proportionate Share of the Net Pension Liability	<u>1,318,847.00</u>	<u>1,217,184.00</u>	<u>1,036,413.00</u>	<u>909,698.00</u>	<u>847,785.00</u>
Total	<u>\$ 11,028,138.00</u>	<u>\$ 12,084,083.00</u>	<u>\$ 13,378,305.00</u>	<u>\$ 11,282,934.00</u>	<u>\$ 8,720,741.00</u>
Covered Payroll (Plan Measurement Period)	\$ 2,340,340.00	\$ 2,261,132.00	\$ 2,048,008.00	\$ 1,972,208.00	\$ 1,976,824.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	414.87%	480.60%	602.63%	525.97%	398.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%	56.31%	62.41%

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Ten Years)***

	<b>Year Ended December 31,</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Contractually Required Contribution	\$ 1,165,845.00	\$ 1,082,596.00	\$ 882,995.00	\$ 889,757.00	\$ 728,682.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,165,845.00)</u>	<u>(1,082,596.00)</u>	<u>(882,995.00)</u>	<u>(889,757.00)</u>	<u>(728,682.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 3,257,985.00	\$ 3,064,237.00	\$ 2,921,612.00	\$ 2,740,072.00	\$ 2,745,966.00
Contributions as a Percentage of Covered Payroll	35.78%	35.33%	30.22%	32.47%	26.54%
	<b>Year Ended December 31,</b>				
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contractually Required Contribution	\$ 701,486.00	\$ 622,967.00	\$ 526,780.00	\$ 506,222.00	\$ 480,717.00
Contribution in Relation to the Contractually Required Contribution	<u>(701,486.00)</u>	<u>(622,967.00)</u>	<u>(526,780.00)</u>	<u>(506,222.00)</u>	<u>(480,717.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,472,572.00	\$ 2,370,699.00	\$ 2,272,655.00	\$ 2,070,633.00	\$ 2,000,909.00
Contributions as a Percentage of Covered Payroll	28.37%	26.28%	23.18%	24.45%	24.02%



**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

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

**Changes in Assumptions**

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

<b><u>Discount Rate</u></b>				<b><u>Long-term Expected Rate of Return</u></b>			
<b><u>Year</u></b>	<b><u>Rate</u></b>	<b><u>Year</u></b>	<b><u>Rate</u></b>	<b><u>Year</u></b>	<b><u>Rate</u></b>	<b><u>Year</u></b>	<b><u>Rate</u></b>
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:

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

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

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. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2024 was not available; therefore, the information from the measurement period June 30, 2023 is disclosed below

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

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

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

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

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

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

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

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

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

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

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Employer, is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the Employer, is \$(1,349,600.00) for the year ended December 31, 2023, representing -41.42% of the Employer's covered payroll.

**OPEB Liability and OPEB Expense**

**OPEB Liability** - At December 31, 2023, the State's proportionate share of the net OPEB liability associated with the Employer was \$7,443,213.00. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

The State's proportion of the net OPEB liability, associated with the Employer, was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2022 through June 30, 2023. For the June 30, 2023 measurement date, the State's proportion on-behalf of the Employer was .213328%, which was a decrease of .017816% from its proportion measured as of the June 30, 2022 measurement date.

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

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

**Salary Increases:**

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

**Mortality:**

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

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

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

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

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

The health care trend assumptions used is as follows:

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

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

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

	<b>1% Decrease <u>(2.65%)</u></b>	<b>Current Discount Rate <u>(3.65%)</u></b>	<b>1% Increase <u>(4.65%)</u></b>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>\$ 8,621,613.00</u>	<u>\$ 7,443,213.00</u>	<u>\$ 6,495,372.00</u>

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

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>\$ 6,325,855.00</u>	<u>\$ 7,443,213.00</u>	<u>\$ 8,873,772.00</u>

**OPEB Plan Fiduciary Net Position**

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

**Supplementary OPEB Information**

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

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Supplementary OPEB Information (Cont'd)*****Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the Employer (Last Seven Plan Years)***

	Measurement Date Ended June 30,			
	<u>2023</u>	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%
Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	7,443,213.00	7,798,358.00	8,320,415.00	7,094,314.00
Total	\$ 7,443,213.00	\$ 7,798,358.00	\$ 8,320,415.00	\$ 7,094,314.00
Covered Payroll (Plan Measurement Period)	\$ 3,188,765.00	\$ 2,941,606.00	\$ 2,838,399.00	\$ 2,744,283.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	233.42%	265.11%	293.14%	258.51%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.79%	-0.36%	0.28%	0.91%
	Measurement Date Ended June 30,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	100.00%	100.00%	100.00%	
Total	100.00%	100.00%	100.00%	
Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	7,043,357.00	7,216,262.00	10,621,273.00	
Total	\$ 7,043,357.00	\$ 7,216,262.00	\$ 10,621,273.00	
Covered Payroll (Plan Measurement Period)	\$ 2,644,891.00	\$ 2,393,059.00	\$ 2,334,718.00	
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	266.30%	301.55%	454.93%	
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%	

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

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

**Supplementary OPEB Information (Cont'd)**

**Other Notes to Supplementary OPEB Information**

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

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

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

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

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

There were no changes to mortality projections.

**Note 10: COMPENSATED ABSENCES**

Full-time employees are entitled to paid unused sick leave, vacation days and compensatory time in various amounts as outlined in the Township code and contracts between the Township and union agreements. Unused sick leave, vacation days and compensatory time may be accumulated and carried forward to the subsequent year, subject to conditions outlined in the Township code and contracts. Upon retirement, employees may be compensated for accumulated unused sick leave, vacation days and compensatory time in accordance with formulas and limits established in the Township code and contracts.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2024, accrued benefits for compensated absences, including the Township's share of social security taxes, are valued at \$3,606,626.90.

The Township has established a Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2024, the balance of the fund was \$27,541.38.

**Note 11: DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

**Note 12: CAPITAL DEBT****General Improvement Bonds**

**General Improvement Bonds, Series 2019** - On December 5, 2019, the Township issued \$1,425,000.00 of general improvement bonds, with interest rates ranging from 2.125% to 4.000%. The final maturity of the bonds is November 1, 2037.

**General Improvement Bonds, Series 2021** - On January 6, 2021, the Township issued \$9,720,000.00 in general improvement refunding bonds, with interest rates ranging from 2.00% to 4.00%. The final maturity of the bonds is January 15, 2041.

**General Improvement Bonds, Series 2022** - On June 7, 2022, the Township issued \$11,360,000.00 of general improvement refunding bonds, with interest rates ranging from 3.00% to 5.00%. The final maturity of the bonds is March 1, 2041.

**General Improvement Bonds, Series 2024** - On May 30, 2024, the Township issued \$6,055,000.00 of general improvement refunding bonds, with an annual interest rate of 4.0%. The final maturity of the bonds is February 1, 2039.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,360,000.00	\$ 936,926.94	\$ 2,296,926.94
2026	1,425,000.00	833,987.50	2,258,987.50
2027	1,445,000.00	770,287.50	2,215,287.50
2028	1,505,000.00	705,737.50	2,210,737.50
2029	1,530,000.00	644,087.50	2,174,087.50
2030-2034	8,070,000.00	2,449,718.76	10,519,718.76
2035-2039	8,620,000.00	1,088,550.00	9,708,550.00
2040-2041	<u>2,465,000.00</u>	<u>74,650.00</u>	<u>2,539,650.00</u>
Totals	<u>\$ 26,420,000.00</u>	<u>\$ 7,503,945.70</u>	<u>\$ 33,923,945.70</u>



**Note 12: CAPITAL DEBT (CONT'D)****Water & Sewer Utility Bonds**

**Water & Sewer Utility Bonds, Series 2019** - On December 5, 2019, the Township issued \$6,460,000.00 of water & sewer utility improvement bonds, with interest rates ranging from 2.125% to 4.000%. The final maturity of the bonds is November 1, 2034.

**Water & Sewer Utility Bonds, Series 2024** - On May 30, 2024, the Township issued \$12,445,000.00 of general improvement refunding bonds, with an annual interest rate of 4.0%. The final maturity of the bonds is February 1, 2044.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 730,000.00	\$ 702,843.20	\$ 1,432,843.20
2026	1,005,000.00	583,993.76	1,588,993.76
2027	1,035,000.00	543,393.76	1,578,393.76
2028	1,075,000.00	505,743.76	1,580,743.76
2029	1,090,000.00	467,043.76	1,557,043.76
2030-2034	5,650,000.00	1,791,811.52	7,441,811.52
2035-2039	3,220,000.00	967,400.00	4,187,400.00
2040-2044	<u>3,225,000.00</u>	<u>322,500.00</u>	<u>3,547,500.00</u>
Totals	<u>\$ 17,030,000.00</u>	<u>\$ 5,884,729.76</u>	<u>\$ 22,914,729.76</u>

**Note 12: CAPITAL DEBT (CONT'D)**

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 26,420,000.00	\$ 24,495,000.00	\$ 22,865,000.00
Water & Sewer Utility:			
Bonds and Notes	<u>17,030,000.00</u>	<u>16,420,000.00</u>	<u>16,093,000.00</u>
Total Issued	<u>43,450,000.00</u>	<u>40,915,000.00</u>	<u>38,958,000.00</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	9,400,475.73	12,549,755.19	5,074,605.19
Water & Sewer Utility:			
Bonds and Notes	<u>1,635,000.00</u>	<u>3,098,000.00</u>	<u>1,920,000.00</u>
Total Authorized but not Issued	<u>11,035,475.73</u>	<u>15,647,755.19</u>	<u>6,994,605.19</u>
Total Issued and Authorized but not Issued	<u>54,485,475.73</u>	<u>56,562,755.19</u>	<u>45,952,605.19</u>
<b><u>Deductions</u></b>			
General:			
Reserve for Payment of Debt	794,440.69	794,440.69	364,375.00
Water & Sewer Utility:			
Self-Liquidating	<u>18,528,332.00</u>	<u>16,829,635.40</u>	<u>18,013,000.00</u>
Total Deductions	<u>19,322,772.69</u>	<u>17,624,076.09</u>	<u>18,377,375.00</u>
<b>Net Debt</b>	<u>\$ 35,162,703.04</u>	<u>\$ 38,938,679.10</u>	<u>\$ 27,575,230.19</u>

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 2.350%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 12,155,000.00	\$ 12,155,000.00	
Self-Liquidating	18,665,000.00	18,528,332.00	\$ 136,668.00
General	<u>35,820,475.73</u>	<u>794,440.69</u>	<u>35,026,035.04</u>
	<u>\$ 66,640,475.73</u>	<u>\$ 31,477,772.69</u>	<u>\$ 35,162,703.04</u>

Net debt \$35,162,703.04 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$1,496,321,489.00, equals 2.350 %.

**Note 12: CAPITAL DEBT (CONT'D)****Summary of Statutory Debt Condition - Annual Debt Statement****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 52,371,252.12
Less: Net Debt	<u>35,162,703.04</u>
Remaining Borrowing Power	<u>\$ 17,208,549.08</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 7,208,904.89
Deductions:	
Operating and Maintenance Costs	\$ 6,065,474.00
Debt Service	<u>1,150,264.29</u>
Total Deductions	<u>7,215,738.29</u>
(Deficit) in Revenue	<u>\$ (6,833.40)</u>

**Note 13: 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 the activity and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ 14,044.08	\$ 1,003.74	\$ 28,145.62	\$ 67,301.05
2023	9,990.34	185.11	778.66	80,398.85
2022	11,883.47		3,659.50	71,002.06

It is estimated that there are no unreimbursed payments on behalf of the Township at December 31, 2024.

**Note 13: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool** - The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Employee health and accident insurance and public officials bonds in amounts required by New Jersey statutes are provided through commercial insurance. Unemployment compensation benefits are provided by the State of New Jersey, supported by mandatory contributions by the Township. The Township is a member of the Burlington County Municipal Joint Insurance Fund (the "JIF") and the Municipal Excess Liability Joint Fund (the "MEL"), both public entity risk pools. Covered losses not provided by either the JIF or MEL are covered by reinsurance policies in varying amounts. The following coverage is provided by the JIF and MEL:

Public Officials Bonds in excess of amounts statutorily required  
 Public Employees Dishonesty Bonds  
 Automobile Liability  
 Workers' Compensation and Employer's Liability  
 Commercial Property General Liability  
 Public Officials Liability  
 Employment Practices Liability  
 Environmental Liability

Contributions to the JIF and MEL, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the each of the fund's actuaries. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations. The Funds publish their own financial reports, which can be obtained from:

Burlington County Municipal Joint Insurance Fund  
 P.O. Box 325  
 Hammonton, NJ 08037

Municipal Excess Liability Joint Insurance Fund  
 Park 80 West Plaza I  
 Saddle Brook, NJ 07663

**Self-Insurance Plan** - The Township contracts with a third-party administrator to provide health and prescription benefits. Per the contract, there is a stop loss deductible of \$75,000.00 per individual and a \$2,000,000.00 aggregate of 125% of projected claims. At December 31, 2024, the balance of the estimated claims payable was \$164,054.18, as provided by the third party administrator. These pending claims have not been recorded as accounts payable and charged to the employee group insurance appropriation as of December 31, 2024. Any additional funding required for claims will be paid and charged to future budgets.

There have been no settlements that exceed the Township's coverage for years ended December 31, 2024, 2023, and 2022.

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

On November 4, 2008, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.7), the voters of the Township authorized the establishment of the Township of Florence Municipal Open Space and Farmland Preservation Trust Fund (Open Space Trust Fund), effective January 1, 2009, for the purpose of raising revenue for the acquisition of lands for conservation and/or including the maintenance or improvement of such acquired lands, or for farmland acquisition and preservation, or for the payment of debt service for such acquisition or improvement purposes. As a result of the referendum, the Township levies a tax of once cent per one hundred dollars (\$.01 per \$100.00) of assessed real property valuation. Such tax was established for a period of twenty years, expiring on 12/31/2028. 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 Open Space Trust Fund.

**Note 15: CONTINGENCIES**

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

**Note 16: 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 17: SUBSEQUENT EVENTS**

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

<b><u>Purpose</u></b>	<b><u>Date of Adoption</u></b>	<b><u>Authorization Amount</u></b>
<b>General Improvements</b>		
Improvements to Municipal Buildings	02/19/25	\$ 109,250.00
Improvements to Municipal Sidewalks, Ramps and Curbs	02/19/25	171,000.00
Acquisition of Remote Police Cameras	02/19/25	199,500.00
Acquisition of Police Vehicles	02/19/25	161,500.00
Information Technology and Document Management Equipment	02/19/25	152,000.00
		<u>\$ 793,250.00</u>

**APPENDIX C**  
**FORM OF BOND COUNSEL OPINION**

December \_\_, 2025

Mayor and Township Council of the  
Township of Florence, in the  
County of Burlington, New Jersey

Re: Township of Florence, in the County of Burlington, New Jersey  
\$3,344,000 Bond Anticipation Notes, Series 2025.

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Township of Florence, in the County of Burlington, New Jersey (the "Township") of its \$3,344,000 General Obligation Bond Anticipation Notes, Series 2025, (the "Notes"). The Notes are general obligations of the Township and the full faith, credit and taxing power of the Township are available to pay the principal of and the interest on the Notes. The Notes are dated December 23, 2025 and mature on November 20, 2026. The Notes bear interest at a rate of 3.75% per annum payable at maturity, and are not subject to redemption prior to maturity.

The Notes are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962 and the acts amendatory thereof and supplemental thereto (the "Local Bond Law") and Bond Ordinance Nos. 2022-03, 2022-16, 2022-17, 2023-03, 2023-14, 2023-18, 2024-02, 2024-03, 2025-03, 2025-04, 2025-05, 2025-06 and 2025-07 (collectively, the "Ordinances"). The Notes are issued for the purpose of (i) financing, on a temporary basis, \$3,344,000 in capital improvements of the Township and (ii) paying for the costs of issuance of the Notes.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined such matters of law, including the Local Bond Law and the Code, such documents, including the Ordinances, and such other statutes, resolutions, certificates, instruments and records of the Township, as we have deemed necessary or appropriate for the purpose of the opinion rendered below. In such examination, we have assumed and relied upon the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

Based upon the foregoing, we are of the opinion that:

1. The Notes have been duly authorized, executed and delivered and constitute legal, valid and binding obligations of the Township enforceable in accordance with their terms.

2. The power and obligation of the Township to pay the Notes is unlimited, and, if not paid from other sources, the Township is required to levy ad valorem taxes upon all the taxable property within the Township for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

3. On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Notes in order to preserve the tax-exempt status of the Notes pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103(a) of the Code, failure to comply with these requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax ("AMT"), however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the "adjusted financial statement income" of "applicable corporations" subject to alternative minimum tax under Section 55 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Notes. Further, in our opinion, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

4. The Notes will be treated as "qualified tax exempt obligations" pursuant to Section 265(b)(3) of the Code.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 3 and 4, we express no opinion regarding other federal and state tax consequences arising with respect to the Notes.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Notes. This opinion is given as of the date hereof and we assume no obligation to update or supplement the opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,