

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL 21, 2026**

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

**RATINGS: S&P: "AA" (Bonds)**  
**S&P: "SP-1+" (Notes)**  
**(See "RATINGS" herein)**

*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 Bonds and Notes (as hereinafter defined), interest on the Bonds and 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, however, interest on the Bonds and 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. Based upon existing law, interest on the Bonds and Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein for a full discussion.*

**TOWNSHIP OF HAMILTON**  
**IN THE COUNTY OF MERCER, NEW JERSEY**

**\$16,065,000\***  
**SEWER UTILITY BONDS, SERIES 2026**  
**(Book-Entry-Only) (Callable)**

**Dated: Date of Delivery**  
**Due: May 1, as shown on the inside front cover**

**\$17,960,000**  
**BOND ANTICIPATION NOTES, SERIES 2026A**  
**Consisting of:**  
**\$8,000,000 General Improvement Bond Anticipation Notes**  
**\$9,960,000 Sewer Utility Bond Anticipation Notes**  
**(Book-Entry-Only) (Non-Callable)**

**Dated: Date of Delivery**  
**Due: May 12, 2027**

The \$16,065,000\* Sewer Utility Bonds, Series 2026 (the "Bonds") of the Township of Hamilton, in the County of Mercer, State of New Jersey (the "Township") 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 \$17,960,000 Bond Anticipation Notes, Series 2026A, consisting of \$8,000,000 General Improvement Notes (the "General Improvement Notes") and \$9,960,000 Sewer Utility Notes (the "Sewer Notes" and together with the General Improvement Notes, the "Notes") of 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 Bonds and 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 Bonds and the Notes. Individual purchases of the Bonds will be made in book entry form, in the denomination of \$5,000 each or any integral multiple thereof. Individual purchases of the Notes will be made in book-entry form in the principal amount of \$1,000 with a minimum purchase of \$5,000.

The Bonds shall bear interest from the date of delivery thereof, as shown below, payable semi-annually on May 1 and November 1 of each year, commencing November 1, 2026, at such rates of interest, as shown on the inside front cover page hereof until maturity or earlier redemption. The Bonds will be payable as to principal upon presentation and surrender thereof at the offices of the Township or a duly designated paying agent, if any. Interest on the Bonds will be paid by check, draft or wire transfer mailed, delivered or transmitted by the Township to the registered owner thereof as of the Record Dates (as defined herein).

The Notes will bear interest at the rate per annum and reoffering yield, as shown on the inside front cover page, 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 Bonds and the Notes, the principal of and interest on the Bonds and 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 Bonds or the Notes. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), various bond ordinances duly adopted by the Township Council and by a resolution duly adopted by the Township Council as set forth herein. The Notes are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, and various bond ordinances duly adopted by the Township Council as set forth herein.

Proceeds of the Bonds, along with other available funds, are being used to: (i) refund, on a current basis, a \$16,646,000 portion of the Bond Anticipation Notes, Series 2025A of the Township originally issued in the aggregate principal amount of \$21,646,000, dated May 13, 2025 and maturing May 13, 2026 (the "Prior Notes"); and (ii) pay the costs associated with the issuance of the Bonds.

The Notes, along with other available funds, are being issued to: (i) refund, on a current basis, a \$5,000,000 aggregate portion of the Prior Notes; (ii) provide new money to temporarily finance various capital improvements in the amount of \$13,200,000; and (iii) pay the costs associated with the issuance of the Notes.

The Bonds are subject to optional redemption prior to their stated maturities. See "THE BONDS" under the subheading entitled "Optional Redemption". The Notes are not subject to redemption prior to their stated maturity.

The Bonds and 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 May 12, 2026.*

**BIDS FOR THE BONDS AND NOTES, IN ACCORDANCE WITH THE NOTICES OF SALE, WILL BE RECEIVED ON APRIL 28, 2026.**

\* Preliminary; subject to change

**TOWNSHIP OF HAMILTON  
IN THE COUNTY OF MERCER, NEW JERSEY**

**\$16,065,000\* SEWER UTILITY BONDS, SERIES 2026**

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS\*\***

| <u>Year</u> | <u>Principal<br/>Amount*</u> | <u>Interest<br/>Rate</u> | <u>Yield</u> | <u>CUSIP**</u> |
|-------------|------------------------------|--------------------------|--------------|----------------|
| 2027        | \$400,000                    | %                        | %            | 408054         |
| 2028        | 415,000                      |                          |              | 408054         |
| 2029        | 425,000                      |                          |              | 408054         |
| 2030        | 425,000                      |                          |              | 408054         |
| 2031        | 450,000                      |                          |              | 408054         |
| 2032        | 475,000                      |                          |              | 408054         |
| 2033        | 500,000                      |                          |              | 408054         |
| 2034        | 525,000                      |                          |              | 408054         |
| 2035        | 550,000                      |                          |              | 408054         |
| 2036        | 600,000                      |                          |              | 408054         |
| 2037        | 625,000                      |                          |              | 408054         |
| 2038        | 650,000                      |                          |              | 408054         |
| 2039        | 675,000                      |                          |              | 408054         |
| 2040        | 725,000                      |                          |              | 408054         |
| 2041        | 750,000                      |                          |              | 408054         |
| 2042        | 750,000                      |                          |              | 408054         |
| 2043        | 765,000                      |                          |              | 408054         |
| 2044        | 775,000                      |                          |              | 408054         |
| 2045        | 785,000                      |                          |              | 408054         |
| 2046        | 800,000                      |                          |              | 408054         |
| 2047        | 800,000                      |                          |              | 408054         |
| 2048        | 800,000                      |                          |              | 408054         |
| 2049        | 800,000                      |                          |              | 408054         |
| 2050        | 800,000                      |                          |              | 408054         |
| 2051        | 800,000                      |                          |              | 408054         |

**\$17,960,000 BOND ANTICIPATION NOTES, SERIES 2026A**

| <u>Maturity Date:</u> | <u>Interest Rate:</u> | <u>Yield:</u> | <u>CUSIP**:</u> |
|-----------------------|-----------------------|---------------|-----------------|
| May 12, 2027          | ____%                 | ____%         | 408504          |

\*Preliminary, subject to change.

\*\* 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 S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders and Noteholders only at the time of issuance of the Bonds and 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 Bonds and 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 Bonds and Notes.

**TOWNSHIP OF HAMILTON  
IN THE COUNTY OF MERCER, NEW JERSEY**

**MAYOR**

Jeffrey S. Martin

**TOWNSHIP COUNCIL**

Richard Tighe, President  
Pasquale Papero, Vice President  
Anthony Carabelli, Jr.  
Nancy Phillips  
Charles F. Whalen

**ADMINISTRATOR**

Kathryn Monzo

**CHIEF FINANCIAL OFFICER**

Eugenia Poulos

**TAX COLLECTOR**

Jessica Crea

**TOWNSHIP CLERK**

Alison Sabo, RMC

**TOWNSHIP ATTORNEY**

Elissa Grodd Schragger, Esq.

**AUDITOR**

Suplee, Clooney & Company  
Westfield, 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 Bonds and 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 Purchasers. The Purchasers have reviewed the information in this official statement pursuant to their responsibilities to investors under the federal securities laws, but the Purchasers do not guarantee the accuracy or completeness of such information.

Upon issuance, the Bonds and 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 PURCHASERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AND 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 PURCHASERS 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 BONDS AND 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  
  
TOWNSHIP OF HAMILTON  
IN THE COUNTY OF MERCER, NEW JERSEY  
  
\$16,065,000\*  
SEWER UTILITY BONDS, SERIES 2026  
and  
\$17,960,000  
BOND ANTICIPATION NOTES, SERIES 2026A**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Hamilton (the “Township”), in the County of Mercer (the “County”), in the State of New Jersey (the “State”) in connection with the sale and issuance of The \$16,065,000\* Sewer Utility Bonds, Series 2026 (the “Bonds”), and the \$17,960,000 Bond Anticipation Notes, Series 2026A, consisting of \$8,000,000 General Improvement Notes (the “General Improvement Notes”) and \$9,960,000 Sewer Utility Notes (the “Sewer Notes” and together with the General Improvement Notes, the “Notes”).

**THE BONDS**

**General Description**

The Bonds will be dated the date of delivery and will mature in the years and in the principal amounts as shown on the inside front cover page hereof. The interest on the Bonds will be payable semi-annually on each May 1 and November 1, beginning November 1, 2026. The record dates for the Bonds are each preceding April 15 and October 15, respectively (the “Record Dates”). The Bonds will be issued in book-entry form only.

The Bonds are general obligations of the Township and are secured by a pledge of the full faith and credit of the Township for the payment of the principal thereof and interest thereon. The Township is obligated to levy ad valorem taxes upon all of the taxable property within the Township for the payment of principal of and interest on the Bonds without limitation as to rate or amount.

**Redemption Provisions**

The Bonds maturing prior to May 1, 2034, are not subject to redemption prior to their stated maturities. The Bonds maturing on or after May 1, 2034 are redeemable at the option of the Township, in whole or in part, on any date on or after May 1, 2033 at a redemption price equal to 100% of the principal amount thereof (the “Redemption Price”), plus accrued interest to the date fixed for redemption.

**Notice of Redemption**

Notice of redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds not less than thirty (30) days, nor more than sixty (60) days prior to the date fixed for redemption. Such mailing shall be to the owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Township or a duly appointed Bond Registrar. So long as the Depository Trust Company (“DTC”) (or any successor thereto) acts as securities depository for the Bonds (“Securities Depository”), such Notice of Redemption shall be sent directly to such depository and not to the

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\* Preliminary, subject to change.

Beneficial Owners (as defined herein) of the Bonds. Any failure of the depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Township determines to redeem a portion of the Bonds prior to maturity, the Bonds to be redeemed shall be selected by the Township; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on and after such redemption date.

**AUTHORIZATION AND PURPOSE OF THE BONDS**

The Bonds are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”), and are authorized by various bond ordinances duly adopted by the Township Council on the dates set forth in the charts on the following page and published and approved as required by law, and by a resolution, duly adopted by the Township Council on April 7, 2026.

The bond ordinances authorizing the Bonds were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides, that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Township. Such estoppel period has concluded as of the date of this Official Statement.

The proceeds of the Bonds, along with other available funds of the Township in the amount of \$581,000, will be used to: (i) refund, on a current basis, a \$16,646,000 portion of the Bond Anticipation Notes, Series 2025A of the Township originally issued in the aggregate principal amount of \$21,646,000, dated May 13, 2025 and maturing May 13, 2026 (the “Prior Notes”); and (ii) pay the costs associated with the issuance of the Bonds.

The purposes for which the Bonds are to be issued have been authorized by duly adopted, approved and published bond ordinances of the Township, which bond ordinances are described in the following table:

| <b>Ordinance No.</b> | <b>Purpose</b>                     | <b>Amount of Prior Notes<br/>Being Refunded with<br/>Bond Proceeds</b> |
|----------------------|------------------------------------|------------------------------------------------------------------------|
| 2016-023             | Various Sewer Utility Improvements | \$5,267,631                                                            |
| 2017-021             | Various Sewer Utility Improvements | 4,690,242                                                              |
| 2018-031             | Various Sewer Utility Improvements | 6,107,127                                                              |
| <b>TOTAL:</b>        |                                    | <b><u>\$16,065,000</u></b>                                             |

**Payment of Bonds**

The Bonds 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 and interest on Bonds without limitation as to rate or amount. See “SECURITY AND SOURCE OF PAYMENT.”

## Denominations and Place of Payment

The Bonds are issuable only as fully registered bonds without coupons, and when issued will be in the form of one certificate per maturity and will be registered in the name of Cede & Co., as registered owner and nominee for the Depository Trust Company (“DTC”), New York, New York. DTC will act as Securities Depository for the Bonds. Purchase of the Bonds will be made in book entry form, in the denomination of \$5,000 each or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as Cede & Co. is the registered owner, as nominee of DTC, references herein to the registered owners shall mean Cede & Co. and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See “Book-Entry-Only System” herein.

## 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 inside front cover page hereof. The Notes shall bear interest, which is payable at maturity, at the interest rate set forth on the inside front cover page hereof. The Notes may be purchased in book-entry-only form in the amount of \$5,000, or any integral multiple thereof, 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 General Improvement Notes are being issued to: (i) provide funds to temporarily finance \$8,000,000 of various capital improvements in and by the Township; and (ii) pay the costs associated with the issuance of the Notes. The General Improvement Notes and the improvements or purposes for which the General Improvement Notes are to be issued have been authorized by the bond ordinances duly adopted by the Township, which ordinances are described in the following table by ordinance number, purpose and amount of Notes being issued with the General Improvement Notes:

### General Improvement Notes

| <b>Ordinance No.</b> | <b>Purpose</b>               | <b>Total Amount of<br/>Notes to be Issued</b> |
|----------------------|------------------------------|-----------------------------------------------|
| 2023-025             | Various Capital Improvements | \$1,500,000                                   |
| 2024-032             | Various Capital Improvements | 4,500,000                                     |
| 2025-012             | Various Capital Improvements | <u>2,000,000</u>                              |
| <b>TOTAL:</b>        |                              | <b>\$8,000,000</b>                            |

The Sewer Notes, along with other available funds of the Township in the amount of \$240,000, are being issued to: (i) refund, on a current basis, a \$5,000,000 aggregate portion of the Prior Notes; (ii) provide funds to temporarily finance \$5,200,000 of various sewer utility improvements in and by the Township; and (iii) pay the costs associated with the issuance of the Notes. The Sewer Utility Notes and the improvements or purposes for which the Sewer Utility Notes are to be issued have been authorized by bond ordinances duly adopted by the Township, which ordinances are described in the following table by ordinance number, purpose, amount of the Prior Notes being refunded with the Sewer Utility Notes and new money amounts:

#### **Sewer Utility Notes**

| <b>Ordinance No.</b> | <b>Purpose</b>                     | <b>Amount of Prior Notes being Refunded</b> | <b>New Money</b>   | <b>Total Amount of Notes to be Issued</b> |
|----------------------|------------------------------------|---------------------------------------------|--------------------|-------------------------------------------|
| 2021-045             | Various Sewer Utility Improvements | \$2,760,000                                 | \$0                | \$2,760,000                               |
| 2022-035             | Various Sewer Utility Improvements | 1,000,000                                   | 2,200,000          | 3,200,000                                 |
| 2023-032             | Various Sewer Utility Improvements | <u>1,000,000</u>                            | <u>3,000,000</u>   | <u>4,000,000</u>                          |
| <b>TOTAL:</b>        |                                    | <b>\$4,760,000</b>                          | <b>\$5,200,000</b> | <b>\$9,960,000</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 Bonds and Notes, payment of principal and interest, and other payments on the Bonds and Notes to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Bonds and 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"), New York, New York, will act as securities depository for the Bonds and Notes. The Bonds and 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. A fully-registered Bond certificate and Note certificate will be issued for the maturity of the Bonds and 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 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

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\* Source: The Depository Trust Company

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

To facilitate subsequent transfers, all Bonds and 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 Bonds and 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 Bonds and Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and 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 Bonds and 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 Bonds and 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 Bonds and Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds and 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 Bonds and Notes at any time by giving reasonable notice to the Township. Under such circumstances, in the event that a successor depository is not obtained, Bond and 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 BONDS AND NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS, OR REGISTERED OWNERS OF THE BONDS AND NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS AND 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 Bonds and 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 BONDS AND NOTES**

The Bonds and 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 Bonds and 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 Bonds and Notes, without limitation as to rate or amount.

#### **The Township**

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

## MARKET PROTECTION

In addition to the Bonds and Notes, the Township expects to issue bond anticipation notes in October 2026 to currently refund its \$55,000,000 Bond Anticipation Notes, Series 2025B. The Township may issue additional bond anticipation notes, as necessary, during calendar year 2026.

## CERTAIN RISK FACTORS

### Cyber Security

The Township relies on a complex technology environment to conduct its various operations. As a result, the Township faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Township has invested in multiple forms of cybersecurity and operational safeguards. In addition, the Township maintains insurance coverage for cyberattacks and related events. No assurances can be given that the Township's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the Township.

### Climate

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

## 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, 2025, the Township has not exceeded its statutory debt limit. The Township will not exceed its statutory debt limit with the issuance of the Bonds and 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**

#### **Exclusion of Interest on the Bonds and Notes from Gross Income for Federal Tax Purposes**

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds and Notes in order to assure that interest on the Bonds and 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 Bonds and Notes to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds and Notes. The Township will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the Bonds and Notes, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Bonds and Notes and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds and 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 Bonds and Notes from gross income for federal income tax purposes and with respect to the treatment of interest on the Bonds and 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 Bonds and 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 Bonds 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 Noyes is included in the "adjusted financial statement income" of "applicable corporations" subject to alternative minimum tax under Section 55 of the Code.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds and 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 Bonds and Notes ends with the issuance of the Bonds and Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the owners of the Bonds and 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 Bonds and Notes, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Bonds and 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 Bonds and 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 Bonds and Notes.

Payments of interest on tax-exempt obligations, including the Bonds and Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond or 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 Bonds or 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 Bonds and Notes to a purchaser (other than a purchaser who holds such Bonds and 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 Bonds and 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 Bonds and Notes. Accordingly, an owner of the Bonds and Notes may have taxable gain from the disposition of the Bonds and Notes, even though the Bonds and Notes are sold, or disposed of, for a price equal to the owner's original cost of acquiring the Bonds or Notes. Bond premium amortizes over the term of the Bonds and Notes under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Bonds and 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 Bonds and Notes.

## **Original Issue Discount**

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

## **Bank-Qualification**

The Bonds and the Notes **will not** 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 Bonds and Notes**

Prospective purchasers of the Bonds and Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds and 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 Bonds and Notes from gross income pursuant to Section 103 of the Code and interest on the Bonds and Notes not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Bonds and Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Bonds and Notes.

## **Changes in Federal Tax Law Regarding the Bonds and 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 Bonds and Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds and Notes will not have an adverse effect on the tax status of interest on the Bonds and Notes or the market value or marketability of the Bonds and 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 Bonds and 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 Bonds and 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 BONDS AND NOTES ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE BONDS AND 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 BONDS AND 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 Bonds and Notes, and such Bonds and Notes are authorized security for any and all public deposits.

## **LITIGATION**

Upon delivery of the Bonds and Notes, the Township shall furnish a certification of its counsel, Elissa Grodd Schragger, Esq. (the "Township Attorney"), dated the date of delivery of the Bonds and Notes, to the effect that to her knowledge there is no litigation of any nature, pending or threatened, to restrain or enjoin the issuance, sale, execution or delivery of the Bonds and Notes, or in any way contesting or affecting the validity of the Bonds and 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 Bonds and Notes. In addition, such certification shall state that, to the Township Attorney'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 Bonds and Notes.

## **SECONDARY MARKET DISCLOSURE**

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

- (a) as detailed in a Continuing Disclosure Certificate to be executed on behalf of the Township by its Chief Financial Officer, in the forms appearing in Appendix "E" and Appendix "F" attached hereto (the "Continuing Disclosure Certificates"), provide to the Municipal Securities Rulemaking Board ("MSRB") through the Electronic Municipal Market Access data port ("EMMA"), certain financial information and operating data with respect to the Township to comply with the provisions of the Rule promulgated by the

Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented;

(b) 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 Bonds and Notes:

- (i) Principal or interest payment delinquencies on the Bonds and 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 Bonds and Notes.
- (vii) Modifications to the rights of Bondholders and Noteholders, if material.
- (viii) Bond and Note calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the Bonds and 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 Bonds and 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.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii).

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.

(c) in a timely manner to the MSRB, notice of failure of the Township to provide required annual financial information on or before the date specified in the Continuing Disclosure Certificates.

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

The undertaking may be amended by the Township from time to time, without the consent of the Bondholders and Noteholders or the beneficial owners of the Bonds and 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 continuing disclosure undertakings under the Rule. In accordance with the Rule and prior secondary market disclosure undertakings, within the five years immediately preceding the date of this Official Statement, the Township previously failed to timely file a notice in connection with an interest payment in the amount of \$888,336.25 due on November 15, 2022 and made on November 28, 2022 to DTC. The late payment was a result of DTC not sending a payment notice and an administrative oversight. The funds were available for payment on the payment date. Remedies have been made to correct the error and the Township expects to make all future payments in a timely manner. Such notice of event and late filing have since been filed with the MSRB's Electronic Municipal Market Access Dataport ("EMMA"). The Township has engaged Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

There can be no assurance that there will be a secondary market for the sale or purchase of the Bonds and 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 Bonds and Notes.

### **APPROVAL OF LEGAL PROCEEDINGS**

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

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**

Except as set forth above, there is no record of default in the payment of the principal of or interest on the bonds or notes of the Township.

### **RATINGS**

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P"), has assigned a long-term rating of "AA" to the Bonds and a short-term rating of "SP-1+" to the Notes.

The ratings reflect only the view of S&P and an explanation thereof may be obtained only from S&P. Certain information and materials, including information and materials not included in this Official Statement, were furnished by the Township to S&P. Generally, S&P bases its ratings on the information and materials so furnished and, on its investigations, studies and assumptions.

There is no assurance any such rating will remain in effect for any given period of time or that any such rating will not be revised downward, suspended or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such downward revision, suspension or withdrawal of a rating may have an adverse effect on the market price or the marketability of the Bonds and Notes. The Township has not undertaken any responsibility to oppose any such downward revision, suspension or withdrawal of a rating.

## **UNDERWRITING**

### **Bonds**

The Bonds have been purchased from the Township at a public sale by \_\_\_\_\_ (the “Bond Underwriter”) at a price of \$ \_\_\_\_\_. The purchase price reflects the par amount of the Bonds plus an original issue premium of \$ \_\_\_\_\_ and less an underwriter’s discount of \$ \_\_\_\_\_.

The Bond Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at yields higher than the public offering yields stated on the inside front cover page hereof.

### **Notes**

The Notes have been purchased from the Township at a public sale by \_\_\_\_\_ (the “Note Underwriter” and together with the Bonds Underwriter, the “Underwriters”) at a price of \$ \_\_\_\_\_. The purchase price reflects the par amount of the Notes plus an original issue premium of \$ \_\_\_\_\_ and less an underwriter’s discount of \$ \_\_\_\_\_.

The Note Underwriter 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 inside 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 Bonds and Notes (the “Municipal Advisor”) and has assisted in matters related to the planning, structuring and terms of the Bonds and 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 Bonds and 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 compiled this Official Statement from information obtained from Township management and other various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

## **FINANCIAL STATEMENTS**

Appendix "B" contains: (i) certain unaudited financial information of the Township for the Township's fiscal year ending December 31, 2025 and (ii) certain audited financial information of the Township for the Township's fiscal year ending December 31, 2024. The unaudited financial information for the fiscal year ending December 31, 2025 was provided by Suplee, Clooney & Company, Westfield, New Jersey (the "Auditor"). The audited financial information 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 have such firms verified the accuracy, completeness or fairness of the information contained herein (except for such firm's portion of the financial statements appearing in Appendix "B" hereto) and, accordingly, will express no opinion with respect thereto. See "APPENDIX B – FINANCIAL STATEMENTS OF THE TOWNSHIP".

## **CERTIFICATES OF THE TOWNSHIP**

Upon the delivery of the Bonds and 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 Bonds and Notes shall also receive certificates in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds and Notes and receipt of payment therefore, and a certificate dated as of the date of the delivery of the Bonds and Notes and signed by the officers who signed the Bonds and 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 Bonds and Notes or the levy or collection of taxes to pay the Bonds and Notes or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds and 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 Eugenia Poulos, Chief Financial Officer, Township of Hamilton, 2090 Greenwood Avenue, Hamilton, NJ 08609, (609) 890-3510 or its Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, 08691, (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 Bonds and 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 Bonds and 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 HAMILTON, IN THE COUNTY OF MERCER, NEW JERSEY**

By: \_\_\_\_\_  
Eugenia Poulos,  
Chief Financial Officer

**Dated:** April \_\_, 2026

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

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

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

### **General Information**

The Township was formally incorporated in 1842. It is located in the west-central portion of the State and is served by rail, while also having access to several major arteries, including the New Jersey Turnpike. The Township is the most populous municipality in the County and comprises a total land area of approximately forty (40) square miles, making it the second largest municipality in the County. The Township is roughly sixty (60) miles away from New York City and forty (40) miles away Philadelphia.

### **Transportation**

The location of the Township astride the major transportation corridor in the northeast offers commuters multiple options with regards to transportation. Access to the New Jersey Turnpike is available at interchange 7A which is located within the Township. Interstates 95, 195, 295, U.S. Routes 1 and 130 and State Highway 33 also traverse the Township. Main line freight, including spur facilities to industrial sites, and passenger rail service is available. Hamilton Transit Center, a New Jersey Transit rail and bus station, with direct rail service to New York City via the Northeast Corridor Line, is located in the Township, providing efficient commuting opportunities for residents.

### **Form of Government**

The Township is managed under a Mayor-Council form of government authorized under Plan E of the Faulkner Act of 1950. This form of government provides for, among other things, the direct election of the Mayor and the five-member Township Council, the separation of legislative power from administrative functions, and the employment of full-time professional personnel in the Departments of Administration, Finance, Law, Engineering, Planning and Inspections, Public Safety, Public Works, and Health, Recreation and Welfare. The Mayor and Township Council members are all elected in odd-numbered years to serve four-year terms of office. At the annual reorganization meeting, the Council selects one of its members to serve as President and another member to serve as Vice President for a one-year term.

### **Education**

The Township’s local school district offers educational services to students in Pre-Kindergarten through grade 12 via its operations at twenty-three (23) total schools: seventeen (17) elementary schools; three (3) middle schools; and three (3) senior high schools.

The Township’s central location in the State also provides the benefit of being in commuting distance of the following higher education institutions: Princeton University; The College of New Jersey; Mercer County Community College; Rider University; and Rutgers, the State University.

### **Governmental Services**

#### *Parks and Recreation*

In addition to County and State parklands located within its boundaries, the Township owns and operates approximately thirty (30) parks. The largest of these, Veteran’s Park, contains jogging trails,

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

bicycle paths, nature trails, soccer and baseball fields and tennis courts. The Township offers a variety of recreational, cultural and social programs to its residents as well as special facilities and programs for the handicapped. Altogether, over 1,700 acres of parkland are available for active and passive recreational activities.

### *General Services*

The Township maintains a police force consisting of officers, clerical support staff and dispatchers. Previously, there were nine (9) independent volunteer fire districts in the Township and one (1) volunteer ambulance squad. In December of 2017, the Township Council voted to authorize the consolidation of all nine (9) fire districts into one municipal fire department. Effective January 1, 2021, the independent fire districts were consolidated to form a unified Fire Division in the Township. The main branch of the municipal library has a capacity of 180,000 volumes in addition to pamphlets, recordings, films and microfilm reference material.

### *Utilities*

The Township is provided water service from two sources: Trenton Water Works; and Aqua New Jersey. The Township owns and operates a sewerage plant which provides for the treatment and disposal of effluent and services a large portion of the Township. Public utilities serving the Township include Public Service Electric & Gas Company and Verizon Communications, Inc.

### **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 cost-sharing 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.

### **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 of New Jersey:

|                        | <b><u>Total<br/>Labor Force</u></b> | <b><u>Employed<br/>Labor Force</u></b> | <b><u>Total<br/>Unemployed</u></b> | <b><u>Unemployment<br/>Rate</u></b> |
|------------------------|-------------------------------------|----------------------------------------|------------------------------------|-------------------------------------|
| <b><u>Township</u></b> |                                     |                                        |                                    |                                     |
| 2024                   | 50,155                              | 48,062                                 | 2,093                              | 4.2%                                |
| 2023                   | 49,951                              | 47,986                                 | 1,965                              | 3.9%                                |
| 2022                   | 49,183                              | 47,434                                 | 1,749                              | 3.6%                                |
| 2021                   | 48,669                              | 45,696                                 | 2,973                              | 6.1%                                |
| 2020                   | 48,569                              | 44,285                                 | 4,284                              | 8.8%                                |
| <b><u>County</u></b>   |                                     |                                        |                                    |                                     |
| 2024                   | 199,583                             | 190,833                                | 8,750                              | 4.4%                                |
| 2023                   | 198,699                             | 190,533                                | 8,166                              | 4.1%                                |
| 2022                   | 195,425                             | 188,302                                | 7,123                              | 3.6%                                |
| 2021                   | 192,685                             | 180,980                                | 11,705                             | 6.1%                                |
| 2020                   | 192,510                             | 177,193                                | 15,317                             | 8.0%                                |
| <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, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

### **Income (as of 2024)**

|                         | <b><u>Township</u></b> | <b><u>County</u></b> | <b><u>State</u></b> | <b><u>National</u></b> |
|-------------------------|------------------------|----------------------|---------------------|------------------------|
| Median Household Income | \$100,771              | \$100,645            | \$103,556           | \$80,734               |
| Median Family Income    | 120,469                | 127,747              | 127,025             | 99,999                 |
| Per Capita Income       | 47,521                 | 53,765               | 54,253              | 44,673                 |

Source: US Bureau of the Census, 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>Township</u></b>   |                        | <b><u>County</u></b>     |                        | <b><u>State</u></b>      |                        |
|--------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|------------------------|
| <b><u>Year</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.          | 93,911                   | 1.7%                   | 392,138                  | 1.2%                   | 9,500,851                | 2.3%                   |
| 2020               | 92,297                   | 4.3%                   | 387,340                  | 5.7%                   | 9,288,994                | 5.7%                   |
| 2010               | 88,464                   | 1.6%                   | 366,513                  | 4.5%                   | 8,791,894                | 4.5%                   |
| 2000               | 87,109                   | 0.6%                   | 350,761                  | 7.7%                   | 8,414,350                | 8.9%                   |
| 1990               | 86,553                   | 4.5%                   | 325,824                  | 5.8%                   | 7,730,188                | 5.0%                   |

Source: United States 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>Assessed Valuation</u></b> | <b><u>% of Total<br/>Assessed Valuation</u></b> |
|-----------------------------------|----------------------------------|-------------------------------------------------|
| Paramount MKTPL@Hamilton          | \$66,763,300                     | 0.74%                                           |
| Inspired Senior Living            | 42,281,000                       | 0.47%                                           |
| Quakerbridge Partners LLC         | 40,700,000                       | 0.45%                                           |
| RAR2-401 Cabot Drive, LLC         | 38,004,500                       | 0.42%                                           |
| Hamilton Station Apartments       | 37,941,200                       | 0.42%                                           |
| Reckson-Matrix                    | 36,257,300                       | 0.40%                                           |
| BCIF Hamilton Distribution Center | 33,735,200                       | 0.38%                                           |
| MREIC Trenton NJ LLC              | 32,600,000                       | 0.36%                                           |
| Levin Properties                  | 32,553,800                       | 0.36%                                           |
| Hamilton Montage LLC              | <u>31,991,000</u>                | <u>0.36%</u>                                    |
| <b>Total</b>                      | <b><u>\$392,827,300</u></b>      | <b><u>4.37%</u></b>                             |

Source: Annual Comprehensive Financial Report of the School District

### **Largest Employers**

| <b><u>Name</u></b>                                  | <b><u>Number of Employees</u></b> |
|-----------------------------------------------------|-----------------------------------|
| Trane Company                                       | 1,200                             |
| Robert Wood Johnson-Hamilton                        | 1,100                             |
| UPS                                                 | 900                               |
| Fed-Ex                                              | 850                               |
| Verizon                                             | 575                               |
| Genesis                                             | 545                               |
| Shoprite (Marketplace) & Shoprite of Hamilton Rt 33 | 500                               |
| Walmart Marketplace & Walmart Nottingham Way        | 500                               |
| AAA                                                 | 350                               |
| Home Depot                                          | 200                               |

Source: Township Officials

### **Tax Levy and Tax Collection Data**

| <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> |
|--------------------|------------------------|---------------------------------------|--------------------------------------------|
| 2025 U             | \$334,473,473          | \$334,344,386                         | 99.96%                                     |
| 2024               | 316,585,769            | 314,059,793                           | 99.20%                                     |
| 2023               | 295,259,565            | 294,302,285                           | 99.68%                                     |
| 2022               | 286,444,627            | 285,619,014                           | 99.71%                                     |
| 2021               | 286,857,290            | 286,474,771                           | 99.87%                                     |

U: Unaudited

Source: 2025 Annual Financial Statement and Annual Audit Reports

### **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>Delinquent % of Tax Levy</u></b> |
|--------------------|-----------------------------------------|----------------------------------------|--------------------------------|----------------------------------------|
| 2025 U             | \$1,862,825                             | \$50,491                               | \$1,913,316                    | 0.57%                                  |
| 2024               | 1,839,806                               | 27,810                                 | 1,867,615                      | 0.59%                                  |
| 2023               | 1,867,391                               | 7,671                                  | 1,875,062                      | 0.64%                                  |
| 2022               | 2,165,304                               | 16,405                                 | 2,181,709                      | 0.76%                                  |
| 2021               | 2,225,588                               | 3,742                                  | 2,229,330                      | 0.78%                                  |

U: Unaudited

Source: 2025 Annual Financial Statement and Annual Audit Reports

**Property Acquired by Tax Title Lien Liquidation**

| <u>Year</u> | <u>Property<br/>Acquired<br/>For Taxes</u> |
|-------------|--------------------------------------------|
| 2025 U      | \$377,111                                  |
| 2024        | 377,111                                    |
| 2023        | 377,111                                    |
| 2022        | 372,069                                    |
| 2021        | 367,045                                    |

U: Unaudited

Source: 2025 Annual Financial Statement and Annual Audit Reports

**Sewer Collection Data**

| <u>Year</u> | <u>Sewer Levy</u> | <u>Current Year<br/>Collection</u> | <u>% of Current<br/>Collection</u> |
|-------------|-------------------|------------------------------------|------------------------------------|
| 2025 U      | \$19,789,881      | \$19,791,857                       | 100.01%                            |
| 2024        | 19,772,812        | 19,739,647                         | 99.90%                             |
| 2023        | 19,743,039        | 19,766,257                         | 100.12%                            |
| 2022        | 19,754,350        | 19,748,338                         | 99.97%                             |
| 2021        | 19,056,962        | 18,973,072                         | 99.56%                             |

U: Unaudited

Source: 2025 Annual Financial Statement and Annual Audit Reports

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

| <u>Year</u> | <u>General<br/>Municipal</u> | <u>Library<br/>Municipal</u> | <u>Local<br/>School</u> | <u>Total<br/>County</u> | <u>Total</u> |
|-------------|------------------------------|------------------------------|-------------------------|-------------------------|--------------|
| 2025        | \$1.317                      | \$0.050                      | \$1.510                 | \$0.831                 | \$3.708      |
| 2024        | 1.254                        | 0.044                        | 1.459                   | 0.767                   | 3.524        |
| 2023        | 1.155                        | 0.040                        | 1.431                   | 0.677                   | 3.303        |
| 2022        | 1.155                        | 0.036                        | 1.430                   | 0.630                   | 3.251        |
| 2021        | 1.155                        | 0.035                        | 1.432                   | 0.641                   | 3.263        |

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

## **Valuation of Property**

| <b>Year</b> | <b>Aggregate Assessed<br/>Valuation of<br/>Real Property</b> | <b>Aggregate True<br/>Value of<br/>Real Property</b> | <b>Ratio of<br/>Assessed to<br/>True Value</b> | <b>Assessed<br/>Value of<br/>Personal Property</b> | <b>Equalized<br/>Valuation</b> |
|-------------|--------------------------------------------------------------|------------------------------------------------------|------------------------------------------------|----------------------------------------------------|--------------------------------|
| 2025        | \$8,960,826,550                                              | \$14,613,220,075                                     | 61.32%                                         | \$19,742,663                                       | \$14,632,962,738               |
| 2024        | 8,915,536,550                                                | 13,553,567,270                                       | 65.78%                                         | 22,509,171                                         | 13,576,076,441                 |
| 2023        | 8,843,489,500                                                | 11,742,782,499                                       | 75.31%                                         | 24,829,400                                         | 11,767,611,899                 |
| 2022        | 8,737,351,350                                                | 10,477,696,786                                       | 83.39%                                         | 26,466,000                                         | 10,504,162,786                 |
| 2021        | 8,657,418,950                                                | 9,503,204,116                                        | 91.10%                                         | 27,571,359                                         | 9,530,775,475                  |

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 past five (5) years.

| <b>Year</b> | <b>Vacant Land</b> | <b>Residential</b> | <b>Farm</b>  | <b>Commercial</b> | <b>Industrial</b> | <b>Apartments</b> | <b>Total</b>    |
|-------------|--------------------|--------------------|--------------|-------------------|-------------------|-------------------|-----------------|
| 2025        | \$89,123,100       | \$6,404,479,500    | \$16,109,500 | \$1,671,389,600   | \$406,884,450     | \$372,840,400     | \$8,960,826,550 |
| 2024        | 79,696,400         | 6,379,948,500      | 16,900,300   | 1,699,682,700     | 366,657,950       | 372,650,700       | 8,915,536,550   |
| 2023        | 100,794,300        | 6,348,151,400      | 17,742,300   | 1,705,304,250     | 304,410,450       | 367,086,800       | 8,843,489,500   |
| 2022        | 83,374,000         | 6,301,746,200      | 19,446,400   | 1,664,774,550     | 298,503,000       | 369,507,200       | 8,737,351,350   |
| 2021        | 74,373,800         | 6,279,382,400      | 19,341,300   | 1,648,838,650     | 266,919,400       | 368,563,400       | 8,657,418,950   |

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

## **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.

|                                 | <b>Adopted<br/>2022</b> | <b>Adopted<br/>2023</b> | <b>Adopted<br/>2024</b> | <b>Adopted<br/>2025</b> | <b>Introduced<br/>2026</b> |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------------------|
| <b>REVENUE</b>                  |                         |                         |                         |                         |                            |
| Fund Balance Utilized           | \$7,495,000             | \$8,600,000             | \$8,000,000             | \$9,200,000             | \$5,000,000                |
| Miscellaneous Revenues          | 35,194,154              | 40,890,970              | 37,084,588              | 40,331,200              | 37,707,536                 |
| Municipal Grants                | 1,892,402               | 2,570,676               | 1,109,780               | 2,889,615               | 1,555,603                  |
| Receipts from Delinquent Taxes  | 115,000                 | 135,000                 | 400,000                 | 249,000                 | 50,000                     |
| Amount to be Raised by Taxation | <u>104,401,496</u>      | <u>105,934,539</u>      | <u>115,988,198</u>      | <u>122,761,121</u>      | <u>134,469,228</u>         |
| Total Revenue:                  | <u>\$149,098,052</u>    | <u>\$158,131,185</u>    | <u>\$162,582,567</u>    | <u>\$175,430,936</u>    | <u>\$178,782,367</u>       |
| <b>APPROPRIATIONS</b>           |                         |                         |                         |                         |                            |
| General Purpose (Inside CAP)    | \$129,859,987           | \$135,372,998           | \$140,678,392           | \$149,492,463           | \$158,055,282              |
| Operations (Outside CAP)        | 4,496,367               | 6,074,742               | 7,938,084               | 8,632,862               | 8,423,145                  |
| Municipal Grants                | 1,926,774               | 2,615,676               | 1,154,780               | 2,889,615               | 1,655,603                  |
| Capital Improvement Fund        | 588,385                 | 2,025,000               | 100                     | 100                     | 525,000                    |
| Municipal Debt Service          | 11,509,300              | 11,467,000              | 12,203,300              | 14,090,200              | 9,440,411                  |
| Reserve for Uncollected Taxes   | <u>717,239</u>          | <u>575,769</u>          | <u>607,910</u>          | <u>325,696</u>          | <u>682,926</u>             |
| Total Appropriations:           | <u>\$149,098,052</u>    | <u>\$158,131,185</u>    | <u>\$162,582,567</u>    | <u>\$175,430,936</u>    | <u>\$178,782,367</u>       |

## **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><u>Year</u></b>                        | <b><u>Fund Balance</u></b> | <b><u>Utilized in Budget of Succeeding Year</u></b> |
| 2025 U                                    | \$12,292,232               | \$5,000,000                                         |
| 2024                                      | 16,104,157                 | 9,200,000                                           |
| 2023                                      | 15,032,032                 | 8,000,000                                           |
| 2022                                      | 13,531,609                 | 8,600,000                                           |
| 2021                                      | 15,966,342                 | 7,495,000                                           |

U: Unaudited

Source: 2025 Annual Financial Statement and Annual Audit Reports

### **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 Sewer Utility Operating Fund for the past five (5) fiscal years ending December 31.

| <b><u>Fund Balance - Sewer Utility</u></b> |                             |                                                     |
|--------------------------------------------|-----------------------------|-----------------------------------------------------|
| <b><u>Year</u></b>                         | <b><u>Balance 12/31</u></b> | <b><u>Utilized in Budget of Succeeding Year</u></b> |
| 2025 U                                     | \$5,966,279                 | \$0                                                 |
| 2024                                       | 7,455,301                   | 3,480,000                                           |
| 2023                                       | 6,772,491                   | 3,283,830                                           |
| 2022                                       | 5,034,237                   | 2,357,220                                           |
| 2021                                       | 3,235,135                   | 1,020,000                                           |

U: Unaudited

Source: 2025 Annual Financial Statement and Annual Audit Reports

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**Township's Indebtedness as of December 31, 2025**

**General Purpose Debt**

|                                           |                      |
|-------------------------------------------|----------------------|
| Serial/Term Bonds                         | \$56,915,000         |
| Bond Anticipation Notes                   | 55,000,000           |
| Bonds and Notes Authorized but Not Issued | 31,448,489           |
| Other Bonds, Notes and Loans              | 0                    |
| Total:                                    | <u>\$143,363,489</u> |

**Local/Regional School District Debt**

|                                           |                     |
|-------------------------------------------|---------------------|
| Serial/Term Bonds                         | \$44,810,000        |
| Temporary Notes Issued                    | 0                   |
| Bonds and Notes Authorized but Not Issued | 0                   |
| Other Bonds, Notes and Loans              | 0                   |
| Total:                                    | <u>\$44,810,000</u> |

**Self-Liquidating Debt**

|                                           |                     |
|-------------------------------------------|---------------------|
| Serial/Term Bonds                         | \$35,992,000        |
| Bond Anticipation Notes                   | 21,646,000          |
| Bonds and Notes Authorized but Not Issued | 35,142,826          |
| Other Bonds, Notes and Loans              | 2,310,181           |
| Total:                                    | <u>\$95,091,006</u> |

**TOTAL GROSS DEBT** \$283,264,495

**Less: Statutory Deductions**

|                                     |                      |
|-------------------------------------|----------------------|
| General Purpose Debt                | \$3,848,921          |
| Local/Regional School District Debt | 44,810,000           |
| Self-Liquidating Debt               | 95,091,006           |
| Total:                              | <u>\$143,749,927</u> |

**TOTAL NET DEBT** \$139,514,568

Source: Annual Debt Statement of the Township

*[Remainder of Page Intentionally Left Blank]*

**Overlapping Debt (as of December 31, 2025)**

| <b><u>Name of Related Entity</u></b> | <b><u>Related Entity<br/>Debt Outstanding</u></b> | <b><u>Township<br/>Percentage</u></b> | <b><u>Township<br/>Share*</u></b>       |
|--------------------------------------|---------------------------------------------------|---------------------------------------|-----------------------------------------|
| Local School District                | \$44,810,000                                      | 100.0%                                | \$44,810,000                            |
| Mercer County                        | 617,540,115                                       | 4.9%                                  | 30,165,130                              |
|                                      |                                                   |                                       | <hr/>                                   |
| Net Indirect Debt                    |                                                   |                                       | \$74,975,130                            |
| Net Direct Debt                      |                                                   |                                       | 139,514,568                             |
| Total Net Direct and Indirect Debt   |                                                   |                                       | <hr/> <b><u>\$214,489,698</u></b> <hr/> |

\*Percentage of County debt is based on the Net Valuation on Which County Taxes are Apportioned. County debt reflects total Gross Debt without statutory deductions.

Source: Annual Audit Reports and/or Annual Debt Statements (unaudited)

**Debt Limit (as of December 31, 2025)**

|                                                          |                                         |
|----------------------------------------------------------|-----------------------------------------|
| Average Equalized Valuation Basis (2023, 2024, 2025)     | \$13,303,189,948                        |
| Permitted Debt Limitation (3.50%)                        | 465,611,648                             |
| Less: Net Debt                                           | 139,514,568                             |
| Remaining Borrowing Power                                | <hr/> <b><u>\$326,097,080</u></b> <hr/> |
|                                                          |                                         |
| Percentage of Net Debt to Average Equalized Valuation    | 1.049%                                  |
|                                                          |                                         |
| Gross Debt Per Capita based on 2020 population of 92,297 | \$3,069                                 |
| Net Debt Per Capita based on 2020 population of 92,297   | \$1,512                                 |

Source: Annual Debt Statement of the Township

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

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**ACCOUNTANT'S COMPILATION REPORT**

**UNAUDITED FINANCIAL STATEMENTS**

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# SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Township Council  
Township of Hamilton  
County of Mercer  
Hamilton, New Jersey 08650

### ***Report on the Financial Statements***

#### ***Adverse and Unmodified Opinions***

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

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township as of December 31, 2024, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2024.

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

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2024, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2024 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

***Basis for Adverse and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

***Matter Giving Rise to Adverse Opinion***

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

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory 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 regulatory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and audit requirements prescribed by the Division 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.

## **SUPLEE, CLOONEY & COMPANY LLC**

In performing an audit in accordance with GAAS, Government Auditing Standards, and audit requirements prescribed by the Division, we:

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

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

### ***Prior Period Financial Statements***

The financial statements of the Township as of December 31, 2023, were audited by other auditors whose report dated August 22, 2024, expressed an adverse opinion on the financial statements as to the conformity of the financial statements with accounting principles generally accepted in the United States of America and an unmodified opinion on those financial statements in accordance with the basis of financial reporting prescribed by the Division.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2025 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Township's internal control over financial reporting and compliance.

SUPLEE, CLOONEY & COMPANY LLC  
Certified Public Accountants

/s/ Robert W. Swisher  
Robert W. Swisher, C.P.A., R.M.A.

December 16, 2025



# SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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## **ACCOUNTANT'S COMPILATION REPORT**

The Honorable Mayor and Members  
of the Township Committee  
Township of Hamilton  
County of Mercer  
Hamilton, New Jersey 08609

We have compiled the accompanying balance sheets - regulatory basis of the individual funds from the 2025 Annual Financial Statement (AFS) of the Township of Hamilton, County of Mercer, New Jersey as of December 31, 2025 and the related statements of operations and changes in fund balances - regulatory basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements - regulatory basis have been prepared on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements and schedules information that is the representation of management of the Township of Hamilton. We have not audited or reviewed the accompanying financial statements - regulatory basis and, accordingly, do not express an opinion or any other form of assurance on them.

The management of the Township of Hamilton has elected to omit substantially all of the disclosures which are ordinarily included in financial statements prepared on the regulatory basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Township of Hamilton's financial position - regulatory basis and the results of its operations and changes in its fund balance - regulatory basis. Accordingly, these financial statements are not designed for those who are not informed about such matters.

SUPLEE, CLOONEY & COMPANY LLC  
Certified Public Accountants

/s/ Robert W. Swisher

Robert W. Swisher, C.P.A., R.M.A.

March 25, 2026

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

CURRENT FUND  
BALANCE SHEETS - REGULATORY BASIS

|                                                  | BALANCE<br>DECEMBER<br>31, 2025<br>(Unaudited) | BALANCE<br>DECEMBER<br>31, 2024 | BALANCE<br>DECEMBER<br>31, 2023 |
|--------------------------------------------------|------------------------------------------------|---------------------------------|---------------------------------|
| <u>A S S E T S</u>                               |                                                |                                 |                                 |
| Cash and Investments - Treasurer                 | \$ 28,490,216.23                               | \$ 30,466,519.64                | \$ 34,280,686.35                |
| Cash - Change Fund                               | 4,181.00                                       | 3,981.00                        | 3,981.00                        |
|                                                  | <u>28,494,397.23</u>                           | <u>30,470,500.64</u>            | <u>34,284,667.35</u>            |
| Due from State of New Jersey, Chap. 20 P.L. 1971 |                                                |                                 | 261,039.42                      |
| Deferred Charges:                                |                                                |                                 |                                 |
| Emergency                                        |                                                |                                 | <u>152,389.52</u>               |
|                                                  | <u>28,494,397.23</u>                           | <u>30,470,500.64</u>            | <u>34,698,096.29</u>            |
| Receivables with Full Reserves:                  |                                                |                                 |                                 |
| Delinquent Property Taxes Receivable             | 50,491.21                                      | 27,809.84                       | 7,670.91                        |
| Tax Title Liens Receivable                       | 1,862,825.04                                   | 1,839,805.54                    | 1,867,391.27                    |
| Property Acquired for Taxes                      | 377,110.99                                     | 377,110.99                      | 377,110.99                      |
| Revenue Accounts Receivable                      | 64,109.42                                      | 57,182.17                       | 41,445.83                       |
| Fire Consolidation Funds Receivable              | 19,589.00                                      | 33,743.00                       | 33,743.00                       |
| Other Receivables                                | 14,154.00                                      |                                 |                                 |
| Interfunds Receivable                            | <u>368,061.26</u>                              | <u>589,616.09</u>               | <u>628,176.74</u>               |
|                                                  | <u>2,756,340.92</u>                            | <u>2,925,267.63</u>             | <u>2,955,538.74</u>             |
|                                                  | <u>31,250,738.15</u>                           | <u>33,395,768.27</u>            | <u>37,653,635.03</u>            |
| Federal and State Grant Fund:                    |                                                |                                 |                                 |
| Cash and Investments - Treasurer                 | 2,325,612.12                                   | 2,587,381.31                    | 3,468,954.73                    |
| Grants Receivable                                | 11,189,505.51                                  | 8,480,304.42                    | 8,618,611.01                    |
| Interfunds Receivable                            | <u>50,039.44</u>                               | <u>50,039.44</u>                | <u>2,214.41</u>                 |
|                                                  | <u>13,565,157.07</u>                           | <u>11,117,725.17</u>            | <u>12,089,780.15</u>            |
|                                                  | <u>\$ 44,815,895.22</u>                        | <u>\$ 44,513,493.44</u>         | <u>\$ 49,743,415.18</u>         |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

CURRENT FUND  
BALANCE SHEETS - REGULATORY BASIS

|                                                | BALANCE<br>DECEMBER<br>31, 2025<br>(Unaudited) | BALANCE<br>DECEMBER<br>31, 2024 | BALANCE<br>DECEMBER<br>31, 2023 |
|------------------------------------------------|------------------------------------------------|---------------------------------|---------------------------------|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u>  |                                                |                                 |                                 |
| Appropriation Reserves                         | \$ 7,347,480.17                                | \$ 4,791,147.52                 | \$ 7,100,233.16                 |
| Due to State of New Jersey, Chap. 20 P.L. 1971 | 31.25                                          | 753.23                          | -                               |
| Interfunds Payable                             |                                                | 19,800.54                       | 78.20                           |
| Reserve for Encumbrances                       | 4,139,817.50                                   | 3,838,125.03                    | 6,519,880.36                    |
| Tax Overpayments                               | 60,973.49                                      | 120,244.92                      | 63,566.09                       |
| Prepaid Taxes                                  | 2,555,618.55                                   | 1,809,212.85                    | 1,796,491.42                    |
| County Taxes Payable                           | 329,842.25                                     | 345,996.95                      | 1,079,843.64                    |
| Accounts Payable                               | 384,242.75                                     | 747,021.17                      | 89,773.87                       |
| Due to State of New Jersey - Various           | 35,791.00                                      | 47,684.00                       | 41,753.00                       |
| Various Reserves and Payables                  | 1,348,368.70                                   | 2,646,357.90                    | 2,974,444.96                    |
|                                                | <u>16,202,165.66</u>                           | <u>14,366,344.11</u>            | <u>19,666,064.70</u>            |
| Reserve for Receivables and Other Assets       | 2,756,340.92                                   | 2,925,267.63                    | 2,955,538.74                    |
| Fund Balance                                   | 12,292,231.57                                  | 16,104,156.53                   | 15,032,031.59                   |
|                                                | <u>31,250,738.15</u>                           | <u>33,395,768.27</u>            | <u>37,653,635.03</u>            |
|                                                |                                                |                                 | -                               |
| Federal and State Grant Fund:                  |                                                |                                 |                                 |
| Interfunds Payable                             | 160,919.77                                     | 284,171.83                      | 1,237,820.43                    |
| Appropriated Reserves                          | 10,560,394.64                                  | 9,610,098.31                    | 9,290,084.53                    |
| Reserve for Encumbrances                       | 2,815,240.18                                   | 1,194,852.55                    | 1,523,841.53                    |
| Unappropriated Reserves                        | 28,602.48                                      | 28,602.48                       | 38,033.66                       |
|                                                | <u>13,565,157.07</u>                           | <u>11,117,725.17</u>            | <u>12,089,780.15</u>            |
|                                                | <u>\$ 44,815,895.22</u>                        | <u>\$ 44,513,493.44</u>         | <u>\$ 49,743,415.18</u>         |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

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

|                                                           | YEAR ENDED<br>DECEMBER<br>31, 2025<br>(Unaudited) | YEAR ENDED<br>DECEMBER<br>31, 2024 | YEAR ENDED<br>DECEMBER<br>31, 2023 |
|-----------------------------------------------------------|---------------------------------------------------|------------------------------------|------------------------------------|
| Revenue and Other Income Realized:                        |                                                   |                                    |                                    |
| Fund Balance Anticipated                                  | \$ 9,200,000.00                                   | \$ 8,000,000.00                    | \$ 8,600,000.00                    |
| Miscellaneous Revenue Anticipated                         | 48,833,597.79                                     | 44,147,856.83                      | 49,816,468.03                      |
| Receipts from Delinquent Taxes                            | 91,238.11                                         | 354,024.81                         | 509,864.79                         |
| Receipts from Current Taxes                               | 334,344,385.62                                    | 315,843,142.11                     | 294,939,332.68                     |
| Non-Budget Revenues                                       | 602,157.07                                        | 701,851.77                         | 739,595.88                         |
| Other Credits to Income:                                  |                                                   |                                    |                                    |
| Unexpended Balance of Appropriation Reserves              | 1,606,684.80                                      | 4,824,811.80                       | 4,648,241.29                       |
| Net Interfunds Returned                                   | 589,616.09                                        | 38,560.65                          | 47,306.89                          |
| Grants Appropriated Canceled                              |                                                   | 272,152.61                         |                                    |
| County Taxes Canceled                                     |                                                   | 599,713.19                         |                                    |
| Reclass Fire Reserve to Fund Balance                      |                                                   |                                    | 2,472,804.06                       |
| Accounts Payable Canceled                                 | 298,682.51                                        | 41,698.07                          |                                    |
| Fire Consolidation Accounts Payable Canceled              |                                                   | 3,686.00                           |                                    |
| Appropriations Canceled                                   |                                                   |                                    | 38,900.51                          |
| Total Revenue                                             | 395,566,361.99                                    | 374,827,497.84                     | 361,812,514.13                     |
| Expenditures:                                             |                                                   |                                    |                                    |
| Budget Appropriations Within Caps:                        |                                                   |                                    |                                    |
| Operations                                                | 129,759,265.57                                    | 121,445,184.79                     | 116,846,945.56                     |
| Deferred Charges and Statutory Expenditures               | 19,733,197.00                                     | 19,233,207.52                      | 18,678,442.31                      |
| Budget Appropriations Excluded from Caps:                 |                                                   |                                    |                                    |
| Operations                                                | 15,715,211.22                                     | 12,401,931.51                      | 14,671,713.60                      |
| Capital Improvements                                      | 100.00                                            | 100.00                             | 2,025,000.00                       |
| Municipal Debt Service                                    | 14,055,200.63                                     | 12,070,682.99                      | 11,428,099.49                      |
|                                                           | 179,262,974.42                                    | 165,151,106.81                     | 163,650,200.96                     |
| Refund of Prior Year's Non Tax Revenue                    |                                                   | 659,386.64                         |                                    |
| County Taxes                                              | 74,617,785.02                                     | 68,526,683.81                      | 60,528,524.60                      |
| Amount Due County for Added and Omitted Taxes             | 329,842.25                                        | 345,996.95                         |                                    |
| Local District School Tax                                 | 135,599,624.00                                    | 130,429,327.00                     | 126,916,495.00                     |
| Senior Citizens and Veterans Accounts Receivable Canceled |                                                   | 260,116.12                         |                                    |
| Refund of Prior Year Tax Revenue                          |                                                   | 251,005.09                         | 769,260.00                         |
| Prior Year Seniors and Veterans Disallowed                |                                                   | 7,148.64                           |                                    |
| Interfunds Advanced                                       | 368,061.26                                        |                                    |                                    |
| Grants Receivable Canceled                                |                                                   | 124,601.84                         |                                    |
| Total Expenditures                                        | 390,178,286.95                                    | 365,755,372.90                     | 351,864,480.56                     |
| Excess in Revenue                                         | 5,388,075.04                                      | 9,072,124.94                       | 9,948,033.57                       |

The accompanying Notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

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

|                                                  | YEAR ENDED<br>DECEMBER<br>31, 2025<br>(Unaudited) | YEAR ENDED<br>DECEMBER<br>31, 2024 | YEAR ENDED<br>DECEMBER<br>31, 2023 |
|--------------------------------------------------|---------------------------------------------------|------------------------------------|------------------------------------|
| Add:                                             |                                                   |                                    |                                    |
| Expenditures Included Above Which are by Statute |                                                   |                                    |                                    |
| Deferred Charges to Budgets of Succeeding Year:  |                                                   |                                    |                                    |
| Emergency Authorization                          | -                                                 | -                                  | 152,389.52                         |
| Regulatory Excess to Fund Balance                | 5,388,075.04                                      | 9,072,124.94                       | 10,100,423.09                      |
| Fund Balance January 1                           | 16,104,156.53                                     | 15,032,031.59                      | 13,531,608.50                      |
|                                                  | 21,492,231.57                                     | 24,104,156.53                      | 23,632,031.59                      |
| Decreased by:                                    |                                                   |                                    |                                    |
| Utilized as Anticipated Revenue                  | 9,200,000.00                                      | 8,000,000.00                       | 8,600,000.00                       |
| Fund Balance December 31                         | \$ 12,292,231.57                                  | \$ 16,104,156.53                   | \$ 15,032,031.59                   |

The accompanying Notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

|                                                              | Anticipated       |                                 |                   |                        |
|--------------------------------------------------------------|-------------------|---------------------------------|-------------------|------------------------|
|                                                              | Budget            | Special<br>N.J.S.A.<br>40A:4-87 | Realized          | Excess or<br>(Deficit) |
| Fund Balance Anticipated                                     | \$ 8,000,000.00   | \$                              | \$ 8,000,000.00   | \$                     |
| Miscellaneous Revenues:                                      |                   |                                 |                   |                        |
| Licenses:                                                    |                   |                                 |                   |                        |
| Alcoholic Beverages                                          | \$ 98,000.00      | \$                              | \$ 98,800.00      | \$ 800.00              |
| Other                                                        | 170,000.00        |                                 | 321,685.10        | 151,685.10             |
| Fees and Permits                                             | 370,100.00        |                                 | 585,955.92        | 215,855.92             |
| Fines and Costs:                                             |                   |                                 |                   |                        |
| Municipal Court                                              | 715,000.00        |                                 | 734,562.53        | 19,562.53              |
| Interest and Costs on Taxes                                  | 540,000.00        |                                 | 909,394.12        | 369,394.12             |
| Interest on Investments and Deposits                         | 3,250,000.00      |                                 | 3,299,177.64      | 49,177.64              |
| Housing Site Contractor Fees                                 | 675,000.00        |                                 | 962,891.00        | 287,891.00             |
| Reimbursement for Administrative Services:                   |                   |                                 |                   |                        |
| Sewer Utility Fund                                           | 1,200,000.00      |                                 | 1,200,000.00      |                        |
| Free Public Library                                          | 400,000.00        |                                 | 400,000.00        |                        |
| Payment in Lieu of Taxes - Low Cost Housing                  | 610,000.00        |                                 | 621,807.25        | 11,807.25              |
| Administrative Fees - Outside Police Services                | 200,000.00        |                                 | 200,000.00        |                        |
| Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)                 | 19,395,383.00     |                                 | 19,395,383.07     | 0.07                   |
| Municipal Relief Fund                                        | 880,678.00        |                                 | 880,678.00        |                        |
| Uniform Construction Code Fees                               | 3,040,000.00      |                                 | 3,472,197.00      | 432,197.00             |
| Shared Services Agreements:                                  |                   |                                 |                   |                        |
| Hamilton Township Board of Education                         | 250,000.00        |                                 | 250,000.00        |                        |
| Body Armor Grant                                             | 11,441.97         |                                 | 11,441.97         |                        |
| Recycling Tonnage Grant                                      | 139,876.83        |                                 | 139,876.83        |                        |
| Distracted Driving Enforcement                               | 7,000.00          |                                 | 7,000.00          |                        |
| CGCADA Municipal Alliance DEDR                               |                   | 40,811.00                       | 40,811.00         |                        |
| Clean Communities                                            |                   | 248,023.74                      | 248,023.74        |                        |
| Drive Sober or Get Pulled Over                               |                   | 17,500.00                       | 17,500.00         |                        |
| NJ Court Alcohol Rehab                                       |                   | 22,310.25                       | 22,310.25         |                        |
| Click it or Ticket                                           |                   | 7,000.00                        | 7,000.00          |                        |
| Local Recreational Improvements                              |                   | 74,000.00                       | 74,000.00         |                        |
| 2022 JAG Assistance Edward Byrne                             |                   | 16,067.00                       | 16,067.00         |                        |
| 2023 JAG Assistance Edward Byrne                             |                   | 23,185.00                       | 23,185.00         |                        |
| CDGB Community Development                                   |                   | 622,009.00                      | 622,009.00        |                        |
| Bulletproof Vest Federal                                     | 21,610.21         | 15,191.39                       | 36,801.60         |                        |
| NJACCHO Public Health                                        |                   | 168,049.00                      | 168,049.00        |                        |
| Strengthening Local Public Health                            |                   | 74,664.00                       | 74,664.00         |                        |
| Child Lead Program                                           | 12,500.00         | 189,800.00                      | 202,300.00        |                        |
| 2022 American Rescue Plan                                    |                   | 75,000.00                       | 75,000.00         |                        |
| US Congress Community Project Funding                        |                   | 1,567,179.00                    | 1,567,179.00      |                        |
| AKC Reunite K-9 Cop                                          |                   | 6,225.00                        | 6,225.00          |                        |
| PSAP Upgrades and Consolidation Grant                        | 124,794.33        |                                 | 124,794.33        |                        |
| NJ DOT -South Broad Street Northbound                        | 765,965.00        |                                 | 765,965.00        |                        |
| State of New Jersey Attorney General's Opioid Settlement     | 26,591.69         | 142,053.33                      | 168,645.02        |                        |
| Reserve for Debt Service                                     | 506,000.00        |                                 | 506,000.00        |                        |
| Ecological Center                                            | 280,000.00        |                                 | 171,850.98        | (108,149.02)           |
| Pilot - American Metro                                       | 641,000.00        |                                 | 1,869,049.89      | 1,228,049.89           |
| Hotel Occupancy Tax                                          | 510,000.00        |                                 | 520,123.39        | 10,123.39              |
| Golf Center                                                  | 145,000.00        |                                 | 158,339.11        | 13,339.11              |
| Sayen House, Sayen Gardens, Kuser Mansion Rental Fees        | 210,000.00        |                                 | 221,999.32        | 11,999.32              |
| Lapsed Dog Trust Receipts                                    | 35,500.00         |                                 | 35,500.00         |                        |
| Cable Franchise Fee                                          | 1,137,927.30      |                                 | 1,137,186.13      | (741.17)               |
| Fire Protection Revenues                                     | 590,000.00        |                                 | 564,530.82        | (25,469.18)            |
| General Capital Surplus                                      | 250,000.00        |                                 | 250,000.00        |                        |
| PILOT - Lambertville Road                                    | 950,000.00        |                                 | 926,897.90        | (23,102.10)            |
| Mercer County Prosecutor's Lot                               | 35,000.00         |                                 | 34,999.92         | (0.08)                 |
| Total Miscellaneous Revenues                                 | \$ 38,194,368.33  | \$ 3,309,067.71                 | \$ 44,147,856.83  | \$ 2,644,420.79        |
| Receipts from Delinquent Taxes                               | \$ 400,000.00     | \$                              | \$ 354,024.81     | \$ (45,975.19)         |
| Amount to be Raised by Taxes for Support of Municipal Budget | \$ 112,065,665.25 | \$                              | \$ 113,226,511.82 | \$ 1,160,846.57        |
| Minimum Library Tax                                          | \$ 3,922,533.00   | \$                              | \$ 3,922,533.00   | \$                     |
| Non-Budget Revenues                                          | \$ 115,988,198.25 | \$                              | \$ 117,149,044.82 | \$ 1,160,846.57        |
|                                                              |                   |                                 | 701,851.77        | 701,851.77             |
| Total                                                        | \$ 162,582,566.58 | \$ 3,309,067.71                 | \$ 170,352,778.23 | \$ 4,461,143.94        |

The accompanying Notes to the Financial Statement are an integral part of this statement.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2024

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections \$ 315,843,142.11

Allocated to School, County, and Special District Taxes 199,302,007.76

Balance for Support of Municipal  
Budget Appropriations 116,541,134.35

Add:

Reserve for Uncollected Taxes 607,910.47

Amount for Support of Municipal  
Budget Appropriations \$ 117,149,044.82

Receipts from Delinquent Taxes:

Delinquent Tax Collections \$ 13,142.41

Tax Title Lien Collections 340,882.40

\$ 354,024.81

Analysis of Non-Budget Revenues:

Cannabis Tax 4,754.62

Tax Office 13,707.41

Tax Office -Miscellaneous Liens - Municipal Assessment 146,370.50

Finance Office 27,519.92

Clerk's Office 1,800.00

Police Department 105,384.44

Sale of Municipal Assets 177,270.97

Recycling 16,947.15

Cell Towers 60,425.08

Health Services 25,480.44

NSF Fees 2,860.11

Restitution 900.00

Weddings - Resident and Non Resident 8,165.00

Miscellaneous 57,670.05

649,255.69

Statutory Dog Excess 52,596.08

\$ 701,851.77

The accompanying Notes to the Financial Statements are an integral part of this statement

TOWNSHIP OF HAMILTON

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2024

|                           | <u>APPROPRIATIONS</u> |                                      | <u>EXPENDED</u>            |                 | <u>CANCELED</u> |
|---------------------------|-----------------------|--------------------------------------|----------------------------|-----------------|-----------------|
|                           | <u>BUDGET</u>         | <u>BUDGET AFTER<br/>MODIFICATION</u> | <u>PAID OR<br/>CHARGED</u> | <u>RESERVED</u> |                 |
| <b>\$</b>                 | <b>\$</b>             | <b>\$</b>                            | <b>\$</b>                  | <b>\$</b>       |                 |
| GENERAL ADMINISTRATION:   |                       |                                      |                            |                 |                 |
| Legislative (Mayor):      |                       |                                      |                            |                 |                 |
| Salaries and Wages        | 343,041.00            | 323,041.00                           | 300,844.97                 | 22,196.03       |                 |
| Other Expenses            | 20,711.00             | 10,711.00                            | 10,385.62                  | 325.38          |                 |
| Township Council:         |                       |                                      |                            |                 |                 |
| Salaries and Wages        | 98,000.00             | 98,000.00                            | 98,000.00                  |                 |                 |
| Other Expenses            | 24,450.00             | 14,450.00                            | 13,895.97                  | 554.03          |                 |
| Township Clerk:           |                       |                                      |                            |                 |                 |
| Salaries and Wages        | 351,670.00            | 341,670.00                           | 332,484.41                 | 9,185.59        |                 |
| Other Expenses            | 179,625.00            | 169,625.00                           | 148,673.60                 | 20,951.40       |                 |
| Business Administration:  |                       |                                      |                            |                 |                 |
| Salaries and Wages        | 504,897.00            | 454,897.00                           | 429,087.26                 | 25,809.74       |                 |
| Other Expenses            | 24,902.90             | 24,902.90                            | 9,640.61                   | 15,262.29       |                 |
| Budgeting and Purchasing: |                       |                                      |                            |                 |                 |
| Salaries and Wages        | 438,245.00            | 398,245.00                           | 378,349.46                 | 19,895.54       |                 |
| Other Expenses            | 20,785.00             | 20,785.00                            | 16,287.35                  | 4,497.65        |                 |
| Postage:                  |                       |                                      |                            |                 |                 |
| Other Expenses            | 175,000.00            | 175,000.00                           | 175,000.00                 |                 |                 |
| Human Resources:          |                       |                                      |                            |                 |                 |
| Salaries and Wages        | 373,820.00            | 343,820.00                           | 318,378.93                 | 25,441.07       |                 |
| Other Expenses            | 27,767.00             | 27,767.00                            | 22,138.62                  | 5,628.38        |                 |
| Information Technology :  |                       |                                      |                            |                 |                 |
| Salaries and Wages        | 363,573.00            | 363,573.00                           | 356,792.02                 | 6,780.98        |                 |
| Other Expenses            | 419,910.00            | 299,910.00                           | 269,418.30                 | 30,491.70       |                 |
| Financial Administration: |                       |                                      |                            |                 |                 |
| Salaries and Wages        | 516,750.00            | 506,750.00                           | 496,377.86                 | 10,372.14       |                 |
| Other Expenses            | 288,600.00            | 288,600.00                           | 204,909.80                 | 83,690.20       |                 |
| Audit Services:           |                       |                                      |                            |                 |                 |
| Other Expenses            | 82,000.00             | 77,000.00                            | 77,000.00                  |                 |                 |
| Revenue Collection:       |                       |                                      |                            |                 |                 |
| Salaries and Wages        | 395,675.00            | 395,675.00                           | 375,929.92                 | 19,745.08       |                 |
| Other Expenses            | 132,000.00            | 122,000.00                           | 102,335.92                 | 19,664.08       |                 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS

|                                   | <u>APPROPRIATIONS</u> |                                      | <u>EXPENDED</u>            |                 | <u>CANCELED</u> |
|-----------------------------------|-----------------------|--------------------------------------|----------------------------|-----------------|-----------------|
|                                   | <u>BUDGET</u>         | <u>BUDGET AFTER<br/>MODIFICATION</u> | <u>PAID OR<br/>CHARGED</u> | <u>RESERVED</u> |                 |
| Tax Assessors:                    |                       |                                      |                            |                 |                 |
| Salaries and Wages                | \$ 376,302.00         | \$ 376,302.00                        | \$ 367,743.58              | \$ 8,558.42     |                 |
| Other Expenses                    | 80,100.00             | 45,100.00                            | 39,982.06                  | 5,117.94        |                 |
| Legal Services:                   |                       |                                      |                            |                 |                 |
| Salaries and Wages                | 500,295.00            | 500,295.00                           | 491,992.54                 | 8,302.46        |                 |
| Other Expenses                    | 113,630.00            | 113,630.00                           | 92,272.87                  | 21,357.13       |                 |
| Municipal Prosecutor:             |                       |                                      |                            |                 |                 |
| Other Expenses                    | 178,408.00            | 178,408.00                           | 178,280.54                 | 127.46          |                 |
| Municipal Court:                  |                       |                                      |                            |                 |                 |
| Salaries and Wages                | 1,166,710.00          | 1,091,710.00                         | 1,086,593.48               | 5,116.52        |                 |
| Other Expenses                    | 110,460.00            | 80,460.00                            | 78,578.62                  | 1,881.38        |                 |
| Public Defender:                  |                       |                                      |                            |                 |                 |
| Salaries and Wages                | 69,700.00             | 69,700.00                            | 56,723.59                  | 12,976.41       |                 |
| Engineering:                      |                       |                                      |                            |                 |                 |
| Salaries and Wages                | 773,580.00            | 763,580.00                           | 717,884.34                 | 45,695.66       |                 |
| Other Expenses                    | 183,032.00            | 153,032.00                           | 143,431.59                 | 9,600.41        |                 |
| Community Planning Compliance :   |                       |                                      |                            |                 |                 |
| Salaries and Wages                | 698,625.00            | 688,625.00                           | 662,368.28                 | 26,256.72       |                 |
| Other Expenses                    | 23,438.80             | 13,438.80                            | 5,009.40                   | 8,429.40        |                 |
| Zoning Adjustment Administration: |                       |                                      |                            |                 |                 |
| Salaries and Wages                | 107,206.00            | 107,206.00                           | 99,231.86                  | 7,974.14        |                 |
| Other Expenses                    | 650.00                | 650.00                               | 71.91                      | 578.09          |                 |
| Housing Inspections:              |                       |                                      |                            |                 |                 |
| Salaries and Wages                | 518,600.00            | 518,600.00                           | 498,430.92                 | 20,169.08       |                 |
| Other Expenses                    | 24,950.00             | 24,950.00                            | 20,454.35                  | 4,495.65        |                 |
| Economic Development:             |                       |                                      |                            |                 |                 |
| Salaries and Wages                | 94,706.00             | 94,706.00                            | 92,855.16                  | 1,850.84        |                 |
| Other Expenses                    | 9,200.00              | 9,200.00                             | 5,284.81                   | 3,915.19        |                 |
| Citizen Response:                 |                       |                                      |                            |                 |                 |
| Salaries and Wages                | 313,160.00            | 303,160.00                           | 289,491.74                 | 13,668.26       |                 |
| Other Expenses                    | 4,080.00              | 4,080.00                             | 1,136.48                   | 2,943.52        |                 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS

|                                         | <u>APPROPRIATIONS</u> |                                      | <u>EXPENDED</u>            |                 | <u>CANCELED</u> |
|-----------------------------------------|-----------------------|--------------------------------------|----------------------------|-----------------|-----------------|
|                                         | <u>BUDGET</u>         | <u>BUDGET AFTER<br/>MODIFICATION</u> | <u>PAID OR<br/>CHARGED</u> | <u>RESERVED</u> |                 |
| Public Safety - Police:                 |                       |                                      |                            |                 |                 |
| Salaries and Wages                      | \$ 24,738,817.00      | \$ 24,667,467.00                     | \$ 24,270,123.41           | \$ 397,343.59   | \$              |
| Other Expenses                          | 1,765,188.00          | 1,615,188.00                         | 1,561,831.68               | 53,356.32       |                 |
| Police Vehicles:                        |                       |                                      |                            |                 |                 |
| Other Expenses                          | 74,500.00             | 54,500.00                            | 27,449.98                  | 27,050.02       |                 |
| Office of Emergency Management:         |                       |                                      |                            |                 |                 |
| Other Expenses                          | 34,500.00             | 14,500.00                            | 6,524.61                   | 7,975.39        |                 |
| Fire Department:                        |                       |                                      |                            |                 |                 |
| Salaries and Wages                      | 19,100,000.00         | 19,400,000.00                        | 18,596,428.00              | 803,572.00      |                 |
| Other Expenses                          | 1,826,760.00          | 1,426,760.00                         | 1,163,141.70               | 263,618.30      |                 |
| Public Works:                           |                       |                                      |                            |                 |                 |
| Salaries and Wages                      | 4,308,200.00          | 4,093,200.00                         | 4,093,199.21               | 0.79            |                 |
| Other Expenses                          | 428,720.40            | 418,720.40                           | 384,246.15                 | 34,474.25       |                 |
| Safety Program:                         |                       |                                      |                            |                 |                 |
| Salaries and Wages                      | 108,836.00            | 114,472.05                           | 111,019.54                 | 3,452.51        |                 |
| Other Expenses                          | 25,906.86             | 25,906.86                            | 20,842.19                  | 5,064.67        |                 |
| Building and Grounds:                   |                       |                                      |                            |                 |                 |
| Salaries and Wages                      | 2,493,000.00          | 2,233,000.00                         | 2,219,848.95               | 13,151.05       |                 |
| Other Expenses                          | 677,101.00            | 697,101.00                           | 677,667.68                 | 19,433.32       |                 |
| Solid Waste Collection and Recycling:   |                       |                                      |                            |                 |                 |
| Salaries and Wages                      | 124,025.00            | 124,025.00                           | 121,770.30                 | 2,254.70        |                 |
| Other Expenses                          | 6,698,387.23          | 6,198,387.23                         | 6,186,585.05               | 11,802.18       |                 |
| Maintenance and Motor Vehicles:         |                       |                                      |                            |                 |                 |
| Salaries and Wages                      | 1,247,000.00          | 1,247,000.00                         | 1,187,762.39               | 59,237.61       |                 |
| Other Expenses                          | 776,857.60            | 836,857.60                           | 836,494.31                 | 363.29          |                 |
| Landfill and Solid Waste Disposal Cost: |                       |                                      |                            |                 |                 |
| Other Expenses                          | 5,700,000.00          | 5,300,000.00                         | 5,280,000.00               | 20,000.00       |                 |
| Maintenance of Parks:                   |                       |                                      |                            |                 |                 |
| Salaries and Wages                      | 3,413,300.00          | 3,213,300.00                         | 3,173,572.43               | 39,727.57       |                 |
| Other Expenses                          | 491,769.00            | 481,769.00                           | 472,268.58                 | 9,500.42        |                 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS

|                                 | <u>APPROPRIATIONS</u> |                                      | <u>EXPENDED</u>            |                 | <u>CANCELED</u> |
|---------------------------------|-----------------------|--------------------------------------|----------------------------|-----------------|-----------------|
|                                 | <u>BUDGET</u>         | <u>BUDGET AFTER<br/>MODIFICATION</u> | <u>PAID OR<br/>CHARGED</u> | <u>RESERVED</u> |                 |
| Public Health:                  |                       |                                      |                            |                 |                 |
| Salaries and Wages              | \$ 965,558.00         | \$ 925,558.00                        | \$ 907,164.20              | \$ 18,393.80    | \$              |
| Other Expenses                  | 215,290.00            | 165,290.00                           | 133,452.49                 | 31,837.51       |                 |
| Recreation:                     |                       |                                      |                            |                 |                 |
| Salaries and Wages              | 497,352.00            | 499,352.00                           | 477,701.32                 | 21,650.68       |                 |
| Other Expenses                  | 797,510.00            | 740,510.00                           | 632,010.21                 | 108,499.79      |                 |
| Senior Citizens:                |                       |                                      |                            |                 |                 |
| Salaries and Wages              | 590,650.00            | 560,650.00                           | 549,583.31                 | 11,066.69       |                 |
| Other Expenses                  | 140,565.00            | 120,565.00                           | 116,322.76                 | 4,242.24        |                 |
| Environmental Health:           |                       |                                      |                            |                 |                 |
| Salaries and Wages              | 444,450.00            | 424,450.00                           | 410,264.65                 | 14,185.35       |                 |
| Other Expenses                  | 23,500.00             | 13,500.00                            | 13,446.81                  | 53.19           |                 |
| Animal Control Services:        |                       |                                      |                            |                 |                 |
| Salaries and Wages              | 750,400.00            | 745,400.00                           | 685,298.06                 | 60,101.94       |                 |
| Other Expenses                  | 308,590.00            | 218,590.00                           | 197,663.02                 | 20,926.98       |                 |
| Environmental Commission Board: |                       |                                      |                            |                 |                 |
| Salaries and Wages              | 1,250.00              | -4,386.05                            | -4,711.05                  | 325.00          |                 |
| Other Expenses                  | 4,535.00              | 4,535.00                             | 2,960.03                   | 1,574.97        |                 |
| Zoning Board of Adjustments:    |                       |                                      |                            |                 |                 |
| Other Expenses                  | 28,000.00             | 18,000.00                            | 12,077.97                  | 5,922.03        |                 |
| Planning Board:                 |                       |                                      |                            |                 |                 |
| Other Expenses                  | 56,000.00             | 56,000.00                            | 51,897.32                  | 4,102.68        |                 |
| Senior Citizen Advisory Board:  |                       |                                      |                            |                 |                 |
| Other Expenses                  | 1,000.00              | 1,000.00                             |                            | 1,000.00        |                 |
| Board of Public Officers:       |                       |                                      |                            |                 |                 |
| Salaries and Wages              | 1,000.00              | 1,000.00                             | 850.00                     | 150.00          |                 |
| Other Expenses                  | 100.00                | 100.00                               | 25.80                      | 74.20           |                 |
| Municipal Alliance Board:       |                       |                                      |                            |                 |                 |
| Salaries and Wages              | 450.00                | 450.00                               | 125.00                     | 325.00          |                 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS

|                                 | <u>APPROPRIATIONS</u> |                                      | <u>EXPENDED</u>            |                 | <u>CANCELED</u> |
|---------------------------------|-----------------------|--------------------------------------|----------------------------|-----------------|-----------------|
|                                 | <u>BUDGET</u>         | <u>BUDGET AFTER<br/>MODIFICATION</u> | <u>PAID OR<br/>CHARGED</u> | <u>RESERVED</u> |                 |
| \$                              | 1,000.00 \$           | 1,000.00 \$                          | \$                         | 1,000.00 \$     |                 |
| Cultural Art Board:             | 1,500.00              | 1,500.00                             |                            | 1,500.00        |                 |
| Salaries and Wages              |                       |                                      |                            |                 |                 |
| Other Expenses                  |                       |                                      |                            |                 |                 |
| Rent Leveling:                  |                       |                                      |                            |                 |                 |
| Salaries and Wages              | 500.00                | 500.00                               |                            | 500.00          |                 |
| Other Expenses                  | 50.00                 | 50.00                                |                            | 50.00           |                 |
| Redevelopment:                  |                       |                                      |                            |                 |                 |
| Salaries and Wages              | 1,000.00              | 1,000.00                             |                            | 1,000.00        |                 |
| Other Expenses                  | 1,000.00              | 1,000.00                             |                            | 1,000.00        |                 |
| Shade Tree Commission:          |                       |                                      |                            |                 |                 |
| Salaries and Wages              | 1,000.00              | 1,000.00                             | 200.00                     | 800.00          |                 |
| Other Expenses                  | 995.00                | 995.00                               | 290.00                     | 705.00          |                 |
| Parks and Recreation Board:     |                       |                                      |                            |                 |                 |
| Salaries and Wages              | 1,000.00              | 1,000.00                             |                            | 1,000.00        |                 |
| Special Needs Board:            |                       |                                      |                            |                 |                 |
| Salaries and Wages              | 600.00                | 600.00                               | 475.00                     | 125.00          |                 |
| Other Expenses                  | 200.00                | 200.00                               |                            | 200.00          |                 |
| Economic Development Board:     |                       |                                      |                            |                 |                 |
| Salaries and Wages              | 1,000.00              | 1,000.00                             | 775.00                     | 225.00          |                 |
| Other Expenses                  | 2,700.00              | 2,700.00                             | 1,080.85                   | 1,619.15        |                 |
| Public Safety Commission Board: |                       |                                      |                            |                 |                 |
| Salaries and Wages              | 250.00                | 250.00                               |                            | 250.00          |                 |
| Group Insurance Programs:       | 19,750,000.00         | 23,010,000.00                        | 22,561,299.30              | 448,700.70      |                 |
| General Liability               | 3,261,850.00          | 3,261,850.00                         | 3,256,583.15               | 5,266.85        |                 |
| Storm Reserves:                 |                       |                                      |                            |                 |                 |
| Salaries and Wages              | 100,000.00            | 10,000.00                            | 5,804.51                   | 4,195.49        |                 |
| Other Expenses                  | 300,000.00            | 200,000.00                           | 188,413.68                 | 11,586.32       |                 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS

|                                                                                        | <u>APPROPRIATIONS</u>    |                                      | <u>EXPENDED</u>            |                        | <u>CANCELED</u> |
|----------------------------------------------------------------------------------------|--------------------------|--------------------------------------|----------------------------|------------------------|-----------------|
|                                                                                        | <u>BUDGET</u>            | <u>BUDGET AFTER<br/>MODIFICATION</u> | <u>PAID OR<br/>CHARGED</u> | <u>RESERVED</u>        |                 |
| State Uniform Construction Code                                                        |                          |                                      |                            |                        |                 |
| Construction Official:                                                                 |                          |                                      |                            |                        |                 |
| Salaries and Wages                                                                     | \$ 1,761,100.00          | \$ 1,531,100.00                      | \$ 1,514,210.25            | \$ 16,889.75           | \$              |
| Other Expenses                                                                         | 1,011,513.00             | 1,161,513.00                         | 1,152,834.27               | 8,678.73               |                 |
| UNCLASSIFIED:                                                                          |                          |                                      |                            |                        |                 |
| Utility Expenses and Bulk Purchases                                                    | 5,610,604.00             | 5,360,604.00                         | 4,092,396.82               | 1,268,207.18           |                 |
| Condo Service Act                                                                      | 100,000.00               | 100,000.00                           | 740.75                     | 99,259.25              |                 |
| Accumulated Leave Payouts                                                              | 500,000.00               | 500,000.00                           | 500,000.00                 |                        |                 |
| Aid to Museums                                                                         | 10,000.00                | 11,350.00                            | 11,287.11                  | 62.89                  |                 |
| First Aid Organizations                                                                | 40,000.00                | 40,000.00                            | 40,000.00                  |                        |                 |
| <b>TOTAL OPERATIONS WITHIN "CAPS"</b>                                                  | <b>\$ 121,445,184.79</b> | <b>\$ 121,445,184.79</b>             | <b>\$ 116,967,047.49</b>   | <b>\$ 4,478,137.30</b> | <b>\$</b>       |
| DEFERRED CHARGES AND STATUTORY<br>EXPENDITURES MUNICIPAL-WITHIN "CAPS"                 |                          |                                      |                            |                        |                 |
| DEFERRED CHARGES:                                                                      |                          |                                      |                            |                        |                 |
| Emergency Authorizations                                                               | \$ 152,389.52            | \$ 152,389.52                        | \$ 152,389.52              | \$                     | \$              |
| STATUTORY EXPENDITURES:                                                                |                          |                                      |                            |                        |                 |
| Contribution to:                                                                       |                          |                                      |                            |                        |                 |
| Public Employees Retirement System (P.E.R.S.)                                          | \$ 3,690,900.00          | \$ 3,690,900.00                      | \$ 3,654,992.00            | \$ 35,908.00           | \$              |
| Social Security System (O.A.S.I.)                                                      | 2,810,000.00             | 2,810,000.00                         | 2,636,555.27               | 173,444.73             |                 |
| Police and Firemen's Retire System of N.J.                                             | 12,534,918.00            | 12,534,918.00                        | 12,524,676.00              | 10,242.00              |                 |
| Defined Contribution Retirement Program(DCRP)                                          | 45,000.00                | 45,000.00                            | 31,216.31                  | 13,783.69              |                 |
| <b>TOTAL DEFERRED CHARGES AND STATUTORY<br/>EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b> | <b>\$ 19,233,207.52</b>  | <b>\$ 19,233,207.52</b>              | <b>\$ 18,999,829.10</b>    | <b>\$ 233,378.42</b>   | <b>\$</b>       |
| <b>TOTAL GENERAL APPROPRIATIONS FOR<br/>MUNICIPAL PURPOSES WITHIN "CAPS"</b>           | <b>\$ 140,678,392.31</b> | <b>\$ 140,678,392.31</b>             | <b>\$ 135,966,876.59</b>   | <b>\$ 4,711,515.72</b> | <b>\$</b>       |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS

|                                                       | APPROPRIATIONS         |                           | EXPENDED               |                     | CANCELED |
|-------------------------------------------------------|------------------------|---------------------------|------------------------|---------------------|----------|
|                                                       | BUDGET                 | BUDGET AFTER MODIFICATION | PAID OR CHARGED        | RESERVED            |          |
| <u>OPERATIONS- EXCLUDED FROM "CAPS":</u>              |                        |                           |                        |                     |          |
| Police Dispatch / 911                                 | \$ 1,269,430.00        | \$ 1,269,430.00           | \$ 1,215,655.10        | \$ 53,774.90        |          |
| Salaries and Wages                                    |                        |                           |                        |                     |          |
| Other Expenses                                        | 146,800.00             | 146,800.00                | 142,443.10             | 4,356.90            |          |
| Solid Waste Collection and Recycling                  |                        |                           |                        |                     |          |
| Other Expenses                                        | 2,279,320.77           | 2,279,320.77              | 2,279,320.77           |                     |          |
| Maintenance of Free Public Library                    | 3,922,533.00           | 3,922,533.00              | 3,922,533.00           |                     |          |
| Tax Appeal Refunds                                    | 70,000.00              | 70,000.00                 | 48,500.00              | 21,500.00           |          |
| <b>TOTAL OPERATIONS- EXCLUDED FROM "CAPS":</b>        | <b>\$ 7,688,083.77</b> | <b>\$ 7,688,083.77</b>    | <b>\$ 7,608,451.97</b> | <b>\$ 79,631.80</b> |          |
| <u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS:</u>       |                        |                           |                        |                     |          |
| Board of Education Security Service                   | \$ 250,000.00          | \$ 250,000.00             | 250,000.00             |                     |          |
| <b>TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</b>  | <b>\$ 250,000.00</b>   | <b>\$ 250,000.00</b>      | <b>\$ 250,000.00</b>   | <b>\$</b>           |          |
| <u>PUBLIC AND PRIVATE PROGRAMS</u>                    |                        |                           |                        |                     |          |
| <u>OFFSET BY REVENUES:</u>                            |                        |                           |                        |                     |          |
| Matching Funds for Grants                             | 45,000.00              | 45,000.00                 | 45,000.00              |                     |          |
| Body Armor Replacement                                | 11,441.97              | 11,441.97                 | 11,441.97              |                     |          |
| 2023 Edward Byrne (40A:4-87 +23,185.00)               |                        | 23,185.00                 | 23,185.00              |                     |          |
| 2022 Edward Byrne (40A:4-87 +16,067.00)               |                        | 16,067.00                 | 16,067.00              |                     |          |
| Recycling - Tonnage Grant                             | 139,876.83             | 139,876.83                | 139,876.83             |                     |          |
| NJ Court Alcohol & Rehab (40A:4-87 +22,310.25)        |                        | 22,310.25                 | 22,310.25              |                     |          |
| Click it or Ticket (40A:4-87 +7,000.00)               |                        | 7,000.00                  | 7,000.00               |                     |          |
| Clean Community (40A:4-87 +248,023.74)                |                        | 248,023.74                | 248,023.74             |                     |          |
| Childhood Lead Program                                |                        | 12,500.00                 | 12,500.00              |                     |          |
| Childhood Lead Program (40A:4-87 +189,800.00)         | 12,500.00              | 189,800.00                | 189,800.00             |                     |          |
| Local Recreational Improvements (40A:4-87 +74,000.00) |                        | 74,000.00                 | 74,000.00              |                     |          |
| Municipal Alliance DEDR (40A:4-87 +40,811.00)         |                        | 40,811.00                 | 40,811.00              |                     |          |
| Distracted Driving Enforcement                        | 7,000.00               | 7,000.00                  | 7,000.00               |                     |          |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS

|                                                                  | <u>APPROPRIATIONS</u> |                                      | <u>EXPENDED</u>            |                 | <u>CANCELED</u> |
|------------------------------------------------------------------|-----------------------|--------------------------------------|----------------------------|-----------------|-----------------|
|                                                                  | <u>BUDGET</u>         | <u>BUDGET AFTER<br/>MODIFICATION</u> | <u>PAID OR<br/>CHARGED</u> | <u>RESERVED</u> |                 |
| <u>PUBLIC AND PRIVATE PROGRAMS</u>                               |                       |                                      |                            |                 |                 |
| <u>OFFSET BY REVENUES:</u>                                       |                       |                                      |                            |                 |                 |
| NJACCHO Public Health (40A:4-87 +168,049.00)                     | \$                    | \$                                   | 168,049.00                 | \$              | \$              |
| American Rescue Funds (40A:4-87 +75,000.00)                      |                       |                                      | 75,000.00                  |                 |                 |
| Drive Sober or Get Pulled Over (40A:4-87 +17,500.00)             |                       |                                      | 17,500.00                  |                 |                 |
| PSAP Upgrades and Consolidation Grant                            | 124,794.33            | 124,794.33                           | 124,794.33                 |                 |                 |
| NJDOT South Broad Street North Bound                             | 765,965.00            | 765,965.00                           | 765,965.00                 |                 |                 |
| Community Development Block (40A:4-87 +622,009.00)               |                       | 622,009.00                           | 622,009.00                 |                 |                 |
| Strengthening Local Public Health (40A:4-87 +74,664.00)          |                       | 74,664.00                            | 74,664.00                  |                 |                 |
| State of NJ Attorney General Opioid Sett                         | 26,591.69             | 26,591.69                            | 26,591.69                  |                 |                 |
| State of NJ Attorney General Opioid Sett (40A:4-87 +142,053.33)  |                       | 142,053.33                           | 142,053.33                 |                 |                 |
| Bulletproof Vest BVP Federal                                     | 21,610.21             | 21,610.21                            | 21,610.21                  |                 |                 |
| Bulletproof Vest BVP Federal (40A:4-87 +15,191.39)               |                       | 15,191.39                            | 15,191.39                  |                 |                 |
| US Congress Community Project (40A:4-87 +1,567,179.00)           |                       | 1,567,179.00                         | 1,567,179.00               |                 |                 |
| AKC Reunite K-9 Cop (40A:4-87 +6,225.00)                         |                       | 6,225.00                             | 6,225.00                   |                 |                 |
| <u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET<br/>BY REVENUES:</u> |                       |                                      |                            |                 |                 |
|                                                                  | \$ 1,154,780.03       | \$ 4,463,847.74                      | \$ 4,463,847.74            | \$              | \$              |
| <u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>                     | \$ 9,092,863.80       | \$ 12,401,931.51                     | \$ 12,322,299.71           | \$ 79,631.80    | \$              |
| <u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>                 |                       |                                      |                            |                 |                 |
| Capital Improvement Fund                                         | \$ 100.00             | \$ 100.00                            | \$ 100.00                  | \$              | \$              |
| <u>TOTAL CAPITAL IMPROVEMENTS<br/>-EXCLUDED FROM "CAPS"</u>      | \$ 100.00             | \$ 100.00                            | \$ 100.00                  | \$              | \$              |
| <u>MUNICIPAL DEBT SERVICE -EXCLUDED FROM "CAPS"</u>              |                       |                                      |                            |                 |                 |
| Payment of Bond Principal                                        | 7,610,000.00          | 7,610,000.00                         | 7,541,000.00               |                 | 69,000.00       |
| Payment of Bond Anticipation Notes and Capital Notes             | 105,000.00            | 105,000.00                           | 104,300.00                 |                 | 700.00          |
| Interest on Bonds                                                | 865,000.00            | 865,000.00                           | 862,642.00                 |                 | 2,358.00        |
| Interest on Notes                                                | 2,830,000.00          | 2,830,000.00                         | 2,828,907.00               |                 | 1,093.00        |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS

|                                                                                               | <u>APPROPRIATIONS</u>    |                                      | <u>EXPENDED</u>            |                        | <u>CANCELED</u>   |
|-----------------------------------------------------------------------------------------------|--------------------------|--------------------------------------|----------------------------|------------------------|-------------------|
|                                                                                               | <u>BUDGET</u>            | <u>BUDGET AFTER<br/>MODIFICATION</u> | <u>PAID OR<br/>CHARGED</u> | <u>RESERVED</u>        |                   |
| <u>MUNICIPAL DEBT SERVICE -EXCLUDED FROM "CAPS"</u>                                           |                          |                                      |                            |                        |                   |
| Special Assessment Interest                                                                   | \$ 6,300.00              | \$ 6,300.00                          | \$ 3,699.63                | \$                     | 2,600.37          |
| Environmental Infrastructure Trust:                                                           |                          |                                      |                            |                        |                   |
| Principal                                                                                     | 323,000.00               | 323,000.00                           | 305,720.35                 |                        | 17,279.65         |
| Interest                                                                                      | 14,000.00                | 14,000.00                            | 12,164.96                  |                        | 1,835.04          |
| Capital Leases                                                                                | 450,000.00               | 450,000.00                           | 412,249.05                 |                        | 37,750.95         |
| <u>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED<br/>FROM "CAPS"</u>                                 | <u>\$ 12,203,300.00</u>  | <u>\$ 12,203,300.00</u>              | <u>\$ 12,070,682.99</u>    | <u>\$</u>              | <u>132,617.01</u> |
| <u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL<br/>MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u> | <u>\$ 21,296,263.80</u>  | <u>\$ 24,605,331.51</u>              | <u>\$ 24,393,082.70</u>    | <u>\$ 79,631.80</u>    | <u>132,617.01</u> |
| <u>SUB-TOTAL GENERAL APPROPRIATIONS</u>                                                       | <u>\$ 161,974,656.11</u> | <u>\$ 165,283,723.82</u>             | <u>\$ 160,359,959.29</u>   | <u>\$ 4,791,147.52</u> | <u>132,617.01</u> |
| <u>RESERVE FOR UNCOLLECTED TAXES</u>                                                          | <u>607,910.47</u>        | <u>607,910.47</u>                    | <u>607,910.47</u>          |                        |                   |
| <u>TOTAL GENERAL APPROPRIATIONS</u>                                                           | <u>\$ 162,582,566.58</u> | <u>\$ 165,891,634.29</u>             | <u>\$ 160,967,869.76</u>   | <u>\$ 4,791,147.52</u> | <u>132,617.01</u> |
| Budget                                                                                        |                          | \$ 162,582,566.58                    |                            |                        |                   |
| Appropriation by 40A-4-87                                                                     |                          | <u>3,309,067.71</u>                  |                            |                        |                   |
|                                                                                               |                          | <u>\$ 165,891,634.29</u>             |                            |                        |                   |
| Encumbrances Payable                                                                          |                          |                                      | \$ 3,838,125.03            |                        |                   |
| Reserve for Grants - Appropriated                                                             |                          |                                      | 4,463,847.74               |                        |                   |
| Reserve for Uncollected Taxes                                                                 |                          |                                      | 607,910.47                 |                        |                   |
| Emergency Authorization                                                                       |                          |                                      | 152,389.52                 |                        |                   |
| Disbursed                                                                                     |                          |                                      | 162,534,123.71             |                        |                   |
| Less: Refunds                                                                                 |                          |                                      | (10,628,526.71)            |                        |                   |
|                                                                                               |                          |                                      | <u>160,967,869.76</u>      |                        |                   |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

TRUST FUND  
BALANCE SHEETS - REGULATORY BASIS

| <u>ASSETS</u>                              | BALANCE<br>DECEMBER<br>31, 2025<br>(Unaudited) | BALANCE<br>DECEMBER<br>31, 2024 | BALANCE<br>DECEMBER<br>31, 2023 |
|--------------------------------------------|------------------------------------------------|---------------------------------|---------------------------------|
| Trust Assessment Fund:                     |                                                |                                 |                                 |
| Cash                                       | \$ 476,659.95                                  | \$ 469,873.95                   | \$ 468,718.16                   |
| Assessments Receivable                     | 196,833.04                                     | 263,619.04                      | 330,405.04                      |
| Assessments Lien, Interest & Costs         | 899.49                                         | 899.49                          | 899.49                          |
| Prospective Assessment Funded              | 2,069,073.50                                   | 2,069,073.50                    | 2,069,073.50                    |
| Total Trust Assessment Fund                | <u>2,743,465.98</u>                            | <u>2,803,465.98</u>             | <u>2,869,096.19</u>             |
| Animal Control Trust Fund:                 |                                                |                                 |                                 |
| Cash                                       | \$ 110,148.12                                  | \$ 147,825.93                   | \$ 182,019.30                   |
| Total Animal Control Fund                  | <u>110,148.12</u>                              | <u>147,825.93</u>               | <u>182,019.30</u>               |
| Recreation Trust                           |                                                |                                 |                                 |
| Cash                                       | \$ 427,239.84                                  | \$ 418,052.45                   | \$ 465,244.59                   |
| Total Recreation Trust                     | <u>427,239.84</u>                              | <u>418,052.45</u>               | <u>465,244.59</u>               |
| Emergency Voucher Program Trust Fund:      |                                                |                                 |                                 |
| Cash                                       | \$ 16,740.36                                   | \$ 41,090.45                    | \$ 24,185.49                    |
| Accounts Receivable                        |                                                |                                 | 9,406.00                        |
| Due from Payroll                           | 19,209.55                                      |                                 |                                 |
| Due from Housing Voucher Trust Fund        | 22,107.04                                      | 22,107.04                       | 22,107.04                       |
| Total Emergency Voucher Program Trust Fund | <u>58,056.95</u>                               | <u>63,197.49</u>                | <u>55,698.53</u>                |
| Trust Other Funds:                         |                                                |                                 |                                 |
| Cash                                       | \$ 15,108,538.22                               | \$ 13,148,660.35                | \$ 12,770,284.95                |
| Due from Current fund                      |                                                | 5,019.14                        |                                 |
| Due Assessment Trust                       | 3,800.00                                       | 3,800.00                        | 3,800.00                        |
| Due from Payroll                           |                                                | 41,646.77                       | 18,822.98                       |
| Due from Tax Title Lien Trust              |                                                |                                 | 584,666.70                      |
| Due from Green Acres                       |                                                |                                 | 54,093.07                       |
| Due from HUD Housing Voucher Program       |                                                |                                 | 3,851.25                        |
| Due from Grant fund                        |                                                |                                 | 10,997.53                       |
| Total Trust-Other Fund                     | <u>15,112,338.22</u>                           | <u>13,199,126.26</u>            | <u>13,446,516.48</u>            |
| Tax Title Lien Trust Fund:                 |                                                |                                 |                                 |
| Cash                                       | \$ 4,565,531.33                                | \$ 2,628,754.24                 | \$ 4,770,393.34                 |
| Total Tax Title Lien Trust Fund            | <u>4,565,531.33</u>                            | <u>2,628,754.24</u>             | <u>4,770,393.34</u>             |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

TRUST FUND  
BALANCE SHEETS - REGULATORY BASIS

| <u>A S S E T S (Continued)</u>                 | BALANCE<br>DECEMBER<br>31, 2025<br>(Unaudited) | BALANCE<br>DECEMBER<br>31, 2024 | BALANCE<br>DECEMBER<br>31, 2023 |
|------------------------------------------------|------------------------------------------------|---------------------------------|---------------------------------|
| Unemployment Trust Fund:                       |                                                |                                 |                                 |
| Cash                                           | \$ 370,314.31                                  | \$ 400,950.26                   | \$ 454,377.33                   |
| Total Unemployment Trust Fund                  | <u>370,314.31</u>                              | <u>400,950.26</u>               | <u>454,377.33</u>               |
| Affordable Housing COAH Trust Fund:            |                                                |                                 |                                 |
| Cash                                           | \$ 9,326,462.71                                | \$ 9,504,257.32                 | \$ 8,978,866.78                 |
| Due From Current Fund                          |                                                |                                 | 9.94                            |
| Total Affordable Housing COAH Trust Fund       | <u>9,326,462.71</u>                            | <u>9,504,257.32</u>             | <u>8,978,876.72</u>             |
| Flexible Spending Trust Fund:                  |                                                |                                 |                                 |
| Cash                                           | \$ 12,495.56                                   | \$ 20,492.64                    | \$ 34,956.91                    |
| Total Flexible Spending Trust Fund             | <u>12,495.56</u>                               | <u>20,492.64</u>                | <u>34,956.91</u>                |
| Law Enforcement Trust Fund:                    |                                                |                                 |                                 |
| Cash                                           | \$ 141,193.44                                  | \$ 46,688.90                    | \$ 76,465.27                    |
| Total Law Enforcement Trust Fund               | <u>141,193.44</u>                              | <u>46,688.90</u>                | <u>76,465.27</u>                |
| Developer's Escrow Trust Fund:                 |                                                |                                 |                                 |
| Cash                                           | \$ 2,851,731.24                                | \$ 3,115,344.51                 | \$ 2,875,638.72                 |
| Totals Developers Escrow Trust Fund            | <u>2,851,731.24</u>                            | <u>3,115,344.51</u>             | <u>2,875,638.72</u>             |
| Fire Penalty Trust Fund:                       |                                                |                                 |                                 |
| Cash                                           | \$ 82,009.07                                   | \$ 54,753.36                    | \$ 86,503.79                    |
| Total Fire Penalty Trust Fund                  | <u>82,009.07</u>                               | <u>54,753.36</u>                | <u>86,503.79</u>                |
| Housing and Community Development Act of 1974: |                                                |                                 |                                 |
| Cash                                           | \$ 65,021.59                                   | \$ 10,482.35                    | \$ 6,583.49                     |
| Accounts Receivable                            | 124,089.59                                     |                                 | 366,142.66                      |
| Due From Affordable Housing Admin Fund         | 3,918.14                                       | 3,918.14                        | 3,918.14                        |
| Due from Grant Fund                            |                                                | 81,640.66                       | 71,493.01                       |
| Total Housing and Community Development Act    | <u>193,029.32</u>                              | <u>96,041.15</u>                | <u>448,137.30</u>               |
| HUD Housing Voucher Program:                   |                                                |                                 |                                 |
| Cash                                           | \$ 186,204.27                                  | \$ 275,710.04                   | \$ 332,425.96                   |
| Interfund - Payroll Fund                       | 7,542.06                                       | 7,542.06                        |                                 |
| Account Receivable                             |                                                |                                 | 228,433.37                      |
| Total HUD Housing Voucher Program Trust        | <u>193,746.33</u>                              | <u>283,252.10</u>               | <u>560,859.33</u>               |
|                                                | <u>\$ 36,187,762.42</u>                        | <u>\$ 32,782,202.59</u>         | <u>\$ 35,304,783.80</u>         |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

TRUST FUND  
BALANCE SHEETS - REGULATORY BASIS

| <u>LIABILITIES AND RESERVES</u>               | BALANCE<br>DECEMBER<br>31, 2025<br>(Unaudited) | BALANCE<br>DECEMBER<br>31, 2024 | BALANCE<br>DECEMBER<br>31, 2023 |
|-----------------------------------------------|------------------------------------------------|---------------------------------|---------------------------------|
| Trust Assessment Fund:                        |                                                |                                 |                                 |
| Due to Current Fund                           | \$                                             | \$                              | \$                              |
| Due to Trust Other                            | 3,800.00                                       | 3,800.00                        | 630.21                          |
| Prepaid Assessments                           | 9,332.15                                       | 9,332.15                        | 3,800.00                        |
| Serial Bonds Payable                          |                                                | 60,000.00                       | 9,332.15                        |
| Reserve for Assessments, Liens and Assessment |                                                |                                 | 125,000.00                      |
| Lien Interest and Cost                        | 2,273,592.03                                   | 2,273,592.03                    | 2,275,378.03                    |
| Fund Balance                                  | 456,741.80                                     | 456,741.80                      | 454,955.80                      |
| Total Trust Assessment Fund                   | <u>2,743,465.98</u>                            | <u>2,803,465.98</u>             | <u>2,869,096.19</u>             |
| Animal Control Trust Fund:                    |                                                |                                 |                                 |
| Animal Control Reserves                       | \$ 10,745.80                                   | \$ 46,077.20                    | \$ 163,822.40                   |
| Reserve for Encumbrances                      | 35,448.58                                      | 28,418.70                       | 7,973.99                        |
| Due to State of NJ                            | 847.50                                         | 21.60                           | 2,070.68                        |
| Due to Current Fund                           | 52,434.08                                      | 52,596.08                       | 1,257.65                        |
| Escrow & Donations                            | 10,672.16                                      | 20,712.35                       | 6,894.58                        |
| Total Animal Control Trust Fund               | <u>110,148.12</u>                              | <u>147,825.93</u>               | <u>182,019.30</u>               |
| Recreation Trust Fund                         |                                                |                                 |                                 |
| Reserve for Recreation                        | \$ 427,114.84                                  | \$ 347,278.82                   | \$ 264,584.65                   |
| Due Current Fund                              | 125.00                                         | 70,773.63                       | 200,659.94                      |
| Total Recreation Trust Fund                   | <u>427,239.84</u>                              | <u>418,052.45</u>               | <u>465,244.59</u>               |
| Emergency Voucher Program Trust Fund:         |                                                |                                 |                                 |
| Reserve for Emergency Voucher                 | \$ 47,564.95                                   | \$ 52,705.49                    | \$ 25,996.98                    |
| Due to Library                                | 10,492.00                                      | 10,492.00                       | 10,492.00                       |
| Due to Payroll                                |                                                |                                 | 19,209.55                       |
| Total Emergency Voucher Trust Fund            | <u>58,056.95</u>                               | <u>63,197.49</u>                | <u>55,698.53</u>                |
| Trust Other Funds:                            |                                                |                                 |                                 |
| Various Reserves                              | \$ 14,901,924.57                               | \$ 12,954,906.03                | \$ 12,647,084.03                |
| Interfund - Current Fund                      |                                                |                                 | 232,425.63                      |
| Reserve for Encumbrances                      | 202,871.59                                     | 236,678.17                      | 291,443.39                      |
| Due from Payroll                              | 7,542.06                                       | 7,542.06                        | 221,470.36                      |
| Due to Other Trust                            |                                                |                                 | 54,093.07                       |
| Total Trust Other Fund                        | <u>15,112,338.22</u>                           | <u>13,199,126.26</u>            | <u>13,446,516.48</u>            |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

TRUST FUND  
BALANCE SHEETS - REGULATORY BASIS

| <u>LIABILITIES AND RESERVES</u>          | BALANCE<br>DECEMBER<br>31, 2025<br>(Unaudited) | BALANCE<br>DECEMBER<br>31, 2024 | BALANCE<br>DECEMBER<br>31, 2023 |
|------------------------------------------|------------------------------------------------|---------------------------------|---------------------------------|
| Tax Title Lien Trust Fund:               |                                                |                                 |                                 |
| Reserve for Tax Title Lien               | \$ 4,565,268.08                                | \$ 1,024,254.24                 | \$ 4,179,812.35                 |
| Reserve for Premiums                     |                                                | 1,604,500.00                    |                                 |
| Due to Current Fund                      |                                                |                                 | 5,914.29                        |
| Due to Sewer Operating                   | 263.25                                         |                                 |                                 |
| Due to Other Trust                       |                                                |                                 | 584,666.70                      |
| Total Tax Title Lien Trust Fund          | <u>4,565,531.33</u>                            | <u>2,628,754.24</u>             | <u>4,770,393.34</u>             |
| Unemployment Trust Fund:                 |                                                |                                 |                                 |
| Reserve for Unemployment Claims          | \$ 370,314.31                                  | \$ 400,950.26                   | \$ 454,377.33                   |
| Total Unemployment Trust Fund            | <u>370,314.31</u>                              | <u>400,950.26</u>               | <u>454,377.33</u>               |
| Affordable Housing COAH Trust Fund:      |                                                |                                 |                                 |
| Reserve for Affordable Housing COAH      | \$ 8,319,203.03                                | \$ 8,397,445.94                 | \$ 8,504,080.47                 |
| Reserve for Encumbrances                 | 1,007,259.68                                   | 1,106,811.38                    | 470,843.00                      |
| Due to Trust Other Fund                  |                                                |                                 | 3,851.25                        |
| Due to Sewer Operating                   |                                                |                                 | 102.00                          |
| Total Affordable Housing COAH Trust Fund | <u>9,326,462.71</u>                            | <u>9,504,257.32</u>             | <u>8,978,876.72</u>             |
| Flexible Spending Trust Fund:            |                                                |                                 |                                 |
| Reserve for Flexible Spending            | \$ 12,495.56                                   | \$ 20,492.64                    | \$ 34,956.91                    |
| Total Flexible Spending Trust Fund       | <u>12,495.56</u>                               | <u>20,492.64</u>                | <u>34,956.91</u>                |
| Law Enforcement Trust Fund:              |                                                |                                 |                                 |
| Reserve for Dedicated Law Enforcement    | \$ 113,131.39                                  | \$ 46,688.90                    | \$ 76,465.27                    |
| Reserve for Encumbrances                 | 28,062.05                                      |                                 |                                 |
| Total Law Enforcement Trust Fund         | <u>141,193.44</u>                              | <u>46,688.90</u>                | <u>76,465.27</u>                |
| Developer's Escrow Trust Fund:           |                                                |                                 |                                 |
| Reserve for Developer's Escrow           | \$ 2,850,466.15                                | \$ 3,108,893.78                 | \$ 2,875,163.65                 |
| Due to Current Fund                      | 1,265.09                                       | 6,450.73                        | 475.07                          |
| Totals Developers Escrow Trust Fund      | <u>2,851,731.24</u>                            | <u>3,115,344.51</u>             | <u>2,875,638.72</u>             |
| Fire Penalty Trust Fund:                 |                                                |                                 |                                 |
| Reserve for Fire Penalty Trust           | \$ 82,009.07                                   | \$ 54,753.36                    | \$ 80,655.79                    |
| Due to Current Fund                      |                                                |                                 | 5,848.00                        |
| Total Fire Penalty Trust Fund            | <u>82,009.07</u>                               | <u>54,753.36</u>                | <u>86,503.79</u>                |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

TRUST FUND  
BALANCE SHEETS - REGULATORY BASIS

| <u>LIABILITIES AND RESERVES (Continued)</u>    | BALANCE<br>DECEMBER<br>31, 2025<br>(Unaudited) | BALANCE<br>DECEMBER<br>31, 2024 | BALANCE<br>DECEMBER<br>31, 2023 |
|------------------------------------------------|------------------------------------------------|---------------------------------|---------------------------------|
| Housing and Community Development Act of 1974: |                                                |                                 |                                 |
| Various Reserves                               | \$ 142,593.97                                  | \$ 45,605.80                    | \$ 394,671.88                   |
| Due to Current Fund                            | 40,356.33                                      | 40,356.33                       | 40,356.33                       |
| Due to Payroll Fund                            | 10,079.02                                      | 10,079.02                       | 13,109.09                       |
| Total Housing and Community Development Act    | <u>193,029.32</u>                              | <u>96,041.15</u>                | <u>448,137.30</u>               |
| HUD Housing Voucher Program:                   |                                                |                                 |                                 |
| Various Reserves                               | \$ 152,275.59                                  | \$ 241,419.51                   | \$ 217,476.70                   |
| Due to Library                                 | 11,778.15                                      | 12,140.00                       | 12,140.00                       |
| Due to Payroll Fund                            |                                                |                                 | 301,550.04                      |
| Accounts Payable                               | 1,453.00                                       | 1,453.00                        | 1,453.00                        |
| Due to Emergency Voucher Trust Program         | 22,107.04                                      | 22,107.04                       | 22,107.04                       |
| Due to CDBG Trust Fund                         | 3,918.14                                       | 3,918.14                        | 3,918.14                        |
| Due to Grant Fund                              | 2,214.41                                       | 2,214.41                        | 2,214.41                        |
| Total HUD Housing Voucher Program Trust        | <u>193,746.33</u>                              | <u>283,252.10</u>               | <u>560,859.33</u>               |
|                                                | <u>\$ 36,187,762.42</u>                        | <u>\$ 32,782,202.59</u>         | <u>\$ 35,304,783.80</u>         |

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

GENERAL CAPITAL FUND  
BALANCE SHEETS - REGULATORY BASIS

|                                               | BALANCE<br>DECEMBER<br>31, 2025<br>(Unaudited) | BALANCE<br>DECEMBER<br>31, 2024 | BALANCE<br>DECEMBER<br>31, 2023 |
|-----------------------------------------------|------------------------------------------------|---------------------------------|---------------------------------|
| <u>ASSETS</u>                                 |                                                |                                 |                                 |
| Cash and Investments                          | \$ 35,111,325.00                               | \$ 39,681,231.25                | \$ 22,361,685.51                |
| Deferred Charges to Future Taxation:          |                                                |                                 |                                 |
| Funded                                        | 57,647,766.91                                  | 37,875,516.45                   | 26,986,456.51                   |
| Unfunded                                      | 86,448,488.94                                  | 114,867,488.94                  | 69,561,992.94                   |
| Accounts Receivable                           | 17,042.53                                      |                                 |                                 |
| Grants Receivable                             | 5,117,198.81                                   | 5,160,773.13                    | 5,323,393.20                    |
| Due from Grant Fund                           |                                                |                                 | 1,030,000.00                    |
|                                               | <u>\$ 184,341,822.19</u>                       | <u>\$ 197,585,009.77</u>        | <u>\$ 125,263,528.16</u>        |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> |                                                |                                 |                                 |
| General Serial Bonds                          | \$ 56,915,000.00                               | \$ 36,523,000.00                | \$ 24,989,000.00                |
| Bond Anticipation Notes                       | 55,000,000.00                                  | 57,691,000.00                   | 47,395,000.00                   |
| Reserve for Encumbrances                      | 31,164,089.88                                  | 54,275,896.11                   | 7,591,883.71                    |
| Improvement Authorizations:                   |                                                |                                 |                                 |
| Funded                                        | 8,393,079.32                                   | 5,490,548.47                    | 2,836,718.17                    |
| Unfunded                                      | 27,036,120.39                                  | 36,149,401.80                   | 34,560,029.72                   |
| Capital Improvement Fund                      | 919,128.74                                     | 1,344,128.74                    | 1,718,521.74                    |
| Reserve for Debt Service                      | 3,836,118.59                                   | 3,932,288.81                    | 3,391,428.85                    |
| Reserve for Life Cycle Projects               | 12,802.32                                      |                                 |                                 |
| Interfund - Grant Fund                        | 47,825.03                                      | 47,825.03                       |                                 |
| Environmental Infrastructure Loan             |                                                | 279,735.78                      | 594,327.85                      |
| Capital Leases Payable                        | 732,766.91                                     | 1,072,780.67                    | 1,403,128.66                    |
| Due to Current Fund                           | 104,650.47                                     | 248,475.90                      | -                               |
| Fund Balance                                  | <u>180,240.54</u>                              | <u>529,928.46</u>               | <u>783,489.46</u>               |
|                                               | <u>\$ 184,341,822.19</u>                       | <u>\$ 197,585,009.77</u>        | <u>\$ 125,263,528.16</u>        |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

|                                                   | <u>2026</u><br>(Unaudited) | <u>2025</u>          |
|---------------------------------------------------|----------------------------|----------------------|
| Balance, January 1                                | \$ 529,928.46              | \$ 783,489.46        |
| Increased by:                                     |                            |                      |
| Funded Improvement Authorizations Cancelled       | <u>890,312.08</u>          |                      |
|                                                   | \$ 1,420,240.54            | \$ 783,489.46        |
| Decreased by:                                     |                            |                      |
| Current Fund Revenue                              | 1,240,000.00               | 250,000.00           |
| Prior Year Adjustment - Deferred Changes Unfunded | <u>1,240,000.00</u>        | <u>2,561.00</u>      |
|                                                   |                            | 253,561.00           |
| Balance, December 31                              | <u>\$ 180,240.54</u>       | <u>\$ 529,928.46</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

SEWER UTILITY FUND  
BALANCE SHEET - REGULATORY BASIS

|                                                  | BALANCE<br>DECEMBER<br>31, 2025<br>(Unaudited) | BALANCE<br>DECEMBER<br>31, 2024 | BALANCE<br>DECEMBER<br>31, 2023 |
|--------------------------------------------------|------------------------------------------------|---------------------------------|---------------------------------|
| <u>ASSETS</u>                                    |                                                |                                 |                                 |
| <u>Operating Fund</u>                            |                                                |                                 |                                 |
| Cash                                             | \$ 8,408,732.34                                | \$ 10,654,021.07                | \$ 10,724,041.94                |
| Interfunds Receivable                            | <u>412,810.63</u>                              | <u>864,781.40</u>               | <u>31,988.43</u>                |
|                                                  | 8,821,542.97                                   | 11,518,802.47                   | 10,724,041.94                   |
| Receivables and Other Assets with Full Reserves: |                                                |                                 |                                 |
| Sewer Rents Receivable                           | 11,586.68                                      | 11,307.71                       | 8,231.49                        |
| Sewer Liens Receivable                           | 34,924.83                                      | 32,218.37                       | 31,988.43                       |
| Interfund - Federal and State Grant Fund         | <u>46,511.51</u>                               | <u>43,526.08</u>                | <u>361.94</u>                   |
|                                                  | 46,511.51                                      | 43,526.08                       | 40,581.86                       |
| <u>Total Operating Fund</u>                      | <u>8,868,054.48</u>                            | <u>11,562,328.55</u>            | <u>10,764,623.80</u>            |
| <u>Capital Fund</u>                              |                                                |                                 |                                 |
| Cash                                             | 7,212,259.26                                   | 11,105,899.11                   | 15,828,534.15                   |
| Accounts Receivable - State                      | 8,650.65                                       | 8,650.65                        | 8,650.65                        |
| Fixed Capital                                    | 197,707,129.04                                 | 197,707,129.04                  | 197,707,129.04                  |
| Fixed Capital Authorized and Uncompleted         | <u>50,608,875.07</u>                           | <u>50,608,875.07</u>            | <u>45,608,875.07</u>            |
| <u>Total Capital Fund</u>                        | <u>255,536,914.02</u>                          | <u>259,430,553.87</u>           | <u>259,153,188.91</u>           |
| Total Assets                                     | \$ <u>264,404,968.50</u>                       | \$ <u>270,992,882.42</u>        | \$ <u>269,917,812.71</u>        |

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

SEWER UTILITY FUND  
BALANCE SHEET - REGULATORY BASIS

|                                                     | BALANCE<br>DECEMBER<br>31, 2025<br>(Unaudited) | BALANCE<br>DECEMBER<br>31, 2024 | BALANCE<br>DECEMBER<br>31, 2023 |
|-----------------------------------------------------|------------------------------------------------|---------------------------------|---------------------------------|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u>       |                                                |                                 |                                 |
| <u>Operating Fund</u>                               |                                                |                                 |                                 |
| Appropriation Reserves                              | \$ 1,122,402.35                                | \$ 1,595,098.79                 | \$ 1,004,771.51                 |
| Reserve for Encumbrances                            | 896,912.95                                     | 1,170,370.06                    | 1,681,774.31                    |
| Prepaid Sewer Rents                                 | 85,821.03                                      | 90,859.73                       | 146,837.83                      |
| Accrued Interest Payable                            | 538,334.60                                     | 895,379.76                      | 785,809.41                      |
| Reserve for Future Debt Service                     | 211,792.75                                     | 311,792.75                      | 311,792.75                      |
| Interfund - Current Fund                            |                                                | -                               | 20,565.20                       |
|                                                     | <u>2,855,263.68</u>                            | <u>4,063,501.09</u>             | <u>3,951,551.01</u>             |
| Reserve for Receivables and Other Assets            | 46,511.51                                      | 43,526.08                       | 40,581.86                       |
| Fund Balance                                        | <u>5,966,279.29</u>                            | <u>7,455,301.38</u>             | <u>6,772,490.93</u>             |
| <u>Total Operating Fund</u>                         | <u>8,868,054.48</u>                            | <u>11,562,328.55</u>            | <u>10,764,623.80</u>            |
| <u>Capital Fund</u>                                 |                                                |                                 |                                 |
| Interfund Payable                                   | 412,547.38                                     | 850,000.00                      |                                 |
| Reserve for Encumbrances                            | 2,144,599.06                                   | 5,522,806.56                    | 6,241,535.35                    |
| General Serial Bonds                                | 35,992,000.00                                  | 40,142,000.00                   | 44,072,000.00                   |
| NJEIT Loan Payable                                  | 2,310,180.80                                   | 136,032.28                      | 162,354.50                      |
| NJEIT Interim Financing                             |                                                | 193,192.00                      |                                 |
| Bond Anticipation Notes                             | 21,646,000.00                                  | 21,851,000.00                   | 21,861,700.00                   |
| Improvement Authorizations:                         |                                                |                                 |                                 |
| Unfunded                                            | 37,018,652.84                                  | 39,235,139.87                   | 38,766,543.34                   |
| Capital Improvement Fund                            | 192,775.00                                     | 192,775.00                      | 192,775.00                      |
| Reserve for Amortization                            | 153,224,997.69                                 | 148,843,405.21                  | 142,876,382.99                  |
| Reserve for Debt Service                            | 1,970,370.68                                   | 1,839,412.38                    | 4,355,107.16                    |
| Fund Balance                                        | <u>624,790.57</u>                              | <u>624,790.57</u>               | <u>624,790.57</u>               |
| <u>Total Capital Fund</u>                           | <u>255,536,914.02</u>                          | <u>259,430,553.87</u>           | <u>259,153,188.91</u>           |
| <u>Total Liabilities, Reserves and Fund Balance</u> | <u>\$ 264,404,968.50</u>                       | <u>\$ 270,992,882.42</u>        | <u>\$ 269,917,812.71</u>        |

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

SEWER UTILITY OPERATING FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

|                                              | YEAR ENDED<br>DECEMBER<br>31, 2025<br>(Unaudited) | YEAR ENDED<br>DECEMBER<br>31, 2024 | YEAR ENDED<br>DECEMBER<br>31, 2023 |
|----------------------------------------------|---------------------------------------------------|------------------------------------|------------------------------------|
| Revenue and Other Income Realized:           |                                                   |                                    |                                    |
| Operating Surplus Anticipated                | \$ 3,480,000.00                                   | \$ 3,283,830.00                    | \$ 2,357,220.00                    |
| Sewer Rents                                  | 19,791,857.15                                     | 19,770,098.34                      | 19,766,256.87                      |
| Connection Fees                              | 511,712.22                                        | 815,580.00                         | 507,088.84                         |
| Miscellaneous Revenues                       | 38,494.86                                         | 38,909.97                          | 83,031.42                          |
| Interest                                     | 941,203.70                                        | 1,423,674.82                       | 1,014,414.70                       |
| Sewer Capital Reserve for Debt Service       | 100,000.00                                        | 850,000.00                         |                                    |
| Other Credits to Income:                     |                                                   |                                    |                                    |
| Unexpended Balance of Appropriation Reserves | 1,990,300.46                                      | 1,898,499.83                       | 1,960,513.75                       |
| Cancel Prepaid Sewer Rents                   |                                                   | 41,540.17                          |                                    |
| Prior Year Adjustment - Interfunds           |                                                   | 361.94                             |                                    |
| Unexpended Balance of Appropriation          | 427.52                                            |                                    | 33,806.26                          |
| Total Revenue                                | 26,853,995.91                                     | 28,122,495.07                      | 25,722,331.84                      |
| Expenditures:                                |                                                   |                                    |                                    |
| Operating                                    | 17,119,318.00                                     | 15,326,458.00                      | 14,001,708.00                      |
| Capital Improvements                         |                                                   | 700,000.00                         | 300,000.00                         |
| Debt Service                                 | 6,483,700.00                                      | 6,915,086.22                       | 6,164,150.00                       |
| Statutory Expenditures                       | 1,260,000.00                                      | 1,210,000.00                       | 1,161,000.00                       |
| Prior Year Adjustment - Petty Cash           |                                                   | 1,076.31                           |                                    |
| Refund Prior Year Revenue                    |                                                   | 3,234.09                           |                                    |
| Total Expenditures                           | 24,863,018.00                                     | 24,155,854.62                      | 21,626,858.00                      |
| Excess/(Deficit) in Revenue                  | 1,990,977.91                                      | 3,966,640.45                       | 4,095,473.84                       |
| Fund Balance January 1                       | 7,455,301.38                                      | 6,772,490.93                       | 5,034,237.09                       |
|                                              | 9,446,279.29                                      | 10,739,131.38                      | 9,129,710.93                       |
| Decreased by:                                |                                                   |                                    |                                    |
| Utilized as Anticipated Revenue              | 3,480,000.00                                      | 3,283,830.00                       | 2,357,220.00                       |
| Fund Balance December 31                     | \$ 5,966,279.29                                   | \$ 7,455,301.38                    | \$ 6,772,490.93                    |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

|                                        |                               |
|----------------------------------------|-------------------------------|
| Balance, December 31, 2023             | \$ <u>624,790.57</u>          |
| Balance, December 31, 2024             | \$ <u><u>624,790.57</u></u>   |
| Balance, December 31, 2025 (Unaudited) | \$ <u><u>(624,790.57)</u></u> |

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

|                               | Anticipated<br><u>Budget</u> | <u>Realized</u>         | Excess or<br><u>(Deficit)</u> |
|-------------------------------|------------------------------|-------------------------|-------------------------------|
| Operating Surplus Anticipated | \$ 3,283,830.00              | \$ 3,283,830.00         | \$                            |
| Sewer Rents                   | 19,400,000.00                | 19,770,098.34           | 370,098.34                    |
| Miscellaneous                 | 30,000.00                    | 38,909.97               | 8,909.97                      |
| Connection Fees               | 435,000.00                   | 815,580.00              | 380,580.00                    |
| Interest                      | 900,000.00                   | 1,423,674.82            | 523,674.82                    |
| Reserve for Debt Service      | <u>850,000.00</u>            | <u>850,000.00</u>       |                               |
|                               | \$ <u>24,898,830.00</u>      | \$ <u>26,182,093.13</u> | \$ <u>1,283,263.13</u>        |

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Analysis of Interest:

|                                           |                        |
|-------------------------------------------|------------------------|
| Interest Earned on Delinquent<br>Accounts | \$ 23,530.54           |
| Interest Earned on Investments            | <u>1,400,144.28</u>    |
|                                           | <u>\$ 1,423,674.82</u> |

Analysis of Sewer Rents:

|                        |                         |
|------------------------|-------------------------|
| Sewer Rents Receivable | \$ 19,751,896.39        |
| Sewer Liens Receivable | <u>18,201.95</u>        |
|                        | <u>\$ 19,770,098.34</u> |

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

|                                                      | Appropriated            |                           | Expended             |                        | Canceled             |
|------------------------------------------------------|-------------------------|---------------------------|----------------------|------------------------|----------------------|
|                                                      | Budget                  | Budget After Modification | Paid or Charged      | Reserved               |                      |
| Operating:                                           |                         |                           |                      |                        |                      |
| Salaries and Wages                                   | \$ 5,057,000.00         | \$ 4,557,000.00           | \$ 4,414,520.49      | \$ 142,479.51          | \$                   |
| Other Expenses                                       | 5,241,308.00            | 5,241,308.00              | 4,548,403.73         | 692,904.27             |                      |
| Administrative Services                              | 1,200,000.00            | 1,200,000.00              | 1,200,000.00         |                        |                      |
| General Liability Property Casualty                  | 403,150.00              | 403,150.00                | 402,324.90           | 825.10                 |                      |
| Group Insurance for Employees                        | 3,425,000.00            | 3,925,000.00              | 3,925,000.00         |                        |                      |
| Capital Improvements:                                |                         |                           |                      |                        |                      |
| Capital Outlay                                       | 700,000.00              | 700,000.00                |                      | 700,000.00             |                      |
| Debt Service:                                        |                         |                           |                      |                        |                      |
| Payment of Bond Principal                            | 3,930,000.00            | 3,930,000.00              | 3,930,000.00         |                        | 11,300.00            |
| Payment of Bond Anticipation Notes and Capital Notes | 54,000.00               | 54,000.00                 | 42,700.00            |                        | 318,066.59           |
| Interest on Bonds                                    | 1,790,000.00            | 1,790,000.00              | 1,471,933.41         |                        | 411,413.30           |
| Interest on Notes                                    | 1,855,000.00            | 1,855,000.00              | 1,443,586.70         |                        |                      |
| NJEIT - Principal                                    | 26,322.00               | 26,322.00                 | 26,322.00            |                        |                      |
| NJEIT - Interest                                     | 7,050.00                | 7,050.00                  | 544.11               |                        | 6,505.89             |
| Statutory Expenditures:                              |                         |                           |                      |                        |                      |
| Contribution to:                                     |                         |                           |                      |                        |                      |
| Public Employees' Retirement System                  | 825,000.00              | 825,000.00                | 825,000.00           |                        |                      |
| Social Security System (O.A.S.I.)                    | 380,000.00              | 380,000.00                | 324,500.88           | 55,499.12              |                      |
| DCRP                                                 | 5,000.00                | 5,000.00                  | 1,609.21             | 3,390.79               |                      |
|                                                      | <u>\$ 24,898,830.00</u> | <u>\$ 24,898,830.00</u>   | <u>22,556,445.43</u> | <u>\$ 1,595,098.79</u> | <u>\$ 747,285.78</u> |

Analysis of Paid or Charged:

|                          |                         |
|--------------------------|-------------------------|
| Cash Disbursements       | \$ 18,470,011.15        |
| Reserve for Encumbrances | 1,170,370.06            |
| Accrued Interest Payable | 2,916,064.22            |
|                          | <u>\$ 22,556,445.43</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY

GENERAL FIXED ASSET ACCOUNT GROUP  
STATEMENTS OF GENERAL FIXED ASSETS - REGULATORY BASIS

|                                        | BALANCE<br>DECEMBER<br><u>31, 2024</u> | BALANCE<br>DECEMBER<br><u>31, 2023</u> |
|----------------------------------------|----------------------------------------|----------------------------------------|
| General Fixed Assets:                  |                                        |                                        |
| Land, Building & Building Improvements | \$ 114,429,103.62                      | \$ 104,123,306.64                      |
| Vehicles                               | 35,278,509.62                          | 28,421,760.05                          |
| Equipment                              | <u>8,627,489.43</u>                    | <u>10,194,932.16</u>                   |
|                                        | <u>\$ 158,335,102.67</u>               | <u>\$ 142,739,998.85</u>               |
| Investments in General Fixed Assets    | <u>\$ 158,335,102.67</u>               | <u>\$ 142,739,998.85</u>               |

The accompanying Notes to the Financial Statements are an integral part of this statement.

## TOWNSHIP OF HAMILTON

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2024 AND 2023

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

The Township of Hamilton ("Township") is managed under the Mayor-Council form of government authorized under Plan F of the "Faulkner Act of 1950". This form of government, adopted in 1976 by Township voters, provides for the direct election of the Mayor and five council members for four-year terms. This form of government provides for the administrative function of government under the Mayor, supported by a Business Administrator and various department heads and for the legislative function under the Township Council.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Except as noted below, the financial statements of the Township of Hamilton include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Hamilton, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Hamilton do not include the operations of the municipal library, volunteer first aid organizations, local school district or economic development commission inasmuch as their activities are administered by separate boards.

##### B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

The accounting policies of the Township of Hamilton conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Township of Hamilton are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity.

As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account group:

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

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose for which each reserve was created as well as records resources and expenditures for payroll purposes.

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

Sewer Utility Operating and Capital Funds – records resources and expenditures for the operations and acquisition of capital equipment and facilities of the municipally owned Sewer Utility.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Operating grants are realized as revenue when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year 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 fiscal year. Lapsed appropriation reserves are recorded as income. 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.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

General Fixed Assets - N.J.A.C 5:30-5.7, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Property and equipment acquired by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized in their own respective funds.

The General Fixed Assets that have been acquired and that are utilized in the Current and General Capital Funds are instead accounted for in the General Fixed Asset Account Group. No depreciation has been provided on general fixed assets or reported in the financial statements.

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital – Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital funds represent charges to operations for the cost of acquisition of property, equipment, and improvements. The utilities do not record depreciation on fixed assets.

Accounting and Financial Reporting for Pensions

Under GAAP, municipalities are required to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources in the statement of Net Position and total pension related expense in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68 however, local units are permitted to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 68.

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

Under GAAP, municipalities required to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources in the statement of Net Position and total pension related expense in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) (Continued)

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75, however local units are permitted to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation.

The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department.

When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Township of Hamilton had the following cash and cash equivalents at December 31, 2024:

| <u>Fund</u>       | <u>Cash in<br/>Bank</u> | <u>Reconciling<br/>Items</u> | <u>Change<br/>Funds</u> | <u>Total</u>            |
|-------------------|-------------------------|------------------------------|-------------------------|-------------------------|
| Checking Accounts | \$126,702,488.39        | (\$2,443,262.25)             |                         | \$124,259,226.14        |
| Investments       | 518,762.99              |                              |                         | 518,762.99              |
| Change Funds      |                         |                              | 3,981.00                | 3,981.00                |
|                   | <u>\$127,221,251.38</u> | <u>(\$2,443,262.25)</u>      | <u>\$3,981.00</u>       | <u>\$124,781,970.13</u> |

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2024, the Township's bank balance of \$127,221,251.38 was insured or collateralized as follows:

|                                |                         |
|--------------------------------|-------------------------|
| Insured under FDIC and GUDPA   | \$126,702,488.39        |
| Uninsured and Uncollateralized | <u>518,762.99</u>       |
|                                | <u>\$127,221,251.38</u> |

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Township is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following types of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for Investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2024, the Township has \$518,762.99 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund and the Investment Advisor of the NJARM, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

The Township of Hamilton's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: GOVERNMENTAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the regulatory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

**SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT  
OPERATING DEBT AND TYPE II SCHOOL DEBT)**

|                                                                 | <u>YEAR 2024</u>        | <u>YEAR 2023</u>        | <u>YEAR 2022</u>        |
|-----------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| Issued:                                                         |                         |                         |                         |
| General:                                                        |                         |                         |                         |
| Bonds, Notes and Loans                                          | \$94,493,735.78         | \$72,581,456.51         | \$59,212,862.22         |
| Trust Assessment Fund:                                          |                         |                         |                         |
| Bonds and Notes                                                 | \$60,000.00             | \$125,000.00            | \$190,000.00            |
| Sewer Utility Capital Fund:                                     |                         |                         |                         |
| Bonds, Notes and Loans                                          | <u>62,129,032.28</u>    | <u>67,896,054.50</u>    | <u>61,890,422.90</u>    |
| Net Debt Issued                                                 | \$156,682,768.06        | \$140,602,511.01        | \$121,293,285.12        |
| Less:                                                           |                         |                         |                         |
| Assessment Bonds (N.J.S.A. 40A:2-44(c))                         | 60,000.00               | 125,000.00              | 190,000.00              |
| Cash on Hand to Pay Notes                                       | 947,000.00              |                         |                         |
| Reserve to Pay Bonds:                                           |                         |                         |                         |
| General Capital                                                 | 3,932,288.81            | 3,391,428.85            | 601,935.61              |
| Sewer Utility Capital Fund                                      | <u>1,839,412.38</u>     | <u>4,355,107.16</u>     |                         |
| Net Debt Issued                                                 | <u>\$149,904,066.87</u> | <u>\$132,730,975.00</u> | <u>\$120,501,349.51</u> |
| <u>Authorized but not Issued</u>                                |                         |                         |                         |
| General:                                                        |                         |                         |                         |
| Bonds and Notes                                                 | \$58,328,488.94         | \$22,166,992.94         | \$37,433,355.94         |
| Trust Assessment:                                               |                         |                         |                         |
| Bonds and Notes                                                 | 95.00                   | 95.00                   | 95.00                   |
| Sewer Utility Capital Fund:                                     |                         |                         |                         |
| Bonds and Notes                                                 | <u>37,150,374.62</u>    | <u>34,343,566.62</u>    | <u>32,679,266.62</u>    |
| Total Authorized but not Issued                                 | <u>\$95,478,958.56</u>  | <u>\$56,510,654.56</u>  | <u>\$70,112,717.56</u>  |
| Net Bonds and Notes Issued and<br>and Authorized but not issued | <u>\$245,383,025.43</u> | <u>\$189,241,629.56</u> | <u>\$190,614,067.07</u> |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SUMMARY OF REGULATORY DEBT CONDITION  
(ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of 1.225%.

|                            | <u>GROSS DEBT</u>       | <u>DEDUCTIONS</u>       | <u>NET DEBT</u>         |
|----------------------------|-------------------------|-------------------------|-------------------------|
| Local School District      | \$46,715,000.00         | \$46,715,000.00         | -0-                     |
| Sewer Utility Capital Fund | 99,279,406.90           | 99,279,406.90           | -0-                     |
| Assessment Trust Fund      | 60,095.00               | 60,095.00               | -0-                     |
| General Debt               | <u>152,822,224.72</u>   | <u>6,778,701.19</u>     | <u>146,043,523.53</u>   |
|                            | <u>\$298,876,726.62</u> | <u>\$152,833,203.09</u> | <u>\$146,043,523.53</u> |

NET DEBT \$146,043,523.53 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, AS AMENDED, \$11,924,682,185.00 EQUALS 1.225%.

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

|                                                |                         |
|------------------------------------------------|-------------------------|
| Equalized Valuation Basis* - December 31, 2024 | \$11,924,682,185.00     |
| 3-1/2 of Equalized Valuation Basis             | 417,363,876.48          |
| Net Debt                                       | <u>146,043,523.53</u>   |
| Remaining Borrowing Power                      | <u>\$271,320,352.95</u> |

Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the Township for the last three (3) preceding years.

CALCULATION OF UTILITY "SELF-LIQUIDATING PURPOSE" PER N.J.S.A. 40A:2-45

Sewer Utility:

Surplus Anticipated and Total Cash Receipts from  
Fees, Rents, or Other Charges for the Year \$ 26,182,093.13

Deductions:

|                                |                     |                        |
|--------------------------------|---------------------|------------------------|
| Operating and Maintenance Cost | \$ 16,536,458.00    |                        |
| Debt Service                   | <u>6,915,086.22</u> |                        |
| Total Deductions               |                     | <u>23,451,544.22</u>   |
| Excess in Revenue              |                     | <u>\$ 2,730,548.91</u> |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2024

| CALENDAR    | GENERAL CAPITAL        |                       |                        |
|-------------|------------------------|-----------------------|------------------------|
| <u>YEAR</u> | <u>PRINCIPAL</u>       | <u>INTEREST</u>       | <u>TOTAL</u>           |
| 2025        | \$7,698,000.00         | \$1,642,545.56        | \$9,340,545.56         |
| 2026        | 4,365,000.00           | 1,051,862.50          | 5,416,862.50           |
| 2027        | 4,705,000.00           | 873,237.50            | 5,578,237.50           |
| 2028        | 4,780,000.00           | 673,412.50            | 5,453,412.50           |
| 2029        | 2,625,000.00           | 526,812.50            | 3,151,812.50           |
| 2030-2034   | 10,405,000.00          | 1,367,537.50          | 11,772,537.50          |
| 2035        | 1,945,000.00           | 38,900.00             | 1,983,900.00           |
|             | <u>\$36,523,000.00</u> | <u>\$6,174,308.06</u> | <u>\$42,697,308.06</u> |

| CALENDAR    | SEWER UTILITY CAPITAL  |                        |                        |
|-------------|------------------------|------------------------|------------------------|
| <u>YEAR</u> | <u>PRINCIPAL</u>       | <u>INTEREST</u>        | <u>TOTAL</u>           |
| 2025        | \$4,150,000.00         | \$1,364,180.01         | \$5,514,180.01         |
| 2026        | 2,260,000.00           | 1,191,048.76           | 3,451,048.76           |
| 2027        | 2,320,000.00           | 1,099,855.01           | 3,419,855.01           |
| 2028        | 2,350,000.00           | 1,007,361.26           | 3,357,361.26           |
| 2029        | 2,080,000.00           | 920,461.26             | 3,000,461.26           |
| 2030-2034   | 10,665,000.00          | 3,576,718.76           | 14,241,718.76          |
| 2035-2039   | 9,717,000.00           | 1,941,016.88           | 11,658,016.88          |
| 2040-2044   | 4,125,000.00           | 792,000.01             | 4,917,000.01           |
| 2045-2047   | 2,475,000.00           | 129,937.50             | 2,604,937.50           |
|             | <u>\$40,142,000.00</u> | <u>\$12,022,579.45</u> | <u>\$52,164,579.45</u> |

| CALENDAR    | ASSESSMENT TRUST FUND |                   |                    |
|-------------|-----------------------|-------------------|--------------------|
| <u>YEAR</u> | <u>PRINCIPAL</u>      | <u>INTEREST</u>   | <u>TOTAL</u>       |
| 2025        | \$60,000.00           | \$1,200.00        | \$61,200.00        |
|             | <u>\$60,000.00</u>    | <u>\$1,200.00</u> | <u>\$61,200.00</u> |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

The General Capital Bonds are comprised of the following issues:

| <u>ISSUE</u>                                                                                                                                                                                                                           | OUTSTANDING<br>BALANCE DECEMBER<br><u>31, 2024</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| \$17,425,000.00 in Refunding Bonds dated April 15, 2013, due in one remaining annual installment of \$2,050,000.00 due August 1, 2025 with interest at 4.000%                                                                          | \$2,050,000.00                                     |
| \$14,703,000.00 in General Improvement Bonds dated June 1, 2014, due in one remaining annual installment of \$1,598,000.00 due June 1, 2025 with interest at 2.500%                                                                    | 1,598,000.00                                       |
| \$19,773,000.00 in General Improvement Bonds dated May 3, 2017, due in remaining annual installments of \$2,235,000.00 beginning May 15, 2025 and ending May 15, 2028 with interest at 5.000%                                          | 9,300,000.00                                       |
| \$7,600,000.00 in General Improvement Bonds dated May 7, 2019, due in remaining annual installments of \$750,000.00 beginning May 15, 2025 and ending May 15, 2030 with interest at 2.250%                                             | 4,500,000.00                                       |
| \$19,075,000.00 in General Improvement Bonds dated May 14, 2024, due in remaining annual installments ranging between \$975,000.00 and \$1,945,000.00 beginning May 1, 2025 and ending May 1, 2035 with interest from 2.000% to 4.000% | 19,075,000.00                                      |
|                                                                                                                                                                                                                                        | <u><u>\$36,523,000.00</u></u>                      |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

The Sewer Utility Capital Bonds are comprised of the following issues:

| <u>ISSUE</u>                                                                                                                                                                                                                                     | OUTSTANDING<br>BALANCE DECEMBER<br><u>31, 2024</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| \$16,505,000.00 in sewer utility refunding bonds of 2013, due in one remaining annual installment of \$1,935,000.00 due August 1, 2025, with interest at 4.00%                                                                                   | \$1,935,000.00                                     |
| \$14,687,000.00 in sewer utility refunding bonds of 2014, due in annual installments ranging from \$500,000.00 to \$650,000.00 beginning June 1, 2025 and ending June 1, 2039, with interest ranging from 2.00% to 4.00%                         | 9,697,000.00                                       |
| \$14,687,000.00 sewer utility refunding bonds of 2014, due in annual installments ranging from \$150,000.00 to \$200,000.00 beginning June 1, 2025 and ending June 1, 2028, with interest ranging from 3.00% to 4.00%                            | 800,000.00                                         |
| \$3,035,000.00 in sewer utility refunding bonds of 2015, due in one remaining annual installment of \$360,000.00 due August 1, 2025 with interest at 5.00%                                                                                       | 360,000.00                                         |
| \$23,480,000.00 in sewer utility refunding bonds of 2017 (Series B), due in annual installments range from \$475,000.00 to \$940,000.00 beginning May 1, 2025 and ending May 1, 2047, with interest ranging from 4.00% to 5.00%                  | 19,125,000.00                                      |
| \$3,556,000.00 in sewer utility refunding bonds of 2019, due in annual installments ranging from \$111,000.00 to \$220,000.00 beginning May 1, 2025 and ending May 1, 2039, with interest ranging from 2.00% to 3.00%                            | 2,975,000.00                                       |
| \$3,112,000.00 in sewer utility improvement bonds dated May 7, 2019, due in annual installments ranging from \$115,000.00 to \$200,000.00 beginning May 15, 2025 through May 15, 2039, with interest ranging from 3.50% to 3.75%                 | 2,565,000.00                                       |
| \$3,470,000.00 in sewer utility refunding bonds dated October 31, 2019, due in annual installments ranging from \$195,000.00 to \$270,000.00 beginning February 1, 2025 and ending February 1, 2035, interest ranging from 2.125% through 4.000% | 2,685,000.00                                       |
|                                                                                                                                                                                                                                                  | <u>\$40,142,000.00</u>                             |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

The Assessment Trust Bonds are comprised of the following issues:

| <u>ISSUE</u>                                                                                                                              | <u>OUTSTANDING<br/>BALANCE DECEMBER<br/>31, 2024</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| \$335,000.00 assessment bonds of 2010, due in one remaining annual installment of \$60,000.00 due February 1, 2025 with interest at 4.00% | <u>\$60,000.00</u>                                   |
|                                                                                                                                           | <u>\$60,000.00</u>                                   |

STATE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE BANK

The Township has entered into two loan financing agreements for various improvement programs with the New Jersey Infrastructure Bank ("NJIB", formerly the New Jersey Environmental Infrastructure Trust). The improvement programs are financed through debt issued by the NJIB. During the year ended December 31, 2024, the Township made payments to the NJIB with respect to the loan improvement programs in the amount of \$334,515.48.

Pursuant to the provisions of N.J.S.A. 40A:2-1 et seq., the combined outstanding principal of these loans has been included in the calculation of the Township's statutory debt condition.

| Calendar    | <u>General</u>      |                   | <u>Sewer Utility</u> |                   | <u>Total</u>        |                   |
|-------------|---------------------|-------------------|----------------------|-------------------|---------------------|-------------------|
| <u>Year</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Principal</u>     | <u>Interest</u>   | <u>Principal</u>    | <u>Interest</u>   |
| 2025        | \$279,735.78        | \$4,812.50        | \$26,592.48          | \$1,634.84        | \$306,328.26        | \$6,447.34        |
| 2026        |                     |                   | 26,880.32            | 1,347.00          | 26,880.32           | 1,347.00          |
| 2027        |                     |                   | 27,186.95            | 1,040.36          | 27,186.95           | 1,040.36          |
| 2028        |                     |                   | 27,512.90            | 714.42            | 27,512.90           | 714.42            |
| 2029        |                     |                   | 27,859.63            | 367.82            | 27,859.63           | 367.82            |
|             | <u>\$279,735.78</u> | <u>\$4,812.50</u> | <u>\$136,032.28</u>  | <u>\$5,104.44</u> | <u>\$415,768.06</u> | <u>\$9,916.94</u> |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2024, the Township has authorized but not issued bonds and notes as follows:

|                            |                 |
|----------------------------|-----------------|
| General Capital Fund       | \$58,328,488.94 |
| Sewer Utility Capital Fund | \$37,150,374.62 |

SHORT TERM DEBT

At December 31, 2024, the Township has the following Bond Anticipation Note outstanding:

General Capital Fund:

| <u>Ordinance<br/>Number</u> | <u>Date of<br/>Original Issue</u> | <u>Date of<br/>Issue</u> | <u>Date of<br/>Maturity</u> | <u>Interest<br/>Rate</u> | <u>Amount</u>          |
|-----------------------------|-----------------------------------|--------------------------|-----------------------------|--------------------------|------------------------|
| 21-044                      | 02/16/22                          | 05/14/24                 | 05/14/25                    | 5.00%                    | \$13,396,000.00        |
| 22-002                      | 02/13/23                          | 05/14/24                 | 05/14/25                    | 5.00%                    | 4,495,000.00           |
| 22-034                      | 02/13/23                          | 05/14/24                 | 05/14/25                    | 5.00%                    | 6,000,000.00           |
| 22-036                      | 02/13/23                          | 05/14/24                 | 05/14/25                    | 5.00%                    | 3,800,000.00           |
| 23-025                      | 05/15/24                          | 05/14/24                 | 05/14/25                    | 5.00%                    | 5,000,000.00           |
| 24-013                      | 10/10/24                          | 10/10/24                 | 10/10/25                    | 3.50%                    | 25,000,000.00          |
|                             |                                   |                          |                             |                          | <u>\$57,691,000.00</u> |

Sewer Utility Capital Fund:

| <u>Ordinance<br/>Number</u> | <u>Date of<br/>Original Issue</u> | <u>Date of<br/>Issue</u> | <u>Date of<br/>Maturity</u> | <u>Interest<br/>Rate</u> | <u>Amount</u>          |
|-----------------------------|-----------------------------------|--------------------------|-----------------------------|--------------------------|------------------------|
| 16-023                      | 05/22/18                          | 05/14/24                 | 05/14/25                    | 5.00%                    | \$5,352,631.00         |
| 17-021                      | 02/16/21                          | 05/14/24                 | 05/14/25                    | 5.00%                    | 931,923.00             |
| 18-031                      | 02/16/21                          | 05/14/24                 | 05/14/25                    | 5.00%                    | 591,827.00             |
| 17-021                      | 02/15/22                          | 05/14/24                 | 05/14/25                    | 5.00%                    | 3,818,319.00           |
| 08-031                      | 02/15/22                          | 05/14/24                 | 05/14/25                    | 5.00%                    | 6,156,300.00           |
| 21-045                      | 02/13/23                          | 05/14/24                 | 05/14/25                    | 5.00%                    | 3,000,000.00           |
| 22-035                      | 05/14/24                          | 05/14/24                 | 05/14/25                    | 5.00%                    | 1,000,000.00           |
| 23-032                      | 05/14/24                          | 05/14/24                 | 05/14/25                    | 5.00%                    | 1,000,000.00           |
|                             |                                   |                          |                             |                          | <u>\$21,851,000.00</u> |

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2024, which was appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2025 were as follows:

|                              |                |
|------------------------------|----------------|
| Current Fund                 | \$9,200,000.00 |
| Sewer Utility Operating Fund | \$3,480,000.00 |

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also the taxes for the County, Local School District and Regional School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

|               | BALANCE<br>DECEMBER 31,<br><u>2024</u> | BALANCE<br>DECEMBER 31,<br><u>2023</u> |
|---------------|----------------------------------------|----------------------------------------|
| Prepaid Taxes | <u>\$1,809,212.85</u>                  | <u>\$1,796,491.42</u>                  |

NOTE 6: PENSION PLANS

Plan Descriptions

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at [www.nj.gov/treasury/pensions/annrpts.shtml](http://www.nj.gov/treasury/pensions/annrpts.shtml).

NOTE 6: PENSION PLANS (CONTINUED)

Plan Descriptions (Continued)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) 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. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey 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.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) 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.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit. In which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership.

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions

Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. PERS, provides for employee contributions of 7.50% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. Members contribute at a uniform rate of 10.00% of base salary.

The Township's share of pension costs, which is based upon the annual billings received from the State for the preceding three years are as follows:

| <u>Year Ended</u><br><u>December 31,</u> | <u>Public Employees</u><br><u>Retirement System</u> | <u>Police &amp; Firemen's</u><br><u>Retirement System</u> | <u>Defined Contribution</u><br><u>Retirement System</u> | <u>Total</u>    |
|------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------|-----------------|
| 2024                                     | \$4,714,992.00                                      | \$12,524,676.00                                           | \$31,216.31                                             | \$17,270,884.31 |
| 2023                                     | 4,381,698.00                                        | 12,243,770.84                                             | 65,608.19                                               | 16,691,077.03   |
| 2022                                     | 4,010,535.00                                        | 10,259,753.95                                             | 13,761.00                                               | 1,855,304.00    |

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) Statement No. 68 “Accounting and Financial Reporting for Public Employees Pensions” requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen’s Retirement System (PFRS) of the participating municipality as of December 31, 2024. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year’s budget and no liability is accrued at December 31, 2024.

Public Employees Retirement System (PERS)

At June 30, 2024, the State reported a net pension liability of \$48,923,109.00 for the Township’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Township’s proportion of the net pension liability was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Township’s proportion was 0.3600452190 percent, which was an increase of 0.0072661815 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the State recognized an actuarially determined pension expense of \$1,273,379.00 for the Township’s proportionate share of the total pension expense. The pension expense recognized in the Township’s financial statements based on the April 1, 2024 billing was \$4,714,988.00.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|                                                                                                               | Deferred<br>Outflow of<br>Resources | Deferred<br>Inflow of<br>Resources |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------|
| Differences between expected and actual experience                                                            | \$ 980,020.00                       | \$ 130,247.00                      |
| Changes of assumptions                                                                                        | 60,778.00                           | 556,632.00                         |
| Net difference between projected and actual earnings on pension plan investments                              |                                     | 2,268,431.00                       |
| Changes in proportion and differences between Hamilton contributions and proportionate share of contributions | <u>1,808,919.00</u>                 | <u>593,890.00</u>                  |
|                                                                                                               | <u>\$ 2,849,717.00</u>              | <u>\$ 3,549,200.00</u>             |

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

| <u>Year Ended<br/>June 30,</u> | <u>Amount</u>         |
|--------------------------------|-----------------------|
| 2025                           | (\$1,834,150.20)      |
| 2026                           | 1,850,246.80          |
| 2027                           | (681,674.20)          |
| 2028                           | (290,804.20)          |
| 2029                           | <u>256,898.80</u>     |
|                                | <u>(\$699,483.00)</u> |

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. These actuarial valuations used the following assumptions:

|                           |                  |
|---------------------------|------------------|
| Inflation                 |                  |
| Price                     | 2.75%            |
| Wage                      | 3.25%            |
| Salary Increases          | 2.75-6.55%       |
|                           | Based on         |
|                           | Years of Service |
| Investment Rate of Return | 7.00%            |

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.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 assets class included in PERS's target assets allocation as of June 30, 2024 asset are summarized in the following table:

| <u>Assets Class</u>              | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|-----------------------------------------------|
| US Equity                        | 28.00%                   | 8.63%                                         |
| Non-U.S. Developed Market Equity | 12.75%                   | 8.85%                                         |
| International Small Cap Equity   | 1.25%                    | 8.85%                                         |
| Emerging Market Equity           | 5.50%                    | 10.66%                                        |
| Private Equity                   | 13.00%                   | 12.40%                                        |
| Real Estate                      | 8.00%                    | 10.95%                                        |
| Real Assets                      | 3.00%                    | 8.20%                                         |
| High Yield                       | 4.50%                    | 6.74%                                         |
| Private Credit                   | 8.00%                    | 8.90%                                         |
| Investment Grade Credit          | 7.00%                    | 5.37%                                         |
| Cash Equivalents                 | 2.00%                    | 3.57%                                         |
| U.S. Treasury's                  | 4.00%                    | 3.57%                                         |
| Risk Mitigation Strategies       | 3.00%                    | 7.10%                                         |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the Township's proportionate share of net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2024 respectively, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|                                                            | June 30, 2024                  |                                             |                                |
|------------------------------------------------------------|--------------------------------|---------------------------------------------|--------------------------------|
|                                                            | 1%<br>Decrease<br><u>6.00%</u> | At Current<br>Discount Rate<br><u>7.00%</u> | 1%<br>Increase<br><u>8.00%</u> |
| Hamilton's proportionate share<br>of the pension liability | \$65,006,784.00                | \$48,923,109.00                             | \$35,235,991.00                |

Special Funding Situation

In accordance with 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. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

The amounts contributed by the State on behalf of the Township 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 Township does 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 Township related to this legislation.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation (Continued)

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Township as of June 30, 2024 was 0.3617086527% which was an increase of 0.0075902182 percent from its proportion measured as of June 30, 2023. The non-employer contributing entities' contribution and employer pension expense and related revenue for the years ended June 30, 2024 and June 30, 2023 was \$157,728.00 and \$159,355.00, respectively.

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

Police and Firemen's Retirement System (PFRS)

At June 30, 2024, the State reported a net pension liability of \$96,214,641.00 for the Township's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2024, the Township's proportion was 0.9317165900 percent, which was a decrease of 0.0091389700 percent from its proportion measured as of June 30, 2023.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

For the year ended June 30, 2024, the State recognized an actuarially determined pension expense of \$11,752,294.00. The pension expense recognized in the Township's financial statements based on the April 1, 2024, billing was \$12,524,676.00.

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

|                                                                                                               |    | Deferred<br>Outflow of<br>Resources | Deferred<br>Inflow of<br>Resources |
|---------------------------------------------------------------------------------------------------------------|----|-------------------------------------|------------------------------------|
| Differences between expected and actual experience                                                            | \$ | 6,061,448.00                        | \$ 3,293,851.00                    |
| Changes of assumptions                                                                                        |    | 152,097.00                          | 2,825,666.00                       |
| Net difference between projected and actual earnings on pension plan investments                              |    |                                     | 753,054.00                         |
| Changes in proportion and differences between Hamilton contributions and proportionate share of contributions |    | <u>33,690,971.00</u>                | <u>2,286,690.00</u>                |
|                                                                                                               | \$ | <u>39,904,516.00</u>                | <u>\$ 9,159,261.00</u>             |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended<br>June 30 | Amount                  |
|-----------------------|-------------------------|
| 2025                  | \$ 1,620,439.20         |
| 2026                  | 11,650,749.20           |
| 2027                  | 4,933,077.20            |
| 2028                  | 5,654,983.20            |
| 2029                  | 6,837,643.20            |
| Thereafter            | <u>48,363.00</u>        |
|                       | <u>\$ 30,745,255.00</u> |

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

|                           |                                                                 |
|---------------------------|-----------------------------------------------------------------|
| Inflation                 |                                                                 |
| Price                     | 2.75%                                                           |
| Wage                      | 3.25%                                                           |
| Salary Increases          | All future years<br>3.25-16.25%<br>Based on years of<br>Service |
| Investment Rate of Return | 7.00%                                                           |

Employee mortality rates were based on the Pubs-2010 Safety Employee amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pubs-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount weighted mortality table for males and 100% for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 PFRS's target asset allocation as of June 30, 2024 are summarized in the following table:

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of both June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

|                                                                 | June 30, 2024                  |                                             |                                |
|-----------------------------------------------------------------|--------------------------------|---------------------------------------------|--------------------------------|
|                                                                 | 1%<br>Decrease<br><u>6.00%</u> | At Current<br>Discount Rate<br><u>7.00%</u> | 1%<br>Increase<br><u>8.00%</u> |
| Hamilton's proportionate share<br>of the PFRS pension liability | \$137,469,315.00               | \$96,214,641.00                             | \$61,858,537.00                |

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation

In accordance with 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.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Township 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 Township does 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 Township related to this legislation.

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of December 31, 2024 and 2023 is .09317164100% and 0.9408553800% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2024 and 2023 was \$2,182,173.00 and \$2,190,544.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2024 and 2023 was \$2,182,173.00 and \$2,190,544.00, respectively.

At June 30, 2024 and 2023, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$18,968,511.00 and \$19,154,560.00, respectively.

At June 30, 2024, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

|                                                                                                  |                         |
|--------------------------------------------------------------------------------------------------|-------------------------|
| Hamilton's Proportionate Share of Net Pension Liability                                          | \$96,214,641.00         |
| State of New Jersey Proportionate Share of<br>Net Pension Liability Associated with the Hamilton | <u>18,968,511.00</u>    |
|                                                                                                  | <u>\$115,183,152.00</u> |

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

**NOTE 7: LITIGATION**

The Township Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Township's insurance carrier or would have a material financial impact on the Township.

**NOTE 8: COMPENSATED ABSENCES**

Under the existing policy of the Township, employees are allowed to accumulate unused vacation and sick pay over the life of their working careers which may be taken as time off or paid at a later date as outlined in Township personnel policies. The Township estimates that the current cost of such unpaid compensation to be \$9,162,256.12 and \$8,803,917.20, at December 31, 2024 and 2023 respectively. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented. The Township has established a Reserve for Accumulated Absences in the Trust Other Fund in the amount of \$1,812,681.62 and \$930,470.78 at December 31, 2024 and 2023, respectively.

**NOTE 9: TAX APPEALS**

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2024 and prior. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

**NOTE 10: CONTINGENT LIABILITIES**

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As more fully described in Note 11, the Township currently manages its risks through participation in the GSMJIF. For GSMJIF covered claims incurred subsequent to February 1, 2002, there are no claims currently outstanding that are anticipated to exceed the combined coverages provided by the GSMJIF through self-insured retention and excess insurance coverages. The Township provides for its self-insured risk retention on GSMJIF covered claims through an annual budget appropriation.

NOTE 11: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error or omission, injuries to employees; and natural disasters. The Township is a member of the Garden State Municipal Joint Insurance Fund ("JIF"). The JIF is a public entity risk pool currently operating as a common risk management and insurance program for municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workers' compensation. While additional assessments on premiums can be levied by the JIF to assure payment of the JIF's obligations, no such additional premiums have been necessary as of December 31, 2024. The JIF is expected to be self-sustaining through member premiums of which the Township portion is reported as expenditure in the Township's financial statements and liabilities of the JIF are based on the estimated ultimate cost of settling the claims. The JIF participates in the Municipal Excess Liability Program, which has a contract for excess liability insurance. The Township is not aware of any claims pending that have a demand in excess of coverages provided under the JIF. In addition, there were no significant reductions in insurance coverage from prior year coverage and there were no amounts settled which exceeded insurance coverage for each of the past three years.

Pre-2002 Risk Management - Effective for calendar year 1981, in response to rising premiums for traditional risk transfer insurance coverage, the Township instituted a self-insurance risk management program for claims relating to Workers' Compensation, General Liability and Automobile Liability. For loss years 1981 through 1985, the Township obtained reinsurance coverage and umbrella coverage which limited the Township's risk retention to \$100,000 per occurrence and \$375,000 annual aggregate (stop-loss). Based on non-utilization of these coverages, and in response to prohibitive premiums for diminished coverage, the Township dropped these coverages for 1986 and subsequent periods and retains all risks associated with these coverages. The Township reinstituted reinsurance coverage beginning on July 1, 1998. Risk retention was limited to \$100,000 per claim and \$300,000 annual aggregate, in total, up to a maximum of \$5,000,000. The Township engaged an outside claims service bureau to serve as Fund Administrator. Reserves are established by the administrator for estimated benefits and expenses for reported claims.

The Township currently operates a risk management program, which includes a self-insured risk retention, and has established a Self-Insurance Trust Fund to account for this activity.

Reserves available in the Self-Insurance Trust Fund may be utilized to make contributions towards the settlement of the residual claims or the Township may redirect these funds to any other lawful purpose.

Employee Health Benefits - Effective July 1, 2013, the Township revised its risk management plan for the provision of employee health benefits, by entering into a contract with AmeriHealth New Jersey which provides for a risk transfer to the insurer in exchange for the payment of contractual premiums. Employees are required to contribute a portion of the costs of such insurance.

NOTE 11: RISK MANAGEMENT (CONTINUED)

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

| <u>Year</u> | <u>Contributions<br/>and Interest</u> | <u>Amount<br/>Reimbursed</u> | <u>Ending<br/>Balance</u> |
|-------------|---------------------------------------|------------------------------|---------------------------|
| 2024        | \$119,242.47                          | \$172,669.54                 | \$400,950.26              |
| 2023        | 129,484.99                            | 81,074.22                    | 454,377.33                |
| 2022        | 412,708.62                            | 6,742.06                     | 405,966.56                |

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2024:

| <u>Fund</u>                  | <u>Interfund<br/>Receivable</u> | <u>Interfund<br/>Payable</u> |
|------------------------------|---------------------------------|------------------------------|
| Current Fund                 | \$589,616.09                    | \$19,800.54                  |
| Assessment Trust Fund        |                                 | \$3,800.00                   |
| Animal Control Trust         |                                 | 52,596.08                    |
| Trust Other Fund             | 139,648.63                      | 137,416.18                   |
| General Capital Fund         |                                 | 296,300.93                   |
| Sewer Utility Operating Fund | 864,781.40                      |                              |
| Sewer Utility Capital Fund   |                                 | 850,000.00                   |
| Grant Fund                   | 50,039.44                       | 284,171.83                   |
|                              | <u>\$1,644,085.56</u>           | <u>\$1,644,085.56</u>        |

This interfund is the result of timing difference between grant expenditures and reimbursements from the granting agency. The Township makes every effort to limit the time between the expenditure of grant funds and submission for reimbursement.

**NOTE 13: DEFERRED COMPENSATION PLAN**

The Hamilton Township Deferred Compensation Plan was established pursuant to Section 457 of the IRC and P.L. 1977, C. 381; P.L. 1978, C. 39; and P.L. 1980, C. 78 of the Statutes of New Jersey. The plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations. The deferred compensation plans are administered by MetLife, Mass Mutual and AXA Equitable. The Township does not make any contributions to the plan and the deferred compensation is not available to employees until termination, retirement, death or unforeseeable hardship. In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of the IRC Section 457(g), the Township's plan was amended to require that all amounts of compensation deferred under the plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the plan are held in trust, in annuity contracts or custodial accounts.

The plan's assets are not the property of the Township and therefore, are not presented in the financial statements.

**NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the Township is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

The Township provide these post-retirement benefits in a Single Employer plan for most employees, however a small number of employees are covered under the State Health Benefit Local Government Retired Employees Plan which is a cost-sharing multiple-employer defined benefit plan.

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Single Employer Plan

Plan Description

The Township's defined benefit OPEB plan, Township of Hamilton Retiree Medical Plan (the Plan), provides OPEB for all eligible employees of the Township in accordance with the terms of their labor agreements. The Plan is a single-employer defined benefit OPEB plan administered by the Township. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Summary of Benefits

The Plan provides retirees and their eligible dependents medical benefits provided that they have meet the eligibility requirement contained in the Township's various labor agreements.

Employees Covered by Benefits Terms

|                                                                              |              |
|------------------------------------------------------------------------------|--------------|
| Inactive employees or beneficiaries currently receiving benefits payments    | 499          |
| Inactive employees entitled to but not currently receiving benefits payments | -0-          |
| Active Employees                                                             | 667          |
|                                                                              | <u>1,166</u> |

Contributions

The contribution requirements of the Township and Plan members are established and maybe be amended by the Township's governing body.

Retirees and their dependents are required to contribute toward the cost of the postretirement medical, prescription drug, dental and vision coverage in accordance with the provisions set forth under Chapter 78. An employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS service as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retirement contributions are based on a percentage of the postretirement healthcare cost and vary based on coverage tier and amount of PERS or PFRS pension amounts based on tables presented in the Township's plan document, ranging from 3.5% to 35%.

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Single Employer Plan (Continued)

Net OPEB Liability

The Township's total OPEB liability of \$306,149,178.00 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Inflation 3.0%

Salary Increases 3.0%

Healthcare cost trend rates 7.0 percent decreasing to an ultimate rate of 4.5 percent.

Mortality rates were based on the PUB 2010 mortality table with MP-2021 projection.

The actuarial assumptions used in the December 31, 2024 valuation were based on December 31, 2024 census data.

Discount Rate

The discount rate under GASB 75 should be the single rate that reflects (a) the long-term expected rate of return on plan investments that are expected to be used to finance the benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the assets are expected to be invested using a strategy to achieve that return and (b) a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale) to the extent that the conditions in (a) are not met. The discount rates used for determining the Total OPEB liabilities at December 31, 2024 and December 31, 2023, based on the "The S&P Municipal Bond 20-year High Grade Index", are 4.28% and 4.00%, respectively.

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Single Employer Plan (Continued)

Changes in the Total OPEB Liability

Sensitivity of the Total OPEB liability and expense to changes in the discount rate and healthcare cost trend rates

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28 percent) or 1-percentage point higher (5.28 percent) than the current discount rate:

|                          | December 31, 2024                 |                                    |                                   |
|--------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|                          | <u>1.00%<br/>Decrease (3.28%)</u> | <u>At Discount<br/>Rate (4.28)</u> | <u>1.00%<br/>Increase (5.28%)</u> |
| Net OPEB Liability       | \$354,820,701                     | \$306,149,177                      | \$266,951,831                     |
| GASB 75 Expense FYE 2024 | 5,250,000.00                      | 1,801,369.00                       | (660,000.00)                      |

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates

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

|                          | December 31, 2024                                           |                                                                         |                                                             |
|--------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------|
|                          | <u>1.00%<br/>Decrease<br/>(6.0% decreasing<br/>to 3.5%)</u> | <u>Healthcare Cost<br/>Trend Rate<br/>(7.5% decreasing<br/>to 4.5%)</u> | <u>1.00%<br/>Increase<br/>(8.0% decreasing<br/>to 5.5%)</u> |
| Net OPEB Liability       | \$264,639,688                                               | \$306,149,177                                                           | \$358,866,714                                               |
| GASB 75 Expense FYE 2024 | 220,000.00                                                  | 1,801,369.00                                                            | 4,060,000.00                                                |

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Single Employer Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024 the actuarially determined OPEB expense reflected in the MTRMP report was \$1,801,369.00

At December 31, 2024, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                    | <u>Deferred<br/>Outflow of<br/>Resources</u> | <u>Deferred<br/>Inflow of<br/>Resources</u> |
|----------------------------------------------------|----------------------------------------------|---------------------------------------------|
| Differences between expected and actual experience | \$ 96,145,977.00                             | \$ 151,512,397.00                           |
| Changes of assumptions                             | <u>19,282,037.00</u>                         | <u>90,011,569.00</u>                        |
|                                                    | <u>\$ 115,428,014.00</u>                     | <u>\$ 241,523,966.00</u>                    |

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

| <u>Year Ended<br/>June 30,</u> | <u>Amount</u>          |
|--------------------------------|------------------------|
| 2025                           | (\$27,792,772)         |
| 2026                           | (21,638,972)           |
| 2027                           | (21,638,967)           |
| 2028                           | (25,613,251)           |
| 2029                           | <u>(29,411,990)</u>    |
|                                | <u>(\$126,095,952)</u> |

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Cost-Sharing Multiple-Employer Plan

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) 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*; therefore, assets are accumulated to pay associated benefits.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the 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.

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Cost-Sharing Multiple-Employer Plan (Continued)

Plan Description and Benefits Provided (Continued)

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.

Total Net OPEB Liability

At June 30, 2024, the Plan reported a Liability of \$753,640.00 for the Township's proportionate share of the collective Net OPEB liability. The total Net OPEB Liability measured as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024.

The Township's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2023 through June 30, 2024.

At June 30, 2024, the Township's proportion was 0.004209 percent, which was a decrease of 0.000176 percent from its proportion measured as of June 30, 2023.

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Cost-Sharing Multiple-Employer Plan (Continued)

Total Net OPEB Liability (Continued)

For the year ended June 30, 2024, the State reported OPEB benefit of \$124,870.00. This OPEB expense was based on the OPEB plans June 30, 2024 measurement date.

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                                               | <u>Deferred<br/>Outflow of<br/>Resources</u> | <u>Deferred<br/>Inflow of<br/>Resources</u> |
|-------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------|
| Differences between expected and actual experience                            | \$38,167.00                                  | \$127,693.00                                |
| Changes of assumptions                                                        | 125,994.00                                   | 125,100.00                                  |
| Net difference between projected and actual earnings on OPEB plan investments |                                              | 341.00                                      |
| Changes in proportion                                                         | <u>26,590.00</u>                             | <u>201,836.00</u>                           |
|                                                                               | <u>\$190,751.00</u>                          | <u>\$454,970.00</u>                         |

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State's actuarially calculated OPEB (benefit)/expense as follows:

| Year Ended<br><u>June 30,</u> | <u>Amount</u>         |
|-------------------------------|-----------------------|
| 2025                          | (\$82,357.20)         |
| 2026                          | (55,417.20)           |
| 2027                          | (38,549.20)           |
| 2028                          | (53,709.20)           |
| 2029                          | (46,937.20)           |
| Thereafter                    | <u>12,751.00</u>      |
|                               | <u>(\$264,219.00)</u> |

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Cost-Sharing Multiple-Employer Plan (Continued)

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases\*:

Public Employees Retirement System (PERS):

Initial fiscal year applied

Rate for all future years 2.75% to 6.55%

Police and Firemen's Retirement System (PFRS):

Rate for all future years 3.25% to 16.25%

\* Salary increases are based on years of service within the respective plan.

Mortality

Pre-Retirement Mortality

|      |                                                                                                                                                                    |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PERS | Pub-2010 "General" classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021 |
| PFRS | Pub-2010 "Safety" classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021  |

Post-Retirement Mortality

|                      |                                                                                                                                                                    |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chapter 330 Retirees | Pub-2010 "Safety" classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021  |
| Other Retirees       | Pub-2010 "General" classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021 |

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Cost-Sharing Multiple-Employer Plan (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Discount Rate

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumption

For Pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 19.38% in fiscal year 2026 and decreases to 4.50% in fiscal year 2034. For HMO, the trend rate is increasing to 20.15% in fiscal year 2026 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Cost-Sharing Multiple-Employer Plan (Continued)

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB Liability associated with the Township as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|                                                             | <u>1.00%</u><br><u>Decrease (2.93%)</u> | <u>At Discount</u><br><u>Rate (3.93%)</u> | <u>1.00%</u><br><u>Increase (4.93%)</u> |
|-------------------------------------------------------------|-----------------------------------------|-------------------------------------------|-----------------------------------------|
| Township's proportionate share<br>of the Net OPEB Liability | \$877,910.00                            | \$753,640.00                              | \$654,110.00                            |

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Township as of June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|                                                             | <u>1.00%</u><br><u>Decrease</u> | <u>Healthcare Cost</u><br><u>Trend Rate</u> | <u>1.00%</u><br><u>Increase</u> |
|-------------------------------------------------------------|---------------------------------|---------------------------------------------|---------------------------------|
| Township's proportionate share<br>of the Net OPEB Liability | \$637,430.00                    | \$753,640.00                                | \$903,060.00                    |

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 15: TAX ABATEMENTS

The Township is authorized by the New Jersey Housing and Mortgage Financing Act Law of 1983, N.J.S.A.55:14K-1 et seq. (hereinafter "HMFA Law"), and a Resolution of the Council dated March 13, 2007, to enter into property tax abatement agreements for the purpose of attracting affordable housing. The exemption of the projects from real property taxation subject to this law shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the HMFA Law, may not exceed fifty (50) years.

For the year ended December 31, 2024, the Township abated property taxes totaling \$2,147,490.36 under this program, including the following tax abatement agreement that exceeded 10 percent of the total, which is the percentage the Township considers to be material for purposes of individual disclosure:

| <u>Recipient</u>         | <u>Purpose</u>     | <u>PILOT Billings</u> | <u>Amount Abated</u>  |
|--------------------------|--------------------|-----------------------|-----------------------|
| Pond Run Housing         | Affordable Housing | \$145,150.00          | \$378,364.83          |
| Alvin Gershen Aptts      | Affordable Housing | 174,100.00            | 317,272.77            |
| McCorristin Sq.          | Affordable Housing | 34,800.00             | 85,492.24             |
| Project Freedom          | Affordable Housing | 12,850.00             | 144,579.15            |
|                          |                    | <u>366,900.00</u>     | <u>925,708.99</u>     |
| America Metro            | Commercial         | 1,373,695.00          | 220,429.72            |
| HRP Mercer Urban Renewal | Commercial         | 975,682.00            | 220,109.04            |
|                          |                    | <u>975,682.00</u>     | <u>220,109.04</u>     |
|                          |                    | <u>\$2,716,277.00</u> | <u>\$1,366,247.75</u> |

NOTE 16: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2024:

|           | Balance<br>December 31,<br><u>2023</u> | Balance<br>December 31,<br><u>2024</u> |
|-----------|----------------------------------------|----------------------------------------|
| Land      | \$104,123,306.64                       | \$114,429,103.62                       |
| Equipment | 10,194,932.16                          | 8,627,489.43                           |
| Vehicles  | <u>28,421,760.05</u>                   | <u>35,278,509.62</u>                   |
|           | <u>\$142,739,998.85</u>                | <u>\$158,335,102.67</u>                |

NOTE 17: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through December 16, 2025, which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that the following subsequent events needed to be disclosed.

On May 14, 2025 the Township issued General Obligation Bonds totaling \$28,090,000.00 to permanently fund certain previously approved capital projects. Principal payments on this issue range from \$1,110,000.00 and \$2,185,000.00, beginning in 2026 and ending in 2042 with interest ranging from 4.00% to 5.00%

In addition, on the same date, the Township issued \$21,646,000.00 in Bond Anticipation Notes to temporarily fund certain capital projects. The Note is due 05/13/2026 and carries an interest rate of 3.75%

October 8, 2025, the Township issued \$55,000,000.00 in Bond Anticipation Notes to temporarily fund Ordinance 24-013. The Note is due 10/07/2026 and carries an interest rate of 4.00%

The Township also authorized the following debt:

| <u>Ordinance<br/>Number</u> | <u>Date<br/>Adopted</u> | <u>Purpose</u>               | <u>Debt<br/>Authorized</u> |
|-----------------------------|-------------------------|------------------------------|----------------------------|
| General Capital Fund:       |                         |                              |                            |
| 25-012                      | 8/19/2025               | Various Capital Improvements | \$3,325,000.00             |

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

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# MalamutLaw

May \_\_, 2026

Mayor and Township Council  
Township of Hamilton, in the  
County of Mercer, New Jersey

Re: Township of Hamilton, in the County of Mercer, New Jersey  
\$ \_\_\_\_\_ Sewer Utility Bonds.

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery of the \$ \_\_\_\_\_ Sewer Utility Bonds (the "Bonds") by the Township of Hamilton (the "Township") in the County of Mercer, New Jersey (the "County").

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) Resolution 2026-171 adopted by the Township Council on April 7, 2026 (the "Authorizing Resolution") and (iii) the bond ordinances set forth in the Authorizing Resolution (the "Bond Ordinances").

The Bonds are dated May \_\_, 2026, and mature on May 1 in each of the years and in the respective principal amounts as set forth on the inside cover of an Official Statement dated April \_\_, 2026 related to the Bonds, and bear interest at the respective interest rates per annum set forth in the Official Statement, payable semi-annually thereafter on May 1 and November 1 in each year until maturity, commencing on November 1, 2026.

The principal amounts of the Bonds are subject to optional redemption and prepayment prior to their respective maturity and principal payment dates as set forth therein.

Proceeds from the sale and issuance of the Bonds will be used by the Township to: (i) refund, on a current basis, a \$16,065,000 aggregate portion of the bond anticipation notes of the Township originally issued in the aggregate principal amount of \$21,646,000, dated May 13, 2025 and maturing May 13, 2026 (the "Prior Notes"); and (ii) provide funds for the costs incurred in connection with the authorization, sale and issuance of the Bonds.

**Cherry Hill | Hoboken | Philadelphia**

Main Office: 457 Haddonfield Road, Suite 500, Cherry Hill, NJ 08002

 866-4MALAMUT |  856 424 2032

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As the basis for the opinion set forth below, we have examined such matters of law as we have deemed necessary including, *inter alia*, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended ("Code"), and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the proceedings of the Township Council in connection with the adoption of the Ordinances and the Authorizing Resolution, and the other certifications, instruments, documents and opinions prepared in connection with the Bonds.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, instruments and certifications examined.

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

1. The Bonds 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 Bonds 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 Bonds, 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 Bonds in order to preserve the tax-exempt status of the Bonds 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 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax ("AMT"), however, 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 Bonds. Further, in our opinion, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

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 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Bonds.

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 Bonds. 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,

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**APPENDIX D**  
**FORM OF BOND COUNSEL OPINION – NOTES**

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# MalamutLaw

May \_\_, 2026

Mayor and Township Council  
Township of Hamilton, in the  
County of Mercer, New Jersey

Re: Township of Hamilton,  
in the County of Mercer, New Jersey  
\$17,960,000 Bond Anticipation Notes, Series 2026A, consisting of \$8,000,000 General  
Improvement Bond Anticipation Notes and \$9,960,000 Sewer Utility Bond Anticipation Notes

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Township of Hamilton, in the County of Mercer, New Jersey (the “Township”) of its \$17,960,000 principal amount of Bond Anticipation Notes, Series 2026A, consisting of \$8,000,000 General Improvement Bond Anticipation Notes and \$9,960,000 Sewer Utility Bond Anticipation Notes (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 May 12, 2026, mature on May 12, 2027, bear interest at a rate of \_\_\_\_% 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”), Bond Ordinances 2023-025, 2024-032 and 2025-012 as to the General Improvement Bond Anticipation Notes and 2021-045, 2022-035 and 2023-032 as to the Sewer Utility Bond Anticipation Notes (together, the “Ordinances”). The Notes, are being issued to: (i) refund, on a current basis, a \$4,760,000 portion of the Township’s \$21,646,000 outstanding tax-exempt bond anticipation notes dated May 13, 2025 and maturing May 13, 2026 (the “Prior Tax-Exempt Notes”); (ii) temporarily finance an addition \$13,200,000 in general and sewer projects of the Township and (iii) pay the costs associated with the issuance of the Notes. (the “Project”).

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 Internal Revenue Code of 1986, as amended (the “Code”), such documents, including the Ordinance, 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:

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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.

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 Paragraph 3 hereof, 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,

**APPENDIX E**  
**FORM OF CONTINUING DISCLOSURE CERTIFICATE- BONDS**

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## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Hamilton, in the County of Mercer, New Jersey (the "Township" or "Issuer") in connection with the issuance by the Issuer of its \$\_\_\_\_\_ Sewer Utility Bonds (the "2026 Bonds"). The 2026 Bonds are being issued pursuant to the Bond Ordinance set forth in the Official Statement dated April \_\_, 2026 prepared in connection with the sale of the 2026 Bonds (the "Ordinances"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the 2026 Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2026 Bonds (including persons holding 2026 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2026 Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any 2026 Bond, including Beneficial Owners of the 2026 Bonds.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Securities and Exchange Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt and taxable bonds, including the 2026 Bonds, and other filers on behalf of such issuers shall upload continuing disclosure information to assist underwriters in complying with the Rule and to provide the general public with access to such continuing disclosure information.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii).

"Listed Events" shall mean any of the events listed in Section 3(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board via the internet facilities of the Electronic Municipal Market Access System (EMMA).

"Repository" shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the Commission as a repository for purposes of the Rule.

"Participating Underwriter" shall mean the original underwriter of the 2026 Bonds required to comply with the Rule in connection with the offering of the 2026 Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

### SECTION 3. Provision of Annual Reports.

(a) The Township shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Township's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent, the Annual Report prepared for the preceding fiscal year of the Township (commencing for the fiscal year ending December 31, 2026). Each Annual Report provided to the Dissemination Agent by the Township shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Securities and Exchange Commission.

(b) The Dissemination Agent, promptly (within fifteen (15) Business Days) after receiving the Annual Report from the Township, shall submit each Annual Report received by it to the National Repository and thereafter shall file a written report with the Township certifying that the Annual Report has been provided pursuant to this Disclosure Agreement to the National Repository and stating the date it was provided to the National Repository.

(c) If the Township fails to provide the Annual Report to the Dissemination Agent by the date required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the Township advising of such failure. Whether or not such notice is given or received, if the Township thereafter fails to submit the Annual Report to the Dissemination Agent within fifteen (15) Business Days after the Annual Report was due pursuant to the provisions of subsection (a) of this Section 3, the Dissemination Agent shall promptly send a notice (with copies of said notice to the Township) to the National Repository in substantially the form attached as EXHIBIT "A" hereto.

SECTION 4. Contents of Annual Report. Annual Report shall mean: annual financial information with respect to the Township consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Township and certain financial information and operating data consisting of (i) the Township and overlapping indebtedness including a schedule of outstanding debt issued by the Township, (ii) the Township's most current adopted budget, (iii) property valuation information, and (iv) tax rate, levy and collection data. The audited financial information will be prepared in accordance with modified cash accounting as mandated by State of New Jersey statutory principles in effect from time to time or with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law and shall be filed electronically and accompanied by identifying information with the MSRB.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer will provide, in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events, to the MSRB through EMMA, notice of any of the following events with respect to the 2026 Bonds (each, a "Listed Event"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Tax Exempt Bonds or other material events affecting the tax status of the 2026 Bonds issued as tax-exempt, if applicable;
- (7) modifications to the rights of Bondholders, if material;
- (8) 2026 Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the 2026 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Township;
- (13) the consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the

Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Township, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Township, if any such event reflects financial difficulties.

(b) The Township shall, within five (5) Business Days upon obtaining actual knowledge of the occurrence of any of the Listed Events which are material, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of any of the Listed Events specified in subsection (a) of this Section 5, the Township may, but shall not be required to, rely conclusively on an Opinion of Counsel. The Dissemination Agent shall have no obligation under this Disclosure Agreement to provide, or to monitor the Township's obligation to provide, notification of the occurrence of any of the Listed Events which are material.

(c) If the Dissemination Agent has been instructed by the Township to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within five (5) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the Township.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2026 Bonds. If such termination occurs prior to the final maturity of the 2026 Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2026 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2026 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the 2026 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the 2026 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default on the 2026 Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Submission of Information to MSRB. Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

SECTION 12. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 13. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Township or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 14. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 15. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

SECTION 16. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Bondholders and Beneficial Owners from time to time of the 2026 Bonds and shall create no rights in any other person or entity.

Dated May \_\_, 2026

THE TOWNSHIP OF HAMILTON, IN THE  
COUNTY OF MERCER, NEW JERSEY

By: \_\_\_\_\_  
Eugenia Poulos,  
Chief Financial Officer

**EXHIBIT A**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: THE TOWNSHIP OF HAMILTON, IN THE COUNTY OF MERCER,  
NEW JERSEY

Name of Bond Issue: \$\_\_\_\_\_ Sewer Utility Bonds

Date of Issuance: May \_\_, 2026

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Notes as required by Section 3(a) of the Continuing Disclosure Certificate dated May \_\_, 2026. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated:

THE TOWNSHIP OF HAMILTON, IN THE  
COUNTY OF MERCER, NEW JERSEY

By: \_\_\_\_\_  
Eugenia Poulos,  
Chief Financial Officer

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**APPENDIX F**  
**FORM OF CONTINUING DISCLOSURE CERTIFICATE - NOTES**

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## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Hamilton, in the County of Mercer, New Jersey (the "Issuer") in connection with the issuance by the Issuer of its \$17,960,000 Bond Anticipation Notes (the "2026 Notes"). The 2026 Notes are being issued pursuant to the Bond Ordinance set forth in the Official Statement dated April \_\_, 2026 prepared in connection with the sale of the 2026 Notes (the "Ordinances"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the 2026 Notes and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2026 Notes (including persons holding 2026 Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2026 Notes for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any 2026 Note, including Beneficial Owners of the 2026 Notes.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Securities and Exchange Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt and taxable bonds, including the 2026 Notes, and other filers on behalf of such issuers shall upload continuing disclosure information to assist underwriters in complying with the Rule and to provide the general public with access to such continuing disclosure information.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii).

"Listed Events" shall mean any of the events listed in Section 3(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board via the internet facilities of the Electronic Municipal Market Access System (EMMA).

"Repository" shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the Commission as a repository for purposes of the Rule.

"Participating Underwriter" shall mean the original underwriter of the 2026 Notes required to comply with the Rule in connection with the offering of the 2026 Notes.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

### SECTION 3. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer will provide, in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events, to the MSRB through EMMA, notice of any of the following events with respect to the 2026 Notes (each, a "Listed Event"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Tax Exempt Bonds or other material events affecting the tax status of the 2026 Notes issued as tax-exempt;
- (7) modifications to the rights of Bondholders, if material;
- (8) 2026 Note calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the 2026 Notes, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Township;
- (13) the consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a

definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Township, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Township, if any such event reflects financial difficulties.

(b) The Township shall, within five (5) Business Days upon obtaining actual knowledge of the occurrence of any of the Listed Events which are material, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of any of the Listed Events specified in subsection (a) of this Section 5, the Township may, but shall not be required to, rely conclusively on an Opinion of Counsel. The Dissemination Agent shall have no obligation under this Disclosure Agreement to provide, or to monitor the Township's obligation to provide, notification of the occurrence of any of the Listed Events which are material.

(c) If the Dissemination Agent has been instructed by the Township to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within five (5) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the Township.

SECTION 4. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2026 Notes. If such termination occurs prior to the final maturity of the 2026 Notes, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

SECTION 5. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

SECTION 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2026 Notes, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2026 Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the 2026 Notes.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 8. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the 2026 Notes may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default on the 2026 Notes, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 9. Submission of Information to MSRB. Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

SECTION 10. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 11. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Township or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 12. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 13. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

SECTION 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Bondholders and Beneficial Owners from time to time of the 2026 Notes and shall create no rights in any other person or entity.

Dated May \_\_, 2026

THE TOWNSHIP OF HAMILTON, IN THE  
COUNTY OF MERCER, NEW JERSEY

By: \_\_\_\_\_  
Eugenia Poulos,  
Chief Financial Officer

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