

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 29, 2026

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

\$26,880,000*
TOWNSHIP OF PENNSAUKEN
County of Camden, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2026
Consisting of:
\$22,785,000* General Capital Improvement Bonds
\$4,095,000* Golf Course Utility Bonds
(Callable)

\$520,000*
TOWNSHIP OF PENNSAUKEN
County of Camden, New Jersey
SPECIAL EMERGENCY NOTES OF 2026, SERIES A
Interest Rate: ____%
Yield: ____%
CUSIP:** _____
(Non-Callable)

Dated Date: Date of Delivery

Bonds Due: March 1, as shown on the inside front cover
Notes Due: May 19, 2027, as shown on the inside front cover

The Township of Pennsauken, County of Camden, New Jersey (“Township”), is issuing: (i) \$26,880,000* aggregate principal amount of its General Obligation Bonds, Series 2026 (“Bonds”); and (ii) \$520,000* principal amount of its Special Emergency Notes of 2026, Series A (“Notes”). The Bonds consist of: (1) \$22,785,000* General Capital Improvement Bonds; and (ii) \$4,095,000* Golf Course Utility Bonds.

The principal of the Bonds shall be paid on the respective maturity dates thereof upon presentation and surrender of the Bonds at the offices of the Township or its hereafter designated paying agent, if any. Interest on the Bonds is payable semi-annually on March 1 and September 1 (“Interest Payment Dates”), commencing March 1, 2027, in each year until maturity or earlier redemption. The Bonds are subject to redemption prior to their stated maturity dates on the terms and conditions contained herein.

The Notes shall be dated and bear interest from May 20, 2026 at the rate set forth herein. The Notes shall mature on May 19, 2027 upon presentation and surrender of the Notes at the offices of the Township or a duly designated paying agent, if any. Principal of and interest on the Notes are payable at maturity. The Notes are not subject to redemption prior to maturity.

Upon initial issuance, the Bonds and the Notes will each be registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York (“DTC”), which will act as securities depository for the Bonds and Notes. So long as Cede & Co. is the registered owner of the Bonds and the Notes, payments of principal and interest on the Bonds and the Notes will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the Direct Participants (as hereinafter defined) which will, in turn, remit such payments to the Beneficial Owners (as hereinafter defined) of the Bonds and the Notes. Purchasers will not receive certificates representing their ownership interest in the Bonds and the Notes purchased. For so long as any purchaser is a Beneficial Owner of a Bond and the Notes, such purchaser must maintain an account with a broker or dealer who is, or acts through, a Direct Participant to receive payment of the principal of and interest on such Bond and Note.

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented (“Local Bond Law”); (ii) bond ordinances 2022-08, 2023-05, 2023-11, 2023-17, 2023-30, 2024-08, 2024-09, 2024-11, 2024-29, and 2025-11, each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township of Committee on April 2, 2026; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May __, 2026.

The Bonds are being issued to provide funds which will be used to: (i) permanently finance the costs of various capital improvements by the repayment at maturity of certain bond anticipation notes previously issued by the Township; (ii) permanently finance the costs of various capital improvements, for which obligations have been authorized, but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of such bonds.

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law; (ii) Ordinance 2023-09, duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May __, 2026.

The Notes are being issued by the Township to provide funds which will be used to: (i) temporarily finance the cost of a special emergency appropriation of the Township for the costs associated with a complete program of revaluation of real property; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Notes.

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of and interest on the Bonds and the Notes. The Bonds and the Notes are general obligations of the Township payable as to principal and interest from *ad valorem* taxes that shall be levied upon all taxable real property within the Township without limitation as to rate or amount.

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

The Bonds and the Notes are offered when, as and if issued, subject to prior approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Attorney, Christopher A. Orlando, Esquire, of the law firm Parker McCay P.A., Mount Laurel, New Jersey. Acacia Financial Group, Inc., Mount Laurel, New Jersey, has acted as Municipal Advisor to the Township in connection with the issuance of the Bonds and the Notes. It is anticipated that the Bonds and the Notes in definitive form will be available for delivery, in immediately available funds, through DTC in Brooklyn, New York on or about May __, 2026.

ELECTRONIC SUBMISSIONS FOR THE BONDS, AND NOTES WILL BE RECEIVED VIA PARITY AND/OR EMAIL UNTIL 11:00 A.M., AND 11:15 A.M., RESPECTIVELY, ON MAY 6, 2026. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY VIEW THE RESPECTIVE NOTICES OF SALE POSTED AT WWW.MCELWEEQUINN.COM.

* Preliminary, subject to change

** A registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of holders of the Bonds and the Notes only at the time of issuance of the Bonds and the Notes. 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 the specified maturities of the Bonds and the Notes are 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 the Notes.

TOWNSHIP OF PENNSAUKEN
County of Camden, New Jersey

\$26,880,000* GENERAL OBLIGATION BONDS, SERIES 2026

Consisting of:

\$22,785,000* General Capital Improvement Bonds

\$4,095,000* Golf Course Utility Bonds

MATURITY, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS**

Maturity Date (March 1)	General Capital Improvement Bonds*	Golf Course Utility Bonds*	Total Principal Amount*	Interest Rate	Yield	CUSIP**
2027	\$765,000	\$195,000	\$960,000	%	%	
2028	765,000	250,000	1,015,000			
2029	765,000	255,000	1,020,000			
2030	775,000	265,000	1,040,000			
2031	795,000	270,000	1,065,000			
2032	820,000	280,000	1,100,000			
2033	845,000	285,000	1,130,000			
2034	870,000	295,000	1,165,000			
2035	900,000	305,000	1,205,000			
2036	930,000	315,000	1,245,000			
2037	960,000	325,000	1,285,000			
2038	1,000,000	340,000	1,340,000			
2039	1,035,000	350,000	1,385,000			
2040	1,075,000	365,000	1,440,000			
2041	1,120,000	0	1,120,000			
2042	1,170,000	0	1,170,000			
2043	1,220,000	0	1,220,000			
2044	1,270,000	0	1,270,000			
2045	1,330,000	0	1,330,000			
2046	1,390,000	0	1,390,000			
2047	1,455,000	0	1,455,000			
2048	1,530,000	0	1,530,000			

\$520,000* SPECIAL EMERGENCY NOTES OF 2026, SERIES A

MATURITY, PRINCIPAL AMOUNT, INTEREST RATE, YIELD AND CUSIP**

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
May 19, 2027	\$520,000	%	%	

* Preliminary, subject to change

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**TOWNSHIP OF PENNSAUKEN
COUNTY OF CAMDEN, NEW JERSEY**

<u>Name</u>	<u>Title</u>
Patrick Olivo	Mayor
Vince Martinez	Deputy Mayor
Nicole Roberts	Committeeperson
Jessica Rafeh	Committeeperson
Marco DiBattista	Committeeperson

Township Administrator
Timothy Killion

Chief Financial Officer
Elizabeth Peddicord

Township Clerk
Pamela Scott-Forman

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

Auditor
PKF O'Connor Davies, LLP
(formerly Bowman & Company LLP)
Voorhees, New Jersey

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

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

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

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

References in this Official Statement to laws, rules, regulations, bond ordinances, agreements, reports and other 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 there be any sale of the Bonds and the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

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

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

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

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REGARDING THE TOWNSHIP OF PENNSAUKEN

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OF INFORMATION REPORTING UNDERTAKING AGREEMENT

OFFICIAL STATEMENT

\$26,880,000*

TOWNSHIP OF PENNSAUKEN

County of Camden, New Jersey

GENERAL OBLIGATION BONDS, SERIES 2026

Consisting of:

\$22,785,000* General Capital Improvement Bonds

\$4,095,000* Golf Course Utility Bonds

and

\$520,000*

TOWNSHIP OF PENNSAUKEN

County of Camden, New Jersey

SPECIAL EMERGENCY NOTES OF 2026, SERIES A

INTRODUCTION

The purpose of this Official Statement, including the cover page and Appendices attached hereto, is to provide certain information relating to the issuance by the Township of Pennsauken, County of Camden, New Jersey ("Township"), of: (i) \$26,880,000* aggregate principal amount of its General Obligation Bonds, Series 2026 ("Bonds"); and (ii) \$520,000* principal amount of its Special Emergency Notes of 2026, Series A ("Notes"). The Bonds consists of: (i) \$22,785,000* General Capital Improvement Bonds; and (ii) \$4,095,000* Golf Course Utility Bonds.

AUTHORIZATION FOR THE BONDS AND THE NOTES

Bonds

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey ("State"), as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2022-08, 2023-05, 2023-11, 2023-17, 2023-30, 2024-08, 2024-09, 2024-11, 2024-29, and 2025-11, each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township Committee on April 2, 2026; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May __, 2026.

Notes

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law; (ii) Ordinance 2023-09, duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May __, 2026.

* Preliminary, subject to change.

PURPOSE OF THE ISSUE

Bonds

The Bonds are being issued to provide funds which will be used to: (i) permanently finance the costs of various capital improvements by the repayment at maturity of certain bond anticipation notes previously issued by the Township; (ii) permanently finance the costs of various capital improvements for which obligations have been authorized, but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of such bonds.

The improvements to be permanently financed with the proceeds of the Bonds include the following:

General Capital Improvements

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount Authorized</u>	<u>Amount of Outstanding Notes</u>	<u>Available Funds</u>	<u>Amounts Funded with Bond Proceeds</u>
2023-05	Acquisition of Various Capital Equipment for the Department of Public Works; Various Capital Improvements	\$2,414,900	\$2,414,900	\$0	\$2,414,900
2024-08	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements	3,570,100	3,570,100	0	3,570,100
2024-11	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements	15,630,000	9,000,000	0	12,000,000
2025-11	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements	6,328,900	4,800,000	0	4,800,000
Total:		\$27,943,900	\$19,785,000	\$0	\$22,785,000

Golf Course Utility

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount Authorized</u>	<u>Amount of Outstanding Notes</u>	<u>Available Funds</u>	<u>Amounts Funded with Bond Proceeds</u>
2022-08	Completion of Various Capital Improvements and the Acquisition of Equipment for the Pennsauken Township Country Club	\$950,000	\$950,000	\$1,500	\$948,500
2023-11	Completion of Various Capital Improvements and the Acquisition of Equipment for the Pennsauken Township Country Club	1,425,000	1,425,000	0	1,425,000

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount Authorized</u>	<u>Amount of Outstanding Notes</u>	<u>Available Funds</u>	<u>Amounts Funded with Bond Proceeds</u>
2023-17	Completion of Various Capital Improvements and the Acquisition of Equipment for the Pennsauken Township Country Club	\$617,500	\$617,500	\$0	\$617,500
2023-30	Completion of Various Capital Improvements and the Acquisition of Equipment for the Pennsauken Township Country Club	475,000	475,000	0	475,000
2024-09	Completion of Various Capital Improvements and the Acquisition of Equipment for the Pennsauken Township Country Club	266,000	266,000	0	266,000
2024-29	Completion of Various Capital Improvements and the Acquisition of Equipment for the Pennsauken Township Country Club	2,000,000	0	0	363,000
Total:		\$5,733,500	\$3,733,500	\$1,500	\$4,095,000

Combined

		<u>Amount Authorized</u>	<u>Amount of Outstanding Notes</u>	<u>Available Funds</u>	<u>Amounts Funded with Bond Proceeds</u>
Total:		\$33,677,400	\$23,518,500	\$1,500	\$26,880,000

Notes

The Notes are being issued by the Township to provide funds which will be used to: (i) temporarily finance the cost of a special emergency appropriation of the Township for the costs associated with a complete program of revaluation of real property, as further described below; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Notes.

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount Authorized</u>	<u>Amount of Outstanding Notes</u>	<u>Available Township Funds</u>	<u>Notes to be Issued</u>
2023-09	Special Emergency Appropriation to Fund the Costs Associated with the Execution of a Program of Revaluation of Real Property in and for the Township	\$1,300,000	\$780,000	\$260,000	\$520,000
Total:		\$1,300,000	\$780,000	\$260,000	\$520,000

DESCRIPTION OF THE BONDS AND THE NOTES

General

Bonds

The Bonds will be issued in the aggregate principal amount of \$26,880,000*. The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds is payable March 1 and September 1 (each an “Interest Payment Date” and collectively, “Interest Payment Dates”), commencing March 1, 2027, in each year until maturity or earlier redemption.

Individual purchases of the Bonds may be made in the principal amount of \$5,000, or any integral multiple of \$5,000, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds, through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See “DESCRIPTION OF THE BONDS – Book-Entry-Only System” below. The Bonds will mature on May 15 in the years and in the principal amounts, all as shown on the inside front cover page of this Official Statement.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the offices of the Township, or its hereafter designated paying agent, if any. Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the Township for such purpose at the offices of the Township, or its hereafter designated paying agent, if any, as of the close of business on the fifteenth (15th) day of the calendar month immediately preceding an Interest Payment Date (each a “Record Date”).

So long as The Depository Trust Company, Brooklyn, New York (“DTC”) or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to Cede & Co., as nominee of DTC. Disbursements of such payments to the participants of DTC (“DTC Participants”) is the responsibility of DTC and disbursements of such payments to the Beneficial Owners (as hereinafter defined) of the Bonds is the responsibility of the DTC Participants and not the Township or any hereinafter designated paying agent.

* Preliminary, subject to change.

Notes

The Notes will be issued in the principal amount of \$520,000*, will be dated their date of delivery and bear interest from that date at the interest rate set forth on the front cover hereof. Interest on the Notes shall be calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

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

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

So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made directly to Cede & Co., as nominee of DTC. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners of the Notes is the responsibility of the DTC Participants and not the Township or any hereinafter designated paying agent.

Redemption Provisions

The Bonds maturing on and after March 1, 2037, are subject to redemption prior to their stated maturity dates at the option of the Township, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the Township or its hereinafter designated paying agent, if any) shall determine and within any such maturity by lot) on any date on or after March 1, 2036, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Notice of redemption shall be given by mailing first class mail in a sealed envelope with postage prepaid not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the owner of every Bond of which all or a portion is to be redeemed at his or her last address, if any, appearing on the registration books of the Township or its hereinafter designated paying agent, if any ("Paying Agent"). So long as the Bonds are issued in book-entry-only form, all notices of redemption will be sent only to DTC or any successor and will not be sent to the beneficial owners of the Bonds. Failure of an owner of the Bonds to receive such notice or of DTC to advise any participant or any failure of a participant to notify any beneficial owner of the Bonds shall not affect the validity of any proceedings for the redemption of

* Preliminary, subject to change.

Bonds. Such notice shall specify: (i) the series and maturity of the Bonds to be redeemed; (ii) the redemption date and the place or places where amounts that are due and payable upon such redemption will be payable; (iii) if less than all of the Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the Bonds to be redeemed; (iv) in the case of a Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (v) that on the redemption date there shall become due and payable with respect to each Bond or portion thereof to be redeemed the redemption price; and (vi) that from and after the redemption date interest on such Bond or portion thereof to be redeemed shall cease to accrue and be payable.

Book-Entry-Only System *

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds and the Notes, payment of principal and interest, and other payments on the Bonds and the Notes to DTC Participants or Beneficial Owners (as such terms is hereinafter defined), confirmation and transfer of beneficial ownership interests in the Bonds and the Notes and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township, or its hereinafter designated Paying Agent, if any. Accordingly, the Township does not make any representations as to the completeness or accuracy of such information.

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

* Source: The Depository Trust Company

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

To facilitate subsequent transfers, all the Bonds and the 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 the Bonds and the 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 the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and the 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, if any, shall be sent to DTC. If less than all of the Bonds and the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

Redemption proceeds and distributions on the Bonds and the Notes, if any, will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the hereafter designated Paying Agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Township or the hereafter designated Paying Agent, if any, 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 or the hereafter designated Paying Agent, if any, 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 the Notes at any time by giving reasonable notice to the Township or its hereinafter designated Paying Agent, if any. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Township may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond and 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 Underwriter (as hereinafter defined) take any responsibility for the accuracy thereof.

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

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

Discontinuance of Book-Entry-Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds and the Notes, the following provisions would apply: (i) the Bonds and the Notes may be exchanged for an equal principal amount of Bonds and Notes in other authorized denominations and of the same maturity, upon surrender thereof at the offices of the Township, or its hereafter designated Paying Agent, if any; (ii) the transfer of the Bonds and the Notes may be registered on the books maintained by the Township, or its hereafter designated Paying Agent, if any, for such purposes only upon the surrender thereof to the Township, or its hereafter designated Paying Agent, if any, together with the duly executed assignment in form satisfactory to the Township, or its hereafter designated Paying Agent, if any; and (iii) for every exchange or registration of transfer of the Bonds and the Notes, the Township, or its hereafter designated Paying Agent, if any, may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds and the Notes. In such event, interest on the Bonds and the Notes will be payable by check or draft, mailed on each Interest Payment Date, to the registered owners thereof as of the close of business on the Record Date, whether or not a business day.

SECURITY FOR THE BONDS AND THE NOTES

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of and interest on the Bonds and the Notes. The Bonds and the Notes are general obligations of the Township payable as to principal and interest from *ad valorem* taxes that shall be levied upon all taxable real property within the Township without limitation as to rate or amount.

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

MARKET PROTECTION

The Township does not anticipate issuing any additional bonds within the next ninety (90) days. The Township may issue additional bond anticipation notes, as necessary, during the remainder of calendar year 2026.

GENERAL INFORMATION REGARDING THE TOWNSHIP

General

General information concerning the Township, including economic, financial, demographic and other relevant data, is set forth in Appendix “A” to this Official Statement.

Financial

Appendix “B” to this Official Statement contains compiled financial statements of the Township for the year ended December 31, 2025 and also contains audited financial statements of the Township for the years ended December 31, 2024 and 2023. The compiled financial data for the year ended December 31, 2025 is provided by PKF O’Connor Davies, LLP. The audited financial statements for the years ended December 31, 2024 and 2023 were provided by Bowman & Company LLP, Voorhees, New Jersey, and are included herein in reliance upon the authority of such firm. PKF O’Connor Davies, LLP, successor to Bowman & Company LLP, has consented to the inclusion of their report in this Official Statement. Copies of the complete reports of audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

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

Local Bond Law

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

Debt Limits - The authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to three and one-half percent (3.50%) 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. The Township, including the issuance of the Bonds and the Notes, will not exceed its three and one-half percent (3.50%) debt limit.

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

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

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

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

Local Fiscal Affairs Law

The Local Fiscal Affairs Law, Chapter 5 of Title 40A of the 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 local unit is required to cause an annual audit of its books, accounts and financial transactions to be made and completed within eight 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 local unit’s financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a

local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2024 is on file with the Township Clerk and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the Chief Financial Officer of the local unit file annually with the Director a verified statement of the financial condition of the local unit as of the close of the fiscal year to be made not later than March 10 for December 31 fiscal year end local units and August 10 for June 30 fiscal year end local units.

Local Budget Law

The Local Budget Law, Chapter 4 of Title 40A of the State states, 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 of the State 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 local unit 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 Bonds and the Notes. The Cap Law provides that a local unit 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 (S-29R1), which, among other things, imposes a two percent (2.00%) 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 (2.00%) 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 2.00%; (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 2.00% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program,

P.L.1961, c.49 (C.52:14-17.25 *et seq.*), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the “Cap Law” (specifically, *N.J.S.A.* 40A:4-45-46) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2.00%) 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 (2.00%) 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 Bonds and 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 local unit is subject to local examination.

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

Real Estate Taxes

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

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

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

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

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

Deferral of Current Expenses

Emergency appropriations (i.e., those made after the adoption of the budget and determination of the tax rate for an unforeseen event or purpose) may be authorized by the governing body of the local governmental units. With minor exceptions, however, such appropriations must be included in full in the following year’s budget. When such appropriations exceed three percent (3.00%) 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.

The Municipal Finance Commission

The Municipal Finance Commission (“Commission”) was created in 1931 to assist in the financial rehabilitation of municipalities, which had defaulted in their obligations. The powers of the Commission are exercised today by the Local Finance Board. The previously discussed elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the “Municipal Finance Commission Statutes” are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the State’s Superior Court. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court’s determination that the municipality is in default or unable to meet its obligations causes the Commission to become operative in that municipality.

The Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. The Commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors and the readjustment of debts under the Federal Municipal Bankruptcy Act. Such Act permits municipalities to have access to bankruptcy court for protection against suits by bondholders and creditors.

The Local Finance Board also serves as the “Funding Commission” to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such Funding Commission for the proposed reorganization of its debt.

Limitation of Remedies Under Federal Bankruptcy Code

The rights and remedies of the registered owners of the Bonds and 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 local unit’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 BONDS AND THE NOTES.

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

TAXATION

Procedure for Assessment and Collection of Taxes

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

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

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18.00% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under New Jersey Statutes. Additionally, a 6.00% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. Tax liens retained by the Township are periodically assigned to the Township Attorney for “in rem foreclosures” in order to acquire title to these properties.

Tax Appeals

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

CERTAIN RISK FACTORS

Recent Healthcare Developments

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus ("Coronavirus" or "COVID-19"). The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor ended on February 16, 2026.

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

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

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

Cyber Security

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

Climate Change

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

TAX MATTERS

Federal

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

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

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

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

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

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

has **not** designated the Bonds or the Notes as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

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

New Jersey

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

Changes in Federal and State Tax Law

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

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

LITIGATION

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

RATING

Moody's Ratings ("Moody's"), has assigned a rating of "A1" to the Bonds based upon the creditworthiness of the Township.

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

The Notes have not been rated.

PREPARATION OF OFFICIAL STATEMENT

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

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.

PKF O'Connor Davies, LLP, Voorhees, New Jersey, 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 or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto. PKF O'Connor Davies, LLP, successor to Bowman & Company LLP, does take responsibility for the financial statements, appearing in Appendix "B" hereto, to the extent specified in the Independent Accountants' Compilation Report and Independent Auditor's Report.

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

UNDERWRITING

Bonds

The Bonds have been purchased from the Township at a public sale by _____, as underwriter ("Bond Underwriter") at a price of \$_____ ("Bond Purchase Price") in accordance with the Notice of Sale prepared in connection with the Bonds. The Bond Purchase Price reflects the principal amount of the Bonds, plus a bid premium in the amount of \$_____. The Bond Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

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

Notes

The Notes have been purchased from the Township at a public sale by _____, as underwriter (“Note Underwriter”) at a price of \$_____ (“Note Purchase Price”). The Note Purchase Price reflects the principal amount of the Note, plus a bid premium in the amount of \$_____. The Note Underwriter is obligated to purchase all of the Note if any of the Note is purchased.

The Note Underwriter intends to offer the Note to the public initially at the offering yield set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Note Underwriter may offer and sell the Note to certain dealers (including dealers depositing bonds and notes into investment trusts) at a yield higher than the public offering yield set forth on the inside front cover page of this Official Statement, and such public offering yield may be changed, from time to time, by the Note Underwriter without prior notice.

LEGALITY FOR INVESTMENT

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

MUNICIPAL ADVISOR

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

NO DEFAULT

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

CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule”), the Township will, prior to the issuance of the Bonds and Notes, enter into separate agreements substantially in the forms set forth in Appendix “D” hereto, as required by the Rule.

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

LEGAL MATTERS

The legality of the Bonds and the Notes will be subject to the approving legal opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township ("Bond Counsel"). Such opinion will be printed on or accompany the Bonds and the Notes and provide, *inter alia*, that the Bonds and the Notes are valid and binding obligations of the Township, and the Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Township without limitation as to rate or amount for the payment of the Bonds and the Notes and interest thereon. The enforceability of rights or remedies with respect to the Bonds and the Notes may be limited by bankruptcy, insolvency, or other law affecting creditors' rights or remedies heretofore or hereinafter enacted. Certain legal matters will be passed upon for the Township by the Township Attorney.

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

The legal opinions to be delivered concurrently with the delivery of the Bonds and the Notes express the professional judgment of the attorneys rendering the opinion 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.

ADDITIONAL INFORMATION

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

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

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

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

**TOWNSHIP OF PENNSAUKEN,
COUNTY OF CAMDEN, NEW JERSEY**

By: _____
ELIZABETH PEDDICORD, Chief Financial Officer

Dated: May __, 2026

APPENDIX A

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

GENERAL INFORMATION REGARDING THE TOWNSHIP

History

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

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

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

Local Government

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

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

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

Library

The Pennsauken Free Library is now in the same building as the municipal services at 2400 Merchantville Avenue. It houses approximately 96,000 volumes and a varied collection of phonograph records, pamphlets and reproductions, microfilm and over 200 periodicals. The building is designed to accommodate handicapped residents who wish to use it. Meeting rooms are available for use by local organizations. Public access to the internet is made available through nine portals in a newly established computer section.

Police and Fire Protection

The Township's Police Department operates from the Township's Police and Municipal Court complex on Bethel Avenue and Route 130. The Police Department consists of the Police Chief, two (2) Captains, four (4) Lieutenants, thirteen (13) Sergeants, nine (9) Detectives and fifty-seven (57) Patrolmen.

The Township has five fire companies, which are staffed by a volunteer force of approximately ninety-five (95) members. There is a paid Fire Chief, Deputy Fire Chief, two (2) Fire Captains, five (5) Fire Lieutenants and fifteen (15) paid firemen who maintain the stations and fire equipment. The Township also operates a Bureau of Fire Prevention consisting of one part-time Fire Official and four part-time paid Fire Inspectors who make annual inspections to ensure compliance with the State's Uniform Fire Protection Code.

Public Works

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

Golf Course Utility

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

The Utility is supported by revenues generated by its operations. A separate budget is established with anticipated revenues and appropriations set forth therein. This budget is required to be balanced and to fully provide for payment of debt service. The regulations which apply to the Current Fund of the Township regarding anticipation of revenue and deferral of charges apply equally to the budget of the Utility. Anticipated deficits in Utility operations are required to be raised in the Current Fund. The Utility was self-liquidating for the year ended December 31, 2025, in terms of revenues being sufficient to pay operating, maintenance and debt service expenditures.

Parks and Recreation

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

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

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

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

Pennsauken Sewerage Authority

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

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

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

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

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

	December 31, <u>2024</u>	December 31, <u>2023</u> <u>(Restated)</u>	December 31, <u>2022</u>
Operating Revenues	\$ 4,300,280	\$ 4,386,804	\$ 4,411,500
Operating Expenses	<u>(4,241,515)</u>	<u>(3,617,241)</u>	<u>(3,306,921)</u>
Operating Gain	58,766	769,563	1,104,579
Net Non-Operating Income (Expenses)	<u>(158,229)</u>	<u>(126,839)</u>	<u>(147,076)</u>
Change in Net Position	(99,463)	642,724	957,503
Net Position - Beginning	<u>(5,069,464)</u>	<u>(5,712,188)</u>	<u>(6,669,690)</u>
Net Position - Ending	<u><u>\$ (5,168,927)</u></u>	<u><u>\$ (5,069,464)</u></u>	<u><u>\$ (5,712,188)</u></u>

Merchantville-Pennsauken Water Commission

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

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

Borough of Merchantville	11.58%
Township of Pennsauken	<u>88.42</u>
	<u>100.00%</u>

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

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

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

(1) Source: Authority Audit

the sale of water, the Commission bills commercial and municipal customers fixed fees for fire services and hydrants. As of December 31, 2024, the number of the Commission's accounts was as follows:

Residential, Apartments, and Commercial Water Services	14,633
Senior Citizen Accounts	274
Fire Services	469
Fire Hydrants	<u>242</u>
Total	<u>15,618</u>

Garbage District

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

In January of 1979, the Township created, by ordinance, in accordance with State statutes, a Garbage District effective March 1, 1979, for the purpose of providing garbage and trash removal services. This enabled the Township to remove the cost of operating the Garbage District from the State mandated 5% limit on the annual Municipal Budget as established by the State Cap Law. This resulted in a separate tax rate of \$.100 per \$100 of assessed valuation in 2025. This separate rate merely sets aside that portion of the taxes which had or would have been included in the tax levied for local purposes.

Solid Waste Management Authority

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

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

On October 31, 1991, the DEP, pursuant to the New Jersey Spill Compensation and Control Act, *N.J.S.A. 58:10-23.11a et seq.* issued a Directive and Notice to Insurers ("Directive") to PSWMA and twenty-one other respondents. The Directive identifies the respondents, including PSWMA, as responsible for contaminating certain water supply wells known as the Puchak Well Field owned and operated by the City of Camden. The Directive seeks to require the PSWMA and the other respondents to pay DEP the sum of \$4,018,000 for construction of a water treatment system and to make annual payments of \$611,000 for operation and maintenance of the water treatment system at the site. In the event the total payment is not made in response to the Directive, the Directive states that each of the respondents, if ultimately held responsible, can face treble damages and penalties of up to \$50,000 per day. On May 7, 1992, a Supplemental Directive and Notice to Insurers was issued to the Puchak respondents increasing the potential liability from \$4,018,000 to \$8,655,000 plus the annual

payments of \$611,000. By letter of August 26, 1992, Cigna denied PSWMA coverage. On November 13, 1992, PSWMA filed a claim for said potential liability against the New Jersey Spill Fund. No determination has been made as to which, if any, of the respondents named in the Directive will make the demanded payment.

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

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

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

Compensated Absences

Non-uniformed Township employees are entitled to fifteen paid sick leave days each year. Police and fire employees are entitled to seventeen paid sick leave days each year. Unused sick leave may be accumulated and carried forward. Vacation days not used during the year may be accumulated and carried forward; however, for non-uniformed employees, only a maximum of two (2) years of unused vacation days may be carried forward. All full-time employees are entitled to three personal holidays, plus fourteen or thirteen holidays depending upon whether they are uniformed or non-uniformed employees respectively. All police and fire employees may carry forward an unlimited number of unused vacation days and holidays and are compensated as follows upon termination:

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

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

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

Pension Plans

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

Township Employees

	<u>2025</u>	<u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>2022</u>	<u>2021</u>
Full-time	218	210	226	220	262
Part-time	<u>91</u>	<u>81</u>	<u>81</u>	<u>130</u>	<u>120</u>
	<u>309</u>	<u>291</u>	<u>307</u>	<u>350</u>	<u>382</u>

Employee Collective Bargaining Units

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

The Pennsauken Career Firefighters Association, Firefighters Mutual Benevolent Association Local 64 ("FMBA") represents 15 Township employees with FMBA Local 264 representing and additional 5 employees. The agreement with the Fraternal Order of Police, Garden State Lodge No. 3 patrolmen expires on December 31, 2026. The agreement with the Fraternal Order of Police, Garden State Lodge No. 3, superior officers expires on December 31, 2026. The agreements with the American Federation of State, County and Municipal Employees, the Pennsauken Career Firefighters Association, Firefighters Mutual Benevolent Association Locals 64 and 264 all expire on December 31, 2027.

Township Population (1)

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

Selected Census 2024 Data for the Township (1)

Median household income	\$87,680
Per capita income	\$35,482

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

Building, Zoning and Development Codes

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

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

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

Business and Industry

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

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

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

The Township had a new Taco Bell, Tim Horton's and a Starbucks open in 2025.

As of March 26, 2026, a new 74,000 sq ft warehouse on River Road has cleared the Planning Board for approval to proceed. A new 35,000 square ft building on Boulevard Avenue has cleared the Planning Board as well. Currently working its way through the planning board process is a new 20,000 square foot building at 7550 N Crescent Blvd.

A new 196-unit apartment building on Route 73 by Centurion Penn has been approved.

J&J Snacks is undergoing a \$17 million building renovation project at 6000 Central Highway. At 9205 River Road, a \$12 million building renovation is underway. In addition, Amazon is going through the Zoning Board for a 100,000 square foot warehouse renovation project at 7800 Browning Road.

Another new Starbucks will be coming to Route 73.

Commercial and industrial tax assessments represented 32.65% of the total assessed valuation of the Township in 2026.

Building Permits (1)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2026 (2)	356	\$13,382,200
2025	2,034	59,860,132
2024	2,150	147,404,797
2023	2,048	78,489,824
2022	2,493	65,194,423
2021	2,656	91,022,622

Labor Force (3)

<u>Year</u>	<u>Labor Force</u>	<u>Employed Persons</u>	<u>Unemployed Persons</u>	<u>Unemployment Rate</u>
Township				
2024	18,993	17,989	1,004	5.3%
2023	18,908	17,922	986	5.2
2022	18,486	17,602	884	4.8
2021	18,400	16,867	1,533	8.3
2020	18,309	16,329	1,980	10.8
County				
2024	274,870	261,252	13,618	5.0%
2023	273,180	260,285	12,895	4.7
2022	266,723	255,431	11,292	4.2
2021	263,373	244,488	18,885	7.2
2020	262,597	236,927	25,670	9.8
State				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3
2022	4,756,002	4,572,879	183,123	3.9
2021	4,654,243	4,342,075	312,168	6.7
2020	4,643,700	4,204,301	439,399	9.5

(1) Source: Township Construction official

(2) As of March 26, 2026

(3) Source: New Jersey Department of Labor

TEN LARGEST NON-GOVERNMENTAL EMPLOYERS (1)

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

EDUCATION (2)

General

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

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

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

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

(1) Source: Township officials

(2) Source: School District officials

School District Enrollments (1)

<u>Grade</u>	<u>As of October 15,</u>				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Pre-K	107	105	116	137	91
K	218	283	271	274	288
1	275	278	285	307	275
2	269	281	295	260	283
3	277	279	261	273	256
4	283	247	275	268	256
5	244	277	282	262	269
6	283	292	280	279	294
7	310	271	282	298	292
8	284	305	304	301	304
9	312	325	318	301	330
10	298	374	335	339	343
11	342	372	353	308	399
12	344	376	306	331	345
Sp. Education	<u>982</u>	<u>932</u>	<u>888</u>	<u>822</u>	<u>803</u>
Total	<u>4,828</u>	<u>4,996</u>	<u>4,851</u>	<u>4,760</u>	<u>4,828</u>

Present School Facilities, Enrollment and Capacity (1)

<u>Facilities</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Enrollment 10/15/25</u>	<u>Functional Capacity</u>
Baldwin	1955	2019	Spec. Ed/Pre-K	143	152
Burling	1963	2007	Spec. Ed/7-12 Altern.	30	96
Delair	1924 (New building 2002)		K-3	297	366
George B. Fine	1964	2002	Pre-K-3 & Spec. Ed	216	392
Benjamin Franklin	1954	1964/1990	Spec. Ed/K-3	385	461
Roosevelt	1926	2021	K-6 & Spec. Ed	193	217
Howard M. Phifer Middle	1965	1989/1991/2019	6-8 & Spec. Ed	1,003	1,123
Pennsauken High School	1959	1991/2001/2019	9-12 & Spec. Ed	1,595	2,060
G.H. Carson	1954	1991	K-3 & Spec. Ed	336	403
Pennsauken Intermediate	2002		4 & 5	<u>630</u>	<u>753</u>
Total				<u>4,828</u>	<u>6,023</u>

(1) Source: School District officials

HIGHER EDUCATION FACILITIES

Rutgers University-Camden Campus

Rutgers University-Camden ("Rutgers"), a comprehensive, publicly-supported, co-educational four-year institution accredited by the Middle States Association of Colleges and Secondary Schools and funded primarily by the State, was founded in 1950 on a 23.8 acre campus in the City of Camden. For the 2024-2025 school year, there were approximately 3,857 undergraduate students and 1,818 graduate students.

Camden County College

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

For the academic year 2024-2025, full time enrollment was 3,358 and part-time enrollment was 4,264 for a total of 7,622.

Camden County Technical Schools

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

For high school students, there are over 30 career programs from which to choose. For the 2024-2025 school year, 1,403 students are enrolled at the Gloucester Township Campus, and 769 at the Pennsauken Campus. Seniors are offered the opportunity to participate in several of our school-to-career programs and are offered lifetime job placement assistance. In addition, students are offered a full-range of athletics and activities to complement their education. Through Camden County College, high school juniors and seniors at CCTS have various opportunities to earn college credit for college level work completed while in high school. Students may bank the credits earned for future enrollment at colleges and universities.

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

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2026 Assessed Valuation</u>
Ranger II Twinbridge NJ	Real Estate	\$130,677,600
Buckeye Pennsauken Terminal LLC	Oil Products-Wholesale	44,088,900
Lockbourne Manor LLC	Apartments	26,475,800
ALF Real Estate Holdings LLC	Real Estate	23,939,000
1090 Thom Busch Inv	Building Material Supplier	23,768,000
BRF 1550 & 1600 John Tipton Blvd	Plastic and Food Products	21,892,000
Kevon Office Partners	Retail/Office Space	20,266,600
VV9000 LLC	Building Material Supplier	19,500,000
J & J Snack Foods	Food Distributor	18,693,000
5201-5287 Route 70 Realty LLC	Retail/Office Space	18,000,000

CURRENT TAX COLLECTIONS (2)

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Balance Dec. 31</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2025 (3)	\$111,896,258	\$109,881,620	98.20%	\$1,649,659	1.47%
2024	103,975,767	102,395,020	98.48%	1,435,253	1.38%
2023	101,376,120	99,315,789	97.97%	1,851,797	1.83%
2022	96,021,114	94,320,347	98.23%	1,599,740	1.67%
2021	93,602,786	91,777,029	98.05%	1,694,908	1.81%

DELINQUENT TAXES (2)

<u>Year</u>	<u>Balance</u>		<u>Collected</u>		<u>Transfer to Liens</u>	<u>Other Credits</u>	<u>Balance Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percent</u>			
2025 (3)	\$1,438,288	\$19,500	\$1,423,538	97.65%	\$0	\$30,427	\$3,822
2024	2,115,534	17,500	1,886,841	88.46%	8,749	234,410	3,034
2023	1,838,422	24,549	1,574,485	84.51%	3,239	21,510	263,737
2022	1,712,158	19,814	1,493,203	86.21%	-	86	238,682
2021	1,644,184	25,452	1,649,052	98.77%	80	3,255	17,250

(1) Source: Township Assessor

(2) Source: Annual Reports of Audit, unless otherwise noted

(3) Source: Information from Annual Compiled Financial Statement

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance</u> <u>Jan. 1</u>	<u>Added by</u> <u>Sales &</u> <u>Transfers</u>	<u>Collections</u>	<u>Other</u> <u>Credits</u>	<u>Adjustments</u>	<u>Balance</u> <u>Dec. 31</u>
2025 (2)	\$1,003,916	\$81,551	\$27,952	-	-	\$1,057,515
2024	910,784	106,131	12,999	-	-	1,003,916
2023	844,455	93,983	27,654	-	-	910,784
2022	832,055	84,501	72,100	-	-	844,455
2021	854,740	103,187	125,872	-	-	832,055

FORECLOSED PROPERTY (1)(3)

<u>Year</u>	<u>Balance</u> <u>Jan. 1</u>	<u>Added by</u> <u>Transfer</u>	<u>Adjustment</u> <u>to Assessed</u> <u>Valuation</u>	<u>Gain/Loss on</u> <u>Sale</u>	<u>Adjustment</u>	<u>Balance</u> <u>Dec. 31</u>
2025 (2)	\$7,213,200	-	-	-	-	\$7,213,200
2024	7,213,200	-	-	-	-	7,213,200
2023	7,213,200	-	-	-	-	7,213,200
2022	7,213,200	-	-	-	-	7,213,200
2021	7,213,200	-	-	-	-	7,213,200

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (4)

Tax Rate (5)

<u>Year</u>	<u>Net Valuation</u> <u>Taxable</u>	<u>Total</u>	<u>County</u>	<u>Local</u> <u>School</u>	<u>Garbage</u> <u>District</u>	<u>Municipal</u>
2026	\$ 4,908,692,900	N/A	N/A	N/A	N/A	N/A
2025 (6)	4,914,832,164	\$2.272	\$0.512	\$0.968	\$0.100	\$0.692
2024	2,376,807,809	4.352	0.891	1.967	0.203	1.291
2023	2,370,272,354	4.268	0.959	1.904	0.199	1.206
2022	2,358,511,023	4.101	0.895	1.896	0.196	1.114
2021	2,357,328,991	3.963	0.878	1.860	0.192	1.033

(1) Source: Annual Reports of Audit, unless otherwise noted

(2) Source: Information from Annual Compiled Financial Statement

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

(4) Source: Township Tax Collector

(5) Per \$100 of assessed valuation

(6) Revaluation

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

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value Per Capita (2)</u>
2026	\$4,908,692,900	109.70%	\$4,474,651,686	\$120,695
2025 (3)	4,908,798,000	111.45%	4,404,484,522	118,803
2024	2,372,545,400	70.45%	3,367,701,065	90,837
2023	2,365,969,700	71.31%	3,317,865,236	89,493
2022	2,353,610,300	83.32%	2,824,784,325	76,193

REAL PROPERTY CLASSIFICATION (4)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>
2025 (3)	\$4,908,798,000	\$45,909,200	\$3,179,549,200	\$634,875,700	\$962,442,800	\$86,021,100
2024	2,372,545,400	32,644,600	1,572,614,700	407,139,500	320,424,800	39,721,800
2023	2,365,969,700	32,668,500	1,565,580,200	445,061,800	282,937,400	39,721,800
2022	2,353,610,300	34,918,100	1,553,368,500	447,346,900	278,259,000	39,717,800
2021	2,352,075,500	32,551,000	1,547,183,900	458,155,000	274,467,800	39,717,800

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

(2) Based on Federal Census 2020 of 37,074

(3) Revaluation

(4) Source: Township Tax Assessor

TOWNSHIP OF PENNSAUKEN
STATEMENT OF INDEBTEDNESS (1)

The following table summarizes the direct debt of the Township of Pennsauken as of December 31, 2025 in accordance with the requirements of the Local Bond Law of the State of New Jersey (*N.J.S.A. 40A:2-2- et seq.*). The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Golf Course Utility, Water Commission and debt of the Township of Pennsauken School District. Deductions from gross debt to arrive at net debt include deductible school debt, as well as, debt considered to be self-liquidating. The resulting net debt of \$62,990,513 represents 1.61% of the average of equalized valuations for the Township for the last three years, which is within the 3.5% limit imposed by *N.J.S.A. 40A:2-6*.

	Debt Issued		Authorized But Not Issued	Gross Debt	Deductions		Net Debt
	<u>Bonds/Loans</u>	<u>Notes</u>			<u>School Debt</u>	<u>Self-Liquidating Debt</u>	
General	\$34,736,663	\$19,785,000	\$8,468,850	\$62,990,513			\$62,990,513
School--Local	27,090,000			27,090,000	\$27,090,000		
Golf Course Utility	343,337	3,733,500	2,000,000	6,076,837		\$6,076,837	
Merchantville-Pennsauken Water Commission	15,449,998			15,449,998		15,449,998	
	<u>\$77,619,998</u>	<u>\$23,518,500</u>	<u>\$10,468,850</u>	<u>\$111,607,348</u>	<u>\$27,090,000</u>	<u>\$21,526,835</u>	<u>\$62,990,513</u>

(1) Source: Annual Debt Statement

DEBT RATIOS AND VALUATIONS(1) (2)

Average of Equalized Valuations of Real Property with Improvements and Second Class Railroad Property for 2023, 2024 and 2025	\$3,908,149,054
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2023, 2024 and 2025	1.61%
2026 Net Valuation Taxable	\$4,908,692,900
2026 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$4,474,651,686
Gross Debt (3):	
As a percentage of 2026 Net Valuation Taxable	2.27%
As a percentage of 2026 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	2.49%
Net Debt (3):	
As a percentage of 2026 Net Valuation Taxable	1.28%
As a percentage of 2026 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	1.41%
Gross Debt Per Capita (4)	\$3,010
Net Debt Per Capita (4)	\$1,699

TOWNSHIP BORROWING CAPACITY(1) (2)

3.5% of Averaged (2023-25) Equalized Valuation of Real Property including Improvements (\$3,908,149,054)	\$136,785,217
Net Debt	<u>62,990,513</u>
Remaining Borrowing Capacity	<u><u>\$73,794,704</u></u>

SCHOOL DISTRICT BORROWING CAPACITY (1) (2)

4% of Averaged (2023-25) Equalized Valuation of Real Property including Improvements (\$3,908,149,054)	\$156,325,962
School District Debt	<u>27,090,000</u>
Remaining Borrowing Capacity	<u><u>\$129,235,962</u></u>

(1) As of December 31, 2025

(2) Source: Township Auditor

(3) Excluding overlapping debt

(4) Based on 2020 Federal Census of 37,074

TOWNSHIP OF PENNSAUKEN
OVERLAPPING DEBT AS OF DECEMBER 31, 2025

DEBT ISSUED					
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	<u>Debt Auth. but not Issued</u>
County of Camden(1):					
General:					
Bonds	\$ 58,967,466	\$ 51,909,486 (2)	\$ 7,057,980	\$ 522,291 (4)	\$ 60,765,009
Notes			-	- (4)	
Loan Agreements	279,385,000		279,385,000	20,674,490 (4)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	191,674,387	191,674,387 (3)	-		
Pennsauken Sewerage Authority(5)	153,097		153,097	153,097	
	<u>\$ 530,179,950</u>	<u>\$ 243,583,873</u>	<u>\$ 286,596,077</u>	<u>\$ 21,349,877</u>	<u>\$ 60,765,009</u>

(1) Source: County of Camden.

(2) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Refunding Bonds.

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

(4) Such debt is allocated as a proportion of the Issuer's share of the total 2025 Net Valuation on which County taxes are apportioned, which is 7.40%.

(5) Authority Auditor - unaudited

Camden County Municipal Utilities Authority

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

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

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

The gross debt as of December 31, 2025 (unaudited) for the CCMUA was \$227,499,329. The County guarantees up to \$685,500,000 of debt issued by the CCMUA.

Camden County Improvement Authority

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

The amount of debt which the County has guaranteed or for which it has a repayment obligation as of December 31, 2025 (unaudited) was \$252,673,415.

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

<u>Year</u>	<u>G e n e r a l</u>			<u>G o l f C o u r s e U t i l i t y</u>			<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2026	\$3,002,101	\$1,251,584	\$4,253,685	\$82,899	\$6,589	\$89,488	\$4,343,173
2027	1,835,322	1,182,925	3,018,247	84,678	4,913	89,591	3,107,838
2028	2,108,187	1,125,023	3,233,210	86,813	3,089	89,902	3,323,112
2029	2,191,053	1,058,387	3,249,440	88,947	1,056	90,003	3,339,443
2030	1,820,000	987,600	2,807,600				2,807,600
2031	1,885,000	913,500	2,798,500				2,798,500
2032	1,945,000	836,900	2,781,900				2,781,900
2033	1,880,000	760,400	2,640,400				2,640,400
2034	1,955,000	683,700	2,638,700				2,638,700
2035	2,035,000	603,900	2,638,900				2,638,900
2036	2,120,000	520,800	2,640,800				2,640,800
2037	2,205,000	434,300	2,639,300				2,639,300
2038	2,295,000	344,300	2,639,300				2,639,300
2039	2,390,000	250,600	2,640,600				2,640,600
2040	2,485,000	153,100	2,638,100				2,638,100
2041	2,585,000	51,700	2,636,700				2,636,700
Total	\$34,736,663	\$11,158,719	\$45,895,382	\$343,337	\$15,647	\$358,984	\$46,254,366

(1) Source: Township Auditor

(2) As of December 31, 2025

**TOWNSHIP OF PENNSAUKEN
2025 MUNICIPAL BUDGET***

CURRENT FUND

Anticipated Revenues:

Fund Balance	\$4,625,000.00
Miscellaneous Revenues:	
Local Revenues	3,417,997.00
State Aid Without Offsetting Appropriations	5,564,724.00
Dedicated Uniform Construction Code Fees Offset with Appropriations	1,100,000.00
Special Items of Revenues Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenue	1,360,596.55
Special Items of Revenues Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items	3,530,345.60
Receipts from Delinquent Taxes	1,100,000.00
Amount to be Raised from Taxation for Municipal Purposes	<u>33,939,077.19</u>
Total Revenues	<u><u>\$54,637,740.34</u></u>

Appropriations:

Within "CAPS":	
Operations	\$36,109,954.00
Deferred Charges and Statutory Expenditures	5,667,813.00
Excluded from "CAPS":	
Other Operations	2,353,461.00
Public and Private Programs	1,360,596.55
Capital Improvements	335,000.00
Municipal Debt Service	5,087,600.00
Deferred Charges	260,000.00
Reserve for Uncollected Taxes	<u>3,463,315.79</u>
Total Appropriations	<u><u>\$54,637,740.34</u></u>

GOLF COURSE UTILITY FUND

Anticipated Revenues:

Fund Balance	\$500,000.00
Playing Fees	2,033,320.00
Equipment Rental Fees	400,000.00
Catering Lease	<u>244,000.00</u>
Total Revenues	<u><u>\$3,177,320.00</u></u>

Appropriations:

Operating	\$2,612,600.00
Debt Service	264,420.00
Statutory Expenditures	150,300.00
Surplus	<u>150,000.00</u>
Total Appropriations	<u><u>\$3,177,320.00</u></u>

* As Adopted

TOWNSHIP OF PENNSAUKEN
SIX YEAR CAPITAL PROGRAM*
Projects Scheduled for the Years 2025 - 2030

<u>Project Title</u>	<u>Estimated Total Cost</u>	<u>Capital Improvement Fund</u>	<u>Grants-In Aid and Other Funds</u>	<u>Bonds and Notes General</u>
Pitt Football Field	\$100,000	\$5,000		\$95,000
Skatepark Improvements	25,000	1,250		23,750
Dewey Avenue Building Improvements	500,000	25,000		475,000
Police Building	100,000	5,000		95,000
Field Irrigation Repairs	25,000	1,250		23,750
Pool Improvements	25,000	1,250		23,750
Playground Equipment	100,000	5,000		95,000
Floating Boat Docks	30,000	1,500		28,500
Fencing	25,000	1,250		23,750
Walt Nicgorski Netting/1st Base Line	20,000	1,000		19,000
Baseball Field Improvements: Netting and Turf for bat cages	10,000	500		9,500
Holiday Decorations - Municipal Complex	60,000	3,000		57,000
Benches, dryers, carts	10,000	500		9,500
Signage	10,000	500		9,500
Scoreboards	10,000	500		9,500
Slope Mower	160,000	8,000		152,000
Section 2:20 Costs	720,000	36,000		684,000
Forklift	80,000	4,000		76,000
Body Worn Cameras	250,000	12,500		237,500
PPE Replacements	36,000	1,800		34,200
Extrication Tool Replacement	23,000	1,150		21,850
Apparatus Mobile Computer (5)	28,000	1,400		26,600
Archiving Records	100,000	5,000		95,000
Concrete and Sidewalks	25,000	1,250		23,750
Concrete Repairs	75,000	3,750		71,250
2025 Local Roads Program	65,000	3,250		61,750
2024 Municipal Aid: Harris/Baldwin/Schleicher	682,090	12,500	\$432,090	237,500
2023 LFIF - Cove Road	730,000	9,000	550,000	171,000
Storm System Repairs	795,000	39,750		755,250
Storm System GIS Mapping	250,000	11,250	25,000	213,750
Trash Truck - Westfield Ave/Parks	265,000	13,250		251,750
Police Vehicles (4)	360,000	18,000		342,000
Tower Ladder Replacement	1,600,000	80,000		1,520,000
Ambulance	375,000	18,750		356,250
	<u>\$7,669,090</u>	<u>\$333,100</u>	<u>\$1,007,090</u>	<u>\$6,328,900</u>

* As Adopted

APPENDIX B

FINANCIAL STATEMENTS OF THE TOWNSHIP OF PENNSAUKEN

FOR THE YEAR ENDED 2025

COMPILED FINANCIAL STATEMENTS



INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying balance sheets – regulatory basis of the various funds of the Township of Pennsauken ("Township"), as of December 31, 2025 and the related statements of operations and changes in fund balance – regulatory basis, the statements of changes in fund balance, the statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year then ended in accordance with the regulatory basis of accounting. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements - regulatory basis nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The financial statements are prepared in accordance with the financial and accounting reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with 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's assets, liabilities, fund balances, revenues and expenditures and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

PKF O'Connor Davies, LLP

Voorhees, New Jersey
March 3, 2026

Scott P. Barron

Scott P. Barron, CPA
Registered Municipal Accountant, No. 20CR00054000

PKF O'CONNOR DAVIES LLP
601 White Horse Road, Voorhees, NJ 08043 | Tel: 856.435.6200 | Fax: 856.435.0440 | www.pkfod.com

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TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2025 (Unaudited)

ASSETS:	<u>2025</u>
Regular Fund:	
Cash -- Treasurer	\$ 14,401,567.95
Cash -- Collector	1,018,355.03
Cash -- Change Funds	1,725.00
Due from State of New Jersey --	
Veterans' and Senior Citizens' Deductions	<u>4,188.99</u>
	<u>15,425,836.97</u>
Receivables and Other Assets with Full Reserves:	
Delinquent Property Taxes Receivable	1,653,480.74
Tax Title Liens Receivable	1,057,515.24
Municipal Assessments Receivable	18,843.34
Payments in Lieu of Taxes Receivable	147,446.54
Protested Checks Receivable	837.18
Due from Camden County Municipal Utility Authority	4,849.82
Due from Township of Pennsauken Sewerage Authority	1,227.52
Revenue Accounts Receivable	19,163.41
Property Acquired for Taxes (at Assessed Valuation)	7,213,200.00
Due from Trust Other Fund	<u>279,365.94</u>
	<u>10,395,929.73</u>
Deferred Charges:	
Special Emergency (N.J.S.A.40A:4-53)	<u>780,000.00</u>
	<u>780,000.00</u>
Total Regular Fund	<u>26,601,766.70</u>
Federal and State Grant Fund:	
Cash -- Treasurer	2,406,775.17
Federal, State and Local Grants Receivable	18,605,595.41
Due from Current Fund	<u>0.03</u>
Total Federal and State Grant Fund	<u>21,012,370.61</u>
Total Assets	<u><u>\$ 47,614,137.31</u></u>

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2025 (Unaudited)

LIABILITIES, RESERVES AND FUND BALANCE:		<u>2025</u>
Regular Fund:		
Liabilities:		
Accounts Payable	\$	209,775.60
Due to Township of Pennsauken Library		3,640.00
Reserve for Encumbrances		706,291.95
Appropriation Reserves		2,252,286.48
Prepaid Taxes		1,255,461.95
Prepaid Pilots		422,761.43
Tax Overpayments		26,483.47
Due to State of New Jersey:		
Training Fees -- Surcharge		10,271.00
Marriage and Domestic Partner Licenses		10,495.00
Due to County for Added and Omitted Taxes		51,818.06
Local School Taxes Payable		30.17
Special Emergency Notes Payable		780,000.00
Reserve for Election Expenses		10,350.00
Due to Camden County Improvement Authority		1,131,214.88
Due to Camden County		61,491.44
Reserve for Revaluation Program		153,967.19
Due to Federal and State Grant Fund		0.03
Due to Animal Control Fund		533.47
		<u>7,086,872.12</u>
Reserves for Receivables and Other Assets		10,395,929.73
Fund Balance		<u>9,118,964.85</u>
Total Regular Fund		<u>26,601,766.70</u>
Federal and State Grant Fund:		
Liabilities:		
Reserve for Federal, State and Local Grants --		
Unappropriated		197,365.96
Appropriated		5,766,762.56
Reserve for Encumbrances		<u>15,048,242.09</u>
Total Federal and State Grant Fund		<u>21,012,370.61</u>
Total Liabilities, Reserves and Fund Balance	\$	<u><u>47,614,137.31</u></u>

See Independent Accountants' Compilation Report

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

	<u>2025</u>
<u>Revenue and Other Income Realized</u>	
Surplus Utilized	\$ 4,625,000.00
Miscellaneous Revenues Anticipated	16,380,263.38
Receipts from Delinquent Taxes	1,451,490.14
Receipts from Current Taxes	109,881,620.20
Non-Budget Revenues	486,056.19
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	1,352,622.78
Total Income	134,177,052.69
<u>Expenditures</u>	
Budget and Emergency Appropriations:	
Operations Within "CAPS":	
Salaries and Wages	20,125,300.00
Other Expenses	15,917,654.00
Deferred Charges and Regulatory Expenditures Within "CAPS"	5,734,813.00
Operations Excluded from "CAPS":	
Salaries and Wages	23,421.14
Other Expenses	3,823,743.36
Capital Improvements Excluded from "CAPS"	335,000.00
Municipal Debt Service Excluded from "CAPS"	5,084,922.59
Deferred Charges - Municipal - Excluded from "CAPS"	260,000.00
Prior Year Veterans' and Senior Citizens' Deductions Disallowed	19,500.00
County Taxes	25,188,832.79
Due County for Added and Omitted Taxes	51,818.06
Local School District Taxes	47,585,743.00
Garbage District Taxes	4,896,413.00
Due Animal Control Fund - Deficit in Reserve	441.67

See Independent Accountants' Compilation Report

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

	<u>2025</u>
<u>Expenditures (Cont'd)</u>	
Creation of Reserves for:	
Due from Trust Other Fund	\$ 200,000.00
Due from Township of Pennsauken Sewerage Authority	1,153.07
Due from Camden County Municipal Utilities Authority	<u>2,360.45</u>
 Total Expenditures	 <u>129,251,116.13</u>
 Excess in Revenue	 4,925,936.56
<u>Fund Balance</u>	
 Balance January 1	 <u>8,818,028.29</u>
	13,743,964.85
Decreased by:	
Utilization as Anticipated Revenue	<u>4,625,000.00</u>
 Balance December 31	 <u><u>\$ 9,118,964.85</u></u>

See Independent Accountants' Compilation Report

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

	<u>Anticipated</u>	<u>Special</u>		<u>Excess or</u>
	<u>Budget</u>	<u>N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>(Deficit)</u>
Surplus Anticipated	\$ 4,625,000.00		\$ 4,625,000.00	
Miscellaneous Revenues - Local Revenues:				
Licenses:				
Alcoholic Beverages	62,815.00		57,000.00	\$ (5,815.00)
Other	20,532.00		17,030.00	(3,502.00)
Fees and Permits	1,227,000.00		1,456,909.08	229,909.08
Fines and Costs:				
Municipal Court	355,000.00		312,258.17	(42,741.83)
Interest and Costs on Taxes	430,000.00		394,310.42	(35,689.58)
Interest on Investments and Deposits	917,650.00		1,490,769.78	573,119.78
Anticipated Utility Operating Surplus	150,000.00		150,000.00	
Swimming Pool Admissions	95,000.00		89,192.00	(5,808.00)
Cable Franchise Fees	160,000.00		160,347.47	347.47
Miscellaneous Revenues - State Aid Without Offsetting Appropriations:				
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	5,564,724.00		5,564,724.00	
Miscellaneous Revenues - Dedicated Uniform Construction Code Fees				
Offset with Appropriations:				
Uniform Construction Code Fees	1,100,000.00		1,064,058.00	(35,942.00)
Miscellaneous Revenues - Special Items of Revenue Anticipated with Prior				
Written Consent of Director of Local Government Services - Public and				
Private Revenues Offset with Appropriations:				
Body Armor Replacement Fund Grant	18,269.21		18,269.21	
NJDOT Transportation Alternatives - Burlington Camden Trail		\$ 84,685.81	84,685.81	
Camden County Recreation Enhancement Grant	25,000.00	25,000.00	50,000.00	
JIF Safety Award	2,500.00		2,500.00	
Highway Safety Grant	13,834.49		13,834.49	
2024 Optional Safety Award	992.85		992.85	
Urban Parks Grant: Jordantown Enhancement Athletic Complex	530,000.00		530,000.00	
Green Acres: Stockton Park Improvements	770,000.00		770,000.00	
Drunk Driving Enforcement Fund		23,421.14	23,421.14	
Miscellaneous Revenues - Special Items of General Revenue Anticipated				
with Prior Written Consent of Director of Local Government Services - Other				
Special Items:				
Emergency Medical Technician Billing Fees	1,100,000.00		1,429,897.18	329,897.18
Payments in Lieu of Taxes	1,400,000.00		1,647,348.39	247,348.39
Pollution Control Financing Authority of Camden County - Landfill	250,000.00		250,000.00	
Uniform Fire Safety Act -- Life Hazard Use Fees	300,000.00		322,369.79	22,369.79
Pennsauken Sewerage Authority - Payment in Lieu of Taxes	150,000.00		150,000.00	
Merchantville - Pennsauken Water Commission Antenna Fee - Share	330,345.60		330,345.60	
Total Miscellaneous Revenues	14,973,663.15	133,106.95	16,380,263.38	1,273,493.28
Receipts from Delinquent Taxes	1,100,000.00		1,451,490.14	351,490.14
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	32,640,547.19		34,400,439.69	1,759,892.50
Minimum Library Tax	1,298,530.00		1,298,530.00	
Total Amount to be Raised by Taxes for Support of Municipal Budget	33,939,077.19		35,698,969.69	1,759,892.50
Budget Totals	54,637,740.34	133,106.95	58,155,723.21	3,384,875.92
Non-Budget Revenues			486,056.19	486,056.19
Total Revenues	\$ 54,637,740.34	\$ 133,106.95	\$ 58,641,779.40	\$ 3,870,932.11

See Independent Accountants' Compilation Report

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 109,881,620.20
Allocated to:	
School, County and Garbage District Taxes	<u>77,722,806.85</u>

Balance for Support of Municipal Budget Appropriations	32,158,813.35
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Add: Appropriation "Reserve for Uncollected Taxes"	<u>3,463,315.79</u>
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Amount for Support of Municipal Budget Appropriations	<u><u>\$ 35,622,129.14</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 1,423,538.24
Tax Title Lien Collections	<u>27,951.90</u>
	<u><u>\$ 1,451,490.14</u></u>

Licenses -- Other:

Construction Code Official:	
Builder	\$ 8,275.00

Clerk:

Billards	\$ 10.00
Bingo	20.00
Board of Health	3,465.00
Limousine	235.00
Marriage	825.00
Peddler / Solicitor	1,600.00
Precious Metals	700.00
Raffle	400.00
Used Car Lot	<u>1,500.00</u>
	<u>8,755.00</u>

	<u><u>\$ 17,030.00</u></u>
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Fees and Permits:

Construction Code Official:	
Building Permits	\$ 638,764.00
Certificates of Occupancy	31,689.00
Electrical Permits	176,640.00
Fire Sub code Permits	65,835.00
Plumbing Permits	124,105.00
Street Opening Permits	<u>27,025.00</u>

	<u><u>\$ 1,064,058.00</u></u>
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TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

Analysis of Realized Revenues (Cont'd)

Fees and Permits -- Other:

Construction Code Official:

Housing Code Letters	\$ 43,400.00	
Rent Board Applications	300.00	
Smoke Detector Inspections	32,595.00	
Lead Inspection Applications	13,490.00	
Trash Dumpster Permit	<u>6,000.00</u>	
		\$ 95,785.00

Recreation	13,435.00
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Clerk:

Burial Permits	11,500.00	
Coin Operated Device Permits	10.00	
Trailer Park Permits	8,240.00	
Vital Statistics	6,465.20	
Cannabis Fees	<u>331,360.53</u>	
		357,575.73

Fire Department:	
Fire Inspection Fees	231,702.60

Police Department:	
Fees and Permits	34,673.00

Planning and Zoning:	
Fees and Permits	37,250.00

Abandoned and Vacant Property Initiative:

Abandoned Property Registration

Treasurer:

Cellular Telephone Agreements	51,353.65	
Outdoor Sign Rental	60,540.16	
Hotel Tax	52,758.94	
Rental and Foreclosure Registration Fees	<u>521,835.00</u>	
		<u>686,487.75</u>
		<u>\$ 1,456,909.08</u>

See Independent Accountants' Compilation Report

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

Analysis of Non-Budget Revenues

Miscellaneous Revenues not Anticipated:

Revenue Accounts Receivable:

Construction Code Official:

Penalties and Fines \$ 30,675.00

Tax Office:

Miscellaneous Fees \$ 55,171.44

Municipal Assessments Receivable -

55,171.44

\$ 85,846.44

Treasurer:

Receipts:

Auction Sales \$ 22,315.00

Board Up Charges 6,013.59

Confiscated Funds 7,160.79

Easements 1,100.00

Clerk Office Miscellaneous 1,500.00

Election Workers 2,550.00

Forfeiture of Bail 400.00

Forfeited Tax Sale Premiums 21,600.00

Grass Cutting Charges 1,250.61

Insufficient Funds Fees 40.00

Sale of Scrap Metal 4,635.81

Senior Citizen and Veteran Deductions - Administrative Fee 2,660.00

Shared Service Agreements 67,000.00

Rebates 2,172.85

Lawsuit Settlement 100,000.00

Police Records 11,906.50

Police Miscellaneous 3,422.77

Wedding Fees 1,000.00

Miscellaneous Refunds 143,481.83

400,209.75

\$ 486,056.19

See Independent Accountants' Compilation Report

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS"						
General Government:						
Mayor and Township Committee						
Salaries and Wages	\$ 92,000.00	\$ 92,000.00	\$ 83,356.82		\$ 8,643.18	
Other Expenses	11,000.00	11,000.00	1,314.94	\$ 732.90	8,952.16	
Administrative and Executive						
Salaries and Wages	680,000.00	694,000.00	691,772.03		2,227.97	
Other Expenses	45,000.00	80,000.00	52,372.59	12,322.39	15,305.02	
Municipal Clerk's Office						
Salaries and Wages	234,000.00	234,000.00	231,229.48		2,770.52	
Other Expenses	58,000.00	53,000.00	17,049.13	594.95	35,355.92	
Communications						
Salaries and Wages	75,000.00	75,000.00	73,466.68		1,533.32	
Other Expenses	6,400.00	8,900.00	7,602.76		1,297.24	
Data Processing Center						
Other Expenses	202,000.00	242,000.00	188,436.47	6,226.00	47,337.53	
Financial Administration						
Salaries and Wages	485,000.00	445,000.00	427,143.73		17,856.27	
Other Expenses	126,000.00	136,000.00	117,074.19	3,709.89	15,215.92	
Assessment of Taxes						
Salaries and Wages	238,900.00	200,900.00	195,430.06		5,469.94	
Other Expenses	23,450.00	23,450.00	11,166.74	2,530.81	9,752.45	
Collection of Taxes						
Salaries and Wages	247,000.00	237,000.00	237,000.00			
Other Expenses	35,000.00	43,000.00	39,504.38	94.32	3,401.30	
Audit Services						
Other Expenses	100,000.00	78,150.00	78,150.00			
Legal Services and Costs						
Other Expenses	325,000.00	395,000.00	217,926.17	126,256.96	50,816.87	
Human Resources						
Salaries and Wages	193,000.00	154,000.00	152,156.99		1,843.01	
Other Expenses	8,700.00	63,700.00	36,064.69	20,000.00	7,635.31	
Municipal Prosecutor						
Salaries and Wages	72,000.00	76,000.00	74,719.68		1,280.32	

See Independent Accountants' Compilation Report

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
General Government (Cont'd):						
Municipal Court						
Salaries and Wages	\$ 469,000.00	\$ 469,000.00	\$ 443,540.19		\$ 25,459.81	
Other Expenses	47,700.00	47,700.00	24,993.07		22,706.93	
Engineering Services and Costs						
Salaries and Wages	128,000.00	106,000.00	105,769.00		231.00	
Other Expenses	129,200.00	129,200.00	26,391.69	\$ 98,500.00	4,308.31	
Public Buildings and Grounds						
Salaries and Wages	174,000.00	204,000.00	198,348.41		5,651.59	
Other Expenses	95,000.00	125,000.00	82,265.47	8,283.43	34,451.10	
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board						
Salaries and Wages	117,000.00	102,000.00	99,643.81		2,356.19	
Other Expenses	14,850.00	14,850.00	9,165.38	520.00	5,164.62	
Zoning Board						
Salaries and Wages	104,000.00	82,000.00	79,072.62		2,927.38	
Other Expenses	26,800.00	26,800.00	20,745.49		6,054.51	
Insurance						
Employee Group Health	8,528,000.00	8,178,000.00	7,534,397.05	5,286.00	638,316.95	
General Liability	545,445.00	545,445.00	544,558.00		887.00	
Workers' Compensation	612,833.00	812,833.00	781,655.99		31,177.01	
Economic Development						
Salaries and Wages	40,000.00					
Other Expenses	157,700.00	127,700.00	95,440.41		32,259.59	
Dog Warden						
Other Expenses	70,000.00	160,000.00	128,200.00		31,800.00	
Department of Public Safety:						
Bureau of Fire Prevention:						
Uniform Fire Safety Act (P.L. 1983, Ch. 383)						
Salaries and Wages	217,000.00	177,000.00	161,980.50		15,019.50	
Other Expenses	16,350.00	16,350.00	14,809.57	759.11	781.32	

See Independent Accountants' Compilation Report

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Department of Public Safety (Cont'd):						
Fire Department						
Salaries and Wages	\$ 2,577,500.00	\$ 2,577,500.00	\$ 2,351,432.66		\$ 226,067.34	
Other Expenses:						
Fire Department	363,700.00	543,700.00	481,801.72	\$ 26,560.63	35,337.65	
Fire Hydrant Service	65,000.00	74,600.00	68,269.89	6,204.99	125.12	
Police						
Salaries and Wages	10,255,500.00	9,864,400.00	9,645,286.53		219,113.47	
Other Expenses	545,080.00	545,080.00	310,870.87	158,352.97	75,856.16	
Traffic Control						
Salaries and Wages	317,000.00	297,000.00	275,849.00		21,151.00	
Other Expenses	10,746.00	11,746.00	10,920.70	778.00	47.30	
First Aid Organization						
Salaries and Wages	1,337,000.00	1,237,000.00	1,167,716.39		69,283.61	
Emergency Management Services						
Other Expenses	15,000.00	16,000.00	15,898.65		101.35	
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Construction Code Official						
Salaries and Wages	845,000.00	810,000.00	806,287.56		3,712.44	
Other Expenses	57,400.00	57,400.00	41,509.58	1,320.95	14,569.47	
Storm Recovery						
Other Expenses	25,000.00	25,000.00	25,000.00			
Streets and Roads:						
Public Works						
Salaries and Wages	1,351,400.00	1,451,400.00	1,423,569.63		27,830.37	
Other Expenses	188,450.00	188,450.00	142,375.61	42,494.04	3,580.35	
Township Garage						
Salaries and Wages	407,000.00	377,000.00	362,527.19		14,472.81	
Other Expenses	389,500.00	419,500.00	320,664.36	91,056.20	7,779.44	

See Independent Accountants' Compilation Report

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Health and Welfare:						
Senior Services						
Other Expenses	\$ 6,500.00	\$ 6,500.00	\$ 317.21		\$ 6,182.79	
Utility Expenses:						
Motor Fuels	340,000.00	340,000.00	247,321.35	\$ 44,635.60	48,043.05	
Electricity	435,000.00	435,000.00	392,744.69	9,694.88	32,560.43	
Telephone	220,000.00	220,000.00	176,664.49	16,075.88	27,259.63	
Natural Gas and Propane	49,000.00	104,000.00	66,394.64		37,605.36	
Sewerage Authority	13,800.00	13,800.00	9,021.00		4,779.00	
Street Lighting	795,000.00	933,350.00	853,220.14		80,129.86	
Postage	55,000.00	55,000.00	28,214.43	41.65	26,743.92	
Recreation and Education:						
Recreation						
Salaries and Wages	119,100.00	84,100.00	81,607.67		2,492.33	
Other Expenses	110,000.00	110,000.00	78,445.27	8,975.00	22,579.73	
Swimming Pool						
Salaries and Wages	90,000.00	78,000.00	77,229.95		770.05	
Other Expenses	83,450.00	90,450.00	88,488.85		1,961.15	
Celebration of Public Events						
Other Expenses	200,000.00	212,000.00	177,161.14	12,219.40	22,619.46	
Historical Preservation						
Other Expenses	10,500.00	10,500.00	8,563.76		1,936.24	
Environment Commission						
Other Expenses	1,500.00	1,500.00			1,500.00	
Shade Tree Commission						
Salaries and Wages	1,000.00	1,000.00	400.00		600.00	
Other Expenses	3,500.00	5,000.00	2,160.00	2,065.00	775.00	
Unclassified:						
Accumulated Leave						
Other Expenses	75,000.00	180,000.00	75,000.00		105,000.00	
Contingent Expenses	1,000.00	1,000.00			1,000.00	
Total Operations within "CAPS"	36,109,954.00	36,042,954.00	33,096,849.11	706,291.95	2,239,812.94	
Detail:						
Salaries and Wages	20,866,400.00	20,125,300.00	19,446,536.58		678,763.42	
Other Expenses (Including Contingent)	15,243,554.00	15,917,654.00	13,650,312.53	706,291.95	1,561,049.52	

See Independent Accountants' Compilation Report

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
MUNICIPAL -- WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 1,255,769.00	\$ 1,259,769.00	\$ 1,259,547.10		\$ 221.90	
Social Security System (O.A.S.I.)	904,206.00	904,206.00	899,948.69		4,257.31	
Unemployment Insurance	70,000.00	70,000.00	70,000.00			
Police and Fireman's Retirement System of N.J.	3,417,438.00	3,480,438.00	3,479,576.23		861.77	
Defined Contribution Retirement Program (DCRP)	20,400.00	20,400.00	13,267.44		7,132.56	
Total Statutory Expenditures	5,667,813.00	5,734,813.00	5,722,339.46		12,473.54	
Total Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"	5,667,813.00	5,734,813.00	5,722,339.46		12,473.54	
Total General Appropriations for Municipal Purposes -- Within "CAPS"	41,777,767.00	41,777,767.00	38,819,188.57	\$ 706,291.95	2,252,286.48	
OPERATIONS -- EXCLUDED FROM "CAPS"						
Maintenance of Free Public Library (P.L. 1985, Ch. 82 & 541)	1,298,530.00	1,298,530.00	1,298,530.00			
Employee Group Health	990,800.00	990,800.00	990,800.00			
Worker's Compensation	32,628.00	32,628.00	32,628.00			
Liability Insurance	31,503.00	31,503.00	31,503.00			
Total Other Operations Excluded from "CAPS"	2,353,461.00	2,353,461.00	2,353,461.00			
See Independent Accountants' Compilation Report						(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

	Appropriations		Expended		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Balance Canceled</u>
OPERATIONS -- EXCLUDED FROM "CAPS" (Cont'd)					
Public and Private Programs Off-Set by Revenues:					
Drunk Driving Enforcemenet Fund (N.J.S.A. 40A:4-87, \$23,421.14+)		\$ 23,421.14	\$ 23,421.14		
Body Armor Replacement Fund	\$ 18,269.21	18,269.21	18,269.21		
Camden County Recreation Grant (N.J.S.A. 40A:4-87, \$25,000.00+)	25,000.00	50,000.00	50,000.00		
NJDOT Burlington-Camden Trail (N.J.S.A. 40A:4-87, \$84,685.81+)		84,685.81	84,685.81		
Highway Safety Grant	13,834.49	13,834.49	13,834.49		
Urban Parks Grant: Jordantown Enhancement Atheltic Complex	530,000.00	530,000.00	530,000.00		
Green Acres: Stockton Park Improvements	770,000.00	770,000.00	770,000.00		
JIF Safety Award	2,500.00	2,500.00	2,500.00		
2024 Optional Safety Award	992.85	992.85	992.85		
Total Public and Private Programs Offset by Revenues	1,360,596.55	1,493,703.50	1,493,703.50		
Total Operations - Excluded from "CAPS"	3,714,057.55	3,847,164.50	3,847,164.50		
Detail:					
Salaries and Wages		23,421.14	23,421.14		
Other Expenses (Including Contingent)	3,714,057.55	3,823,743.36	3,823,743.36		
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"					
Capital Improvement Fund	335,000.00	335,000.00	335,000.00		
Total Capital Improvement Program -- Excluded from "CAPS"	335,000.00	335,000.00	335,000.00		

See Independent Accountants' Compilation Report

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 3,049,000.00	\$ 3,049,000.00	\$ 3,048,880.00			\$ 120.00
Interest on Bonds	1,319,600.00	1,319,600.00	1,319,513.50			86.50
Interest on Notes	719,000.00	719,000.00	716,529.09			2,470.91
Total Municipal Debt Service -- Excluded from "CAPS"	<u>5,087,600.00</u>	<u>5,087,600.00</u>	<u>5,084,922.59</u>			<u>2,677.41</u>
DEFERRED CHARGES - MUNICIPAL- EXCLUDED FROM "CAPS"						
Special Emergency Authorizations -- { 5 Years (N.J.S. 40A:4-53)	<u>260,000.00</u>	<u>260,000.00</u>	<u>260,000.00</u>			
Total Deferred Charges - Municipal- Excluded from "CAPS"	<u>260,000.00</u>	<u>260,000.00</u>	<u>260,000.00</u>			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>9,396,657.55</u>	<u>9,529,764.50</u>	<u>9,527,087.09</u>			<u>2,677.41</u>
Subtotal General Appropriations	51,174,424.55	51,307,531.50	48,346,275.66	\$ 706,291.95	\$ 2,252,286.48	2,677.41
Reserve for Uncollected Taxes	<u>3,463,315.79</u>	<u>3,463,315.79</u>	<u>3,463,315.79</u>			
Total General Appropriations	<u>\$ 54,637,740.34</u>	<u>\$ 54,770,847.29</u>	<u>\$ 51,809,591.45</u>	<u>\$ 706,291.95</u>	<u>\$ 2,252,286.48</u>	<u>\$ 2,677.41</u>
Appropriated by N.J.S.A. 40A:4-87		\$ 133,106.95				
Budget		<u>54,637,740.34</u>				
		<u>\$ 54,770,847.29</u>				
Disbursements			\$ 46,592,572.16			
Reserve for Federal, State and Local Grants -- Appropriated			1,493,703.50			
Deferred Charge - Special Emergency Authorization 40A:4-53			260,000.00			
Reserve for Uncollected Taxes			<u>3,463,315.79</u>			
			<u>\$ 51,809,591.45</u>			

See Independent Accountants' Compilation Report

TOWNSHIP OF PENNSAUKEN
TRUST FUNDS
Statement of Assets, Liabilities and Reserves -- Regulatory Basis
As of December 31, 2025 (Unaudited)

ASSETS:	<u>2025</u>
Animal Control Fund:	
Cash	\$ 63.53
Due from Current Fund	<u>533.47</u>
Total Animal Control Fund	<u>597.00</u>
Other Funds:	
Cash	5,583,982.98
Mortgages Receivable	8,983.25
Housing Rehabilitation Program Inventory	72,000.00
Community Development Block Grant Receivable	<u>303,160.36</u>
Total Other Funds	<u>5,968,126.59</u>
Total Assets	<u><u>\$ 5,968,723.59</u></u>
LIABILITIES AND RESERVES:	
Animal Control Fund:	
Due to State of New Jersey	<u>\$ 597.00</u>
Total Animal Control Fund	<u>597.00</u>
Other Funds:	
Due to Current Fund	279,365.94
Due to Bank	220.40
Due to General Capital Fund	5,000.00
Reserve for Payroll Deductions Payable	179,864.57
Reserve for Economic Development -- Urban Development Action Grant	328.64
Reserve Community Development Block Grant	43,340.00
Reserve for Section 8 Program	80,436.15
Miscellaneous Trust Reserves:	
Reserve for Street Opening Deposits	49,100.00
Reserve for Escrow Deposits	165,641.08
Reserve for Unemployment Compensation Insurance	15,895.29
Reserve for Parking Offense Adjudication Act	978.14
Reserve for Public Defender	2,608.95
Reserve for Planning and Zoning Deposits	1,161,317.32
Reserve for Special Law Enforcement Officers: State Allocation	200,942.29
Reserve for Housing Trust	564,134.49
Reserve for Housing Rehabilitation Program	149,719.48
Reserve for Tax Title Lien Redemption	2,344,312.16
Reserve for Worker's Compensation Insurance	79,637.93
Reserve for Accumulated Leave	53,588.26
Reserve for Skate Park	3,240.00
Reserve for Recreation	12,308.66
Reserve for Police Outside Employment	525,091.77
Reserve for Police Donations	11,825.00
Reserve for Storm Recovery	25,000.00
Reserve for Donations for Township Public Events	<u>14,230.07</u>
Total Other Funds	<u>5,968,126.59</u>
Total Liabilities and Reserves	<u><u>\$ 5,968,723.59</u></u>
See Independent Accountants' Compilation Report	

TOWNSHIP OF PENNSAUKEN
GENERAL CAPITAL FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

ASSETS:	<u>2025</u>
Cash	\$ 4,676,674.59
Deferred Charges to Future Taxation:	
Funded	34,736,663.00
Unfunded	28,253,850.00
Due from Trust Other Fund	5,000.00
Due from State of New Jersey:	
Transportation Trust Fund Grant Receivable	1,608,209.52
Department of Community Affairs	<u>25,000.00</u>
Total Assets	<u><u>\$ 69,305,397.11</u></u>

LIABILITIES, RESERVES AND FUND BALANCE:

Improvement Authorizations:	
Funded	\$ 802,750.61
Unfunded	10,009,155.23
Contracts Payable	3,478,204.76
Capital Improvement Fund	137,300.00
Bond Anticipation Notes	19,785,000.00
General Serial Bonds	34,736,663.00
Fund Balance	<u>356,323.51</u>
Total Liabilities, Reserves and Fund Balance	<u><u>\$ 69,305,397.11</u></u>

See Independent Accountants' Compilation Report

TOWNSHIP OF PENNSAUKEN
GENERAL CAPITAL FUND
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

Balance December 31, 2024	\$ 139,412.37
Increased by:	
Premium Collected on Sale of Bond Anticipation Notes	<u>216,911.14</u>
Balance December 31, 2025	<u><u>\$ 356,323.51</u></u>

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TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2025 (Unaudited)

ASSETS:	<u>2025</u>
Operating Fund:	
Cash	\$ 3,173,401.83
Cash -- Change Fund	800.00
Utility Reimbursements Accounts Receivable	18,935.98
Inventory	<u>65,859.43</u>
Total Operating Fund	<u>3,258,997.24</u>
Capital Fund:	
Cash	353,695.39
Fixed Capital	7,439,239.94
Fixed Capital Authorized and Uncompleted	<u>5,930,000.00</u>
Total Capital Fund	<u>13,722,935.33</u>
Total Assets	<u><u>\$ 16,981,932.57</u></u>
LIABILITIES, RESERVES AND FUND BALANCE:	
Operating Fund:	
Appropriation Reserves	\$ 285,596.87
Reserve for Encumbrances	222,965.00
Accounts Payable	92,727.00
Due State of New Jersey - Sales Tax Payable	1,385.36
Reserve for Inventory	65,859.43
Accrued Interest on Bonds and Notes	<u>109,652.85</u>
	778,186.51
Fund Balance	<u>2,480,810.73</u>
Total Operating Fund	<u>3,258,997.24</u>
Capital Fund:	
Improvement Authorizations:	
Unfunded	2,114,448.62
Reserve for Encumbrances	98,797.31
Reserve for Amortization	7,095,902.94
Deferred Reserve for Amortization	196,500.00
Serial Bonds	343,337.00
Capital Improvement Fund	39,029.00
Reserve for Preliminary Expenses	38.58
Bond Anticipation Notes Payable	3,733,500.00
Reserve for Capital Projects	12,000.00
Fund Balance	<u>89,381.88</u>
Total Capital Fund	<u>13,722,935.33</u>
Total Liabilities, Reserves and Fund Balance	<u><u>\$ 16,981,932.57</u></u>

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TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY OPERATING FUND
Statement of Operations and Changes in Operating Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

	<u>2025</u>
<u>Revenue and Other Income Realized</u>	
Surplus Utilized	\$ 500,000.00
Playing Fees	2,381,416.33
Equipment Rental Fees	453,388.00
Vendor Concessionaire Contract	206,266.71
Miscellaneous	406,978.35
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>80,413.64</u>
Total Income	<u>4,028,463.03</u>
<u>Expenditures</u>	
Operating	2,612,600.00
Debt Service	263,384.24
Deferred Charges and Statutory Expenditures	150,300.00
Surplus (General Budget)	<u>150,000.00</u>
Total Expenditures	<u>3,176,284.24</u>
Excess in Revenue	852,178.79
<u>Fund Balance</u>	
Balance January 1	<u>2,128,631.94</u>
	2,980,810.73
Decreased by:	
Utilized as Revenue in Golf Course Utility Operating Budget	<u>500,000.00</u>
Balance December 31	<u><u>\$ 2,480,810.73</u></u>

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TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY CAPITAL FUND
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

Balance December 31, 2024	\$ 36,128.50
Increased by:	
Premium Collected on Sale of Bond Anticipation Notes	<u>53,253.38</u>
Balance December 31, 2025	<u><u>\$ 89,381.88</u></u>

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TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY OPERATING FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

	<u>Budget</u>	<u>Realized</u>	Excess or (<u>Deficit</u>)
Operating Surplus Anticipated	\$ 500,000.00	\$ 500,000.00	
Playing Fees	2,033,320.00	2,381,416.33	\$ 348,096.33
Equipment Rental Fees	400,000.00	453,388.00	53,388.00
Vendor Concessionaire Contract	244,000.00	206,266.71	(37,733.29)
Miscellaneous		406,978.35	406,978.35
	<u>\$ 3,177,320.00</u>	<u>\$ 3,948,049.39</u>	<u>\$ 770,729.39</u>

Analysis of Realized Revenues:

Playing Fees:			
Greens Fees		\$ 1,867,440.33	
Golf Memberships		513,976.00	
			<u>\$ 2,381,416.33</u>
Miscellaneous:			
Receipts:			
Pro Shop Sales		\$ 197,708.85	
Simulator Fees		27,167.65	
Miscellaneous		51,249.26	
Interest on Investments and Deposits		130,852.59	
			<u>\$ 406,978.35</u>

See Independent Accountants' Compilation Report

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY OPERATING FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025 (Unaudited)

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 1,114,000.00	\$ 1,014,000.00	\$ 884,395.64		\$ 129,604.36	
Other Expenses	1,468,600.00	1,568,600.00	1,206,715.72	\$ 222,965.00	138,919.28	
Annual Audit	30,000.00	30,000.00	30,000.00			
Total Operating	<u>2,612,600.00</u>	<u>2,612,600.00</u>	<u>2,121,111.36</u>	<u>222,965.00</u>	<u>268,523.64</u>	
Debt Service:						
Payment of Bond Principal	81,120.00	81,120.00	81,120.00			
Interest on Bonds	8,300.00	8,300.00	7,691.16			\$ 608.84
Interest on Notes	175,000.00	175,000.00	174,573.08			426.92
Total Debt Service	<u>264,420.00</u>	<u>264,420.00</u>	<u>263,384.24</u>			<u>1,035.76</u>
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employee's Retirement System	65,000.00	65,000.00	65,000.00			
Social Security System (O.A.S.I.)	85,300.00	85,300.00	68,226.77		17,073.23	
Total Deferred Charges and Statutory Expenditures	<u>150,300.00</u>	<u>150,300.00</u>	<u>133,226.77</u>		<u>17,073.23</u>	
Surplus (General Budget)	<u>150,000.00</u>	<u>150,000.00</u>	<u>150,000.00</u>			
Total Utility Appropriations	<u>\$ 3,177,320.00</u>	<u>\$ 3,177,320.00</u>	<u>\$ 2,667,722.37</u>	<u>\$ 222,965.00</u>	<u>\$ 285,596.87</u>	<u>\$ 1,035.76</u>
Disbursements			\$ 2,485,458.13			
Accrued Interest:						
Interest on Bonds and Notes			182,264.24			
			<u>\$ 2,667,722.37</u>			

See Independent Accountants' Compilation Report

FOR THE YEARS ENDED 2024 AND 2023

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Pennsauken, in the County of Camden, State of New Jersey, as of December 31, 2024 and 2023, and 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, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

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

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

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

Basis for Opinions on Regulatory Basis of Accounting

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

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

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

Emphasis of Matter

Change in Accounting Principle

As discussed in note 1 to the financial statements, during the year ended December 31, 2024, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The adoption of this new accounting principle resulted in an updated measurement of compensated absences in accordance with the Statement (note 10). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only impacted financial statement disclosures. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Scott P. Barron

Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
September 30, 2025

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2024 and 2023

ASSETS:	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Regular Fund:			
Cash -- Treasurer	SA-1	\$ 19,214,582.35	\$ 10,119,121.76
Cash -- Change Funds	SA-3	1,725.00	1,725.00
Due from State of New Jersey -- Veterans' and Senior Citizens' Deductions	SA-14	6,688.99	9,438.99
		<u>19,222,996.34</u>	<u>10,130,285.75</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	1,438,287.56	2,115,533.91
Tax Title Liens Receivable	SA-6	1,003,915.74	910,783.76
Municipal Assessments Receivable	SA-7	18,843.34	20,036.95
Payments in Lieu of Taxes Receivable	SA-8	304,603.45	117,138.38
Protested Checks Receivable	SA-9	837.18	837.18
Due from Camden County Municipal Utility Authority	SA-2	2,489.37	1,778.52
Due from Township of Pennsauken Sewerage Authority	SA-2	74.45	
Revenue Accounts Receivable	SA-10	29,086.13	14,637.22
Property Acquired for Taxes (at Assessed Valuation)	SA-11	7,213,200.00	7,213,200.00
Due from Animal Control Fund	SB-2		55,071.89
Due from Trust Other Fund	SB-6	79,365.94	177,730.61
		<u>10,090,703.16</u>	<u>10,626,748.42</u>
Deferred Charges:			
Special Emergency (N.J.S.A.40A:4-53)	SA-12	1,040,000.00	1,300,000.00
		<u>1,040,000.00</u>	<u>1,300,000.00</u>
Total Regular Fund		<u>30,353,699.50</u>	<u>22,057,034.17</u>
Federal and State Grant Fund:			
Cash -- Treasurer	SA-1	9,789,624.32	4,868,105.07
Federal, State and Local Grants Receivable	SA-27	25,612,661.80	23,852,544.27
Due from Current Fund	SA-1	0.03	
Total Federal and State Grant Fund		<u>35,402,286.15</u>	<u>28,720,649.34</u>
Total Assets		<u>\$ 65,755,985.65</u>	<u>\$ 50,777,683.51</u>

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2024 and 2023

LIABILITIES, RESERVES AND FUND BALANCE:			
	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Regular Fund:			
Liabilities:			
Accounts Payable	A, SA-16	\$ 234,863.73	\$ 156,508.55
Due to Township of Pennsauken Library	SA-13	3,640.00	3,640.00
Reserve for Encumbrances	SA-15	699,472.65	858,993.34
Appropriation Reserves	A-3, SA-16	1,704,388.46	1,260,651.78
Prepaid Taxes	SA-17	1,154,865.30	1,166,876.29
Tax Overpayments	SA-18	18,813.15	50,065.41
Due to State of New Jersey:			
Training Fees -- Surcharge	SA-19	40,520.00	17,913.00
Marriage and Domestic Partner Licenses	SA-20	4,905.00	3,746.00
Due to County for Added and Omitted Taxes	SA-22	120,961.13	52,638.93
Local School Taxes Payable	SA-23	29.67	29.67
Special Emergency Notes Payable	SA-1	1,040,000.00	1,300,000.00
Reserve for Municipal Relief Aid	A-2		573,592.39
Reserve for Election Expenses	SA-1	7,800.00	5,100.00
Due to Camden County Improvement Authority	SA-25	862,153.44	582,248.51
Due to Township of Pennsauken Sewerage Authority	SA-2		531.34
Reserve for Revaluation Program	SA-26	267,463.69	495,057.19
Due to Federal and State Grant Fund	SA-1	0.03	
Due to Animal Control Fund	SB-2	91.80	
Due to General Capital Fund	SC-1	5,285,000.00	
		<u>11,444,968.05</u>	<u>6,527,592.40</u>
Reserves for Receivables and Other Assets		10,090,703.16	10,626,748.42
Fund Balance	A-1	<u>8,818,028.29</u>	<u>4,902,693.35</u>
Total Regular Fund		<u>30,353,699.50</u>	<u>22,057,034.17</u>
Federal and State Grant Fund:			
Liabilities:			
Reserve for Federal, State and Local Grants --			
Unappropriated	SA-28	33,096.55	32,016.93
Appropriated	SA-29	7,990,440.43	18,553,938.77
Reserve for Encumbrances	SA-29	<u>27,378,749.17</u>	<u>10,134,693.64</u>
Total Federal and State Grant Fund		<u>35,402,286.15</u>	<u>28,720,649.34</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 65,755,985.65</u>	<u>\$ 50,777,683.51</u>

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

TOWNSHIP OF PENNSAUKEN
CURRENT FUND

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

	<u>2024</u>	<u>2023</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 3,200,000.00	\$ 3,200,000.00
Miscellaneous Revenues Anticipated	26,848,311.32	27,865,018.32
Receipts from Delinquent Taxes	1,899,839.10	1,602,139.20
Receipts from Current Taxes	102,395,019.92	99,315,789.39
Non-Budget Revenues	422,445.80	580,252.18
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,019,314.24	928,681.80
Statutory Excess in Reserve for Animal Control Fund		55,071.89
Liquidation of Reserves for:		
Due from Federal and State Grant Fund		22,444.91
Due from Animal Control Fund	55,071.89	
Due from Trust Other Fund	98,364.67	
Total Income	135,938,366.94	133,569,397.69
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	18,848,550.00	17,509,100.00
Other Expenses	15,021,307.00	14,580,715.00
Deferred Charges and Regulatory Expenditures Within "CAPS"	5,731,490.00	5,412,621.00
Operations Excluded from "CAPS":		
Salaries and Wages	367,626.01	723,375.58
Other Expenses	11,103,790.35	14,936,229.86
Capital Improvements Excluded from "CAPS"	187,900.00	146,000.00
Municipal Debt Service Excluded from "CAPS"	4,436,547.75	4,738,747.00
Deferred Charges - Municipal - Excluded from "CAPS"	260,000.00	
Prior Year Veterans' and Senior Citizens' Deductions Disallowed	17,500.00	24,548.70
County Taxes	21,172,218.46	22,729,205.86
Due County for Added and Omitted Taxes	120,961.13	52,638.93
Local School District Taxes	46,753,951.00	45,119,822.00
Garbage District Taxes	4,800,405.00	4,706,280.00

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND

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

	<u>2024</u>	<u>2023</u>
<u>Expenditures (Cont'd)</u>		
Creation of Reserves for:		
Due from Animal Control Fund		\$ 47,233.64
Due from Trust Other Fund		177,730.61
Due from Township of Pennsauken Sewerage Authority	\$ 74.45	
Due from Camden County Municipal Utilities Authority	710.85	1,778.52
Total Expenditures	128,823,032.00	130,906,026.70
Excess in Revenue	7,115,334.94	2,663,370.99
Adjustment to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred		
Charges to Budget of the Succeeding Year		1,300,000.00
Regulatory Excess to Fund Balance	7,115,334.94	3,963,370.99
<u>Fund Balance</u>		
Balance January 1	4,902,693.35	4,139,322.36
	12,018,028.29	8,102,693.35
Decreased by:		
Utilization as Anticipated Revenue	3,200,000.00	3,200,000.00
Balance December 31	\$ 8,818,028.29	\$ 4,902,693.35

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

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2024

	<u>Anticipated</u>	<u>Special</u>		<u>Excess or</u>
	<u>Budget</u>	<u>N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>(Deficit)</u>
Surplus Anticipated	\$ 3,200,000.00		\$ 3,200,000.00	
Miscellaneous Revenues - Local Revenues:				
Licenses:				
Alcoholic Beverages	55,000.00		63,015.00	\$ 8,015.00
Other	20,532.00		20,797.00	265.00
Fees and Permits	1,234,000.00		1,247,456.27	13,456.27
Fines and Costs:				
Municipal Court	378,000.00		355,960.26	(22,039.74)
Interest and Costs on Taxes	355,000.00		428,211.96	73,211.96
Interest on Investments and Deposits	918,071.00		2,009,796.52	1,091,725.52
Anticipated Utility Operating Surplus	150,000.00		150,000.00	
Swimming Pool Admissions	84,000.00		96,495.00	12,495.00
Cable Franchise Fees	105,885.00		169,821.71	63,936.71
Miscellaneous Revenues - State Aid Without Offsetting Appropriations:				
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	5,564,724.00		5,564,724.00	
Municipal Relief Fund Aid	573,592.39		573,592.39	
Miscellaneous Revenues - Dedicated Uniform Construction Code Fees				
Offset with Appropriations:				
Uniform Construction Code Fees	900,000.00		1,372,223.00	472,223.00
Miscellaneous Revenues - Special Items of Revenue Anticipated with Prior				
Written Consent of Director of Local Government Services - Public and				
Private Revenues Offset with Appropriations:				
National Opioid Settlement Proceeds		\$ 347,626.01	347,626.01	
FEMA Emergency Management Assistance Grant		20,000.00	20,000.00	
Body Armor Replacement Fund Grant	6,130.95		6,130.95	
Camden County Open Space - Pennsauken/Merchantville Trail		65,000.00	65,000.00	
2024 Local Recreation Improvement Grant		71,000.00	71,000.00	
NJDOT Transportation Alternatives - Burlington Camden Trail		584,451.85	584,451.85	
NJDOT Transportation Alternatives Program Multi-Use Trail		151,900.55	151,900.55	
ARP Firefighter Grant	40,000.00		40,000.00	
NJ DEP Green Acres - Jake's Place		702,750.00	702,750.00	
Energy Efficiency and Conservation Block Grant Program	76,290.00		76,290.00	
NJ BPU Community Energy Plan Grant		25,000.00	25,000.00	
2022 Safety Incentive Grant	1,100.00	2,000.00	3,100.00	
2023 Safety Incentive Grant	1,000.00		1,000.00	
2024 Community Center Capital Improvements	3,000,000.00		3,000,000.00	
2024 Legislative Grant - Community Center		5,000,000.00	5,000,000.00	
Miscellaneous Revenues - Special Items of General Revenue Anticipated				
with Prior Written Consent of Director of Local Government Services - Other				
Special Items:				
Emergency Medical Technician Billing Fees	1,188,000.00		1,222,254.10	34,254.10
Pollution Control Financing Authority of Camden County -- Landfill	250,000.00		250,000.00	
Payments in Lieu of Taxes	1,300,000.00		2,318,777.47	1,018,777.47
Uniform Fire Safety Act -- Life Hazard Use Fees	200,000.00		342,672.28	142,672.28
Pennsauken Sewerage Authority - Payment in Lieu of Taxes	150,000.00		150,000.00	
Merchantville - Pennsauken Water Commission Antenna Fee - Share	418,265.00		418,265.00	
Total Miscellaneous Revenues	16,969,590.34	6,969,728.41	26,848,311.32	2,908,992.57

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2024

	<u>Budget</u>	<u>Anticipated</u> Special N.J.S. 40A:4-87	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Receipts from Delinquent Taxes	\$ 1,300,000.00		\$ 1,899,839.10	\$ 599,839.10
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	29,560,961.25		31,587,597.97	2,026,636.72
Minimum Library Tax	1,120,889.00		1,120,889.00	
Total Amount to be Raised by Taxes for Support of Municipal Budget	30,681,850.25		32,708,486.97	2,026,636.72
Budget Totals	52,151,440.59	\$ 6,969,728.41	64,656,637.39	5,535,468.39
Non-Budget Revenues			422,445.80	422,445.80
Total Revenues	\$ 52,151,440.59	\$ 6,969,728.41	\$ 65,079,083.19	\$ 5,957,914.19

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2024

Analysis of Realized Revenues

Allocation of Current Tax Collections:		
Revenue from Collections		\$ 102,395,019.92
Allocated to:		
School, County and Garbage District Taxes		<u>72,847,535.59</u>
Balance for Support of Municipal Budget Appropriations		29,547,484.33
Add: Appropriation "Reserve for Uncollected Taxes"		<u>3,161,002.64</u>
Amount for Support of Municipal Budget Appropriations		<u><u>\$ 32,708,486.97</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		\$ 1,886,840.53
Tax Title Lien Collections		<u>12,998.57</u>
		<u><u>\$ 1,899,839.10</u></u>
Licenses -- Other:		
Construction Code Official:		
Builder	\$ 10,375.00	
Clerk:		
Bingo	20.00	
Board of Health	3,980.00	
Limousine	100.00	
Marriage	772.00	
Peddler / Solicitor	1,550.00	
Precious Metals	1,100.00	
Raffle	400.00	
Used Car Lot	<u>2,500.00</u>	
	<u>10,422.00</u>	
		<u><u>\$ 20,797.00</u></u>
Fees and Permits:		
Construction Code Official:		
Building Permits	\$ 869,961.00	
Certificates of Occupancy	16,425.00	
Electrical Permits	239,802.00	
Fire Sub code Permits	57,996.00	
Plumbing Permits	161,274.00	
Street Opening Permits	<u>26,765.00</u>	
		<u><u>\$ 1,372,223.00</u></u>

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2024

Analysis of Realized Revenues (Cont'd)

Fees and Permits -- Other:

Construction Code Official:

Housing Code Letters	\$ 45,200.00
Rent Board Applications	100.00
Smoke Detector Inspections	33,980.00
Trash Dumpster Permit	<u>6,150.00</u>

\$ 85,430.00

Recreation

15,014.00

Clerk:

Bid Specifications	1,050.00
Burial Permits	10,765.00
Trailer Park Permits	4,020.00
Vital Statistics	6,553.74
Cannabis Fees	<u>99,674.68</u>

122,063.42

Fire Department:

Fire Inspection Fees	307,720.00
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Police Department:

Fees and Permits	13,435.00
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Planning and Zoning:

Fees and Permits	29,838.93
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Abandoned and Vacant Property Initiative:

Abandoned Property Registration	2,550.00
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Treasurer:

Cellular Telephone Agreements	52,868.37
Outdoor Sign Rental	60,611.78
Hotel Tax	66,124.77
Rental and Foreclosure Registration Fees	<u>491,800.00</u>

671,404.92

\$ 1,247,456.27

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2024

Analysis of Non-Budget Revenues

Miscellaneous Revenues not Anticipated:

Revenue Accounts Receivable:

Construction Code Official:

Penalties and Fines	\$ 53,705.00
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Tax Office:

Miscellaneous Fees	\$ 66,311.36
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Municipal Assessments Receivable	1,193.61
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	67,504.97
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	\$ 121,209.97
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Treasurer:

Receipts:

Board Up Charges	2,784.00
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Clerk Office Miscellaneous	1,250.00
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Forfeited Tax Liens	44,100.00
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Grass Cutting Charges	4,901.00
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Insufficient Funds Fees	3,596.44
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Sale of Scrap Metal	5,329.17
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Senior Citizen and Veteran Deductions - Administrative Fee	3,815.00
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Shared Service Agreements	66,000.00
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Police Records	29,668.00
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Police Miscellaneous	82,946.40
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Public Works Reimbursements	14,750.60
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Miscellaneous Refunds	42,095.22
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	301,235.83
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	\$ 422,445.80
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The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS"						
General Government:						
Mayor and Township Committee						
Salaries and Wages	\$ 89,000.00	\$ 89,000.00	\$ 85,299.80		\$ 3,700.20	
Other Expenses	11,000.00	11,000.00	9,159.26	\$ 400.00	1,440.74	
Administrative and Executive						
Salaries and Wages	609,000.00	609,000.00	595,848.93		13,151.07	
Other Expenses	20,000.00	26,500.00	20,448.03	42.81	6,009.16	
Municipal Clerk's Office						
Salaries and Wages	224,000.00	224,000.00	221,414.59		2,585.41	
Other Expenses	66,800.00	66,800.00	53,259.48	1,747.38	11,793.14	
Communications						
Salaries and Wages	61,000.00	64,000.00	62,090.11		1,909.89	
Other Expenses	5,900.00	15,900.00	8,474.68		7,425.32	
Data Processing Center						
Other Expenses	186,000.00	221,000.00	171,101.30	23,967.58	25,931.12	
Financial Administration						
Salaries and Wages	428,200.00	405,200.00	403,540.00		1,660.00	
Other Expenses	113,000.00	131,000.00	111,511.83	11,708.09	7,780.08	
Assessment of Taxes						
Salaries and Wages	188,600.00	168,600.00	166,384.72		2,215.28	
Other Expenses	16,300.00	16,300.00	13,428.81		2,871.19	
Collection of Taxes						
Salaries and Wages	251,100.00	251,100.00	239,402.43		11,697.57	
Other Expenses	53,100.00	43,100.00	30,815.79		12,284.21	
Audit Services						
Other Expenses	100,000.00	91,650.00	91,650.00			
Legal Services and Costs						
Other Expenses	250,000.00	405,000.00	321,874.98	76,728.43	6,396.59	
Human Resources						
Salaries and Wages	154,000.00	154,000.00	151,535.83		2,464.17	
Other Expenses	4,500.00	9,000.00	5,296.20		3,703.80	
Municipal Prosecutor						
Salaries and Wages	70,000.00	70,000.00	66,019.68		3,980.32	

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
General Government (Cont'd):						
Municipal Court						
Salaries and Wages	\$ 438,300.00	\$ 438,300.00	\$ 427,230.30		\$ 11,069.70	
Other Expenses	43,900.00	43,900.00	42,672.45	\$ 26.44	1,201.11	
Engineering Services and Costs						
Salaries and Wages	101,900.00	25,900.00	25,407.65		492.35	
Other Expenses	80,200.00	92,700.00	22,352.65	69,402.30	945.05	
Public Buildings and Grounds						
Salaries and Wages	160,700.00	140,700.00	130,070.44		10,629.56	
Other Expenses	76,500.00	111,500.00	88,507.46	2,886.45	20,106.09	
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board						
Salaries and Wages	104,000.00	96,500.00	92,640.55		3,859.45	
Other Expenses	15,450.00	15,450.00	8,790.28		6,659.72	
Zoning Board						
Salaries and Wages	92,000.00	77,000.00	74,874.05		2,125.95	
Other Expenses	41,000.00	41,000.00	20,059.65		20,940.35	
Insurance						
Employee Group Health	8,143,722.00	7,943,722.00	7,603,738.66	1,839.70	338,143.64	
General Liability	527,000.00	527,000.00	522,954.80		4,045.20	
Workers' Compensation	592,109.00	592,109.00	557,101.17		35,007.83	
Economic Development						
Salaries and Wages	20,000.00					
Other Expenses	80,000.00	135,000.00	94,081.00		40,919.00	
Dog Warden						
Other Expenses	134,000.00	134,000.00	134,000.00			
Department of Public Safety:						
Bureau of Fire Prevention:						
Uniform Fire Safety Act (P.L. 1983, Ch. 383)						
Salaries and Wages	206,000.00	166,000.00	156,583.50		9,416.50	
Other Expenses	16,150.00	16,150.00	9,660.84	6,442.08	47.08	

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Department of Public Safety (Cont'd):						
Fire Department						
Salaries and Wages	\$ 2,187,000.00	\$ 2,331,000.00	\$ 2,217,839.46		\$ 113,160.54	
Other Expenses:						
Fire Department	435,010.00	455,010.00	406,387.16	\$ 39,300.07	9,322.77	
Fire Hydrant Service	56,650.00	69,650.00	62,542.41		7,107.59	
Police						
Salaries and Wages	9,845,000.00	9,439,350.00	9,145,946.77		293,403.23	
Other Expenses	584,839.00	584,839.00	246,825.49	308,699.55	29,313.96	
Traffic Control						
Salaries and Wages	301,000.00	276,000.00	268,896.00		7,104.00	
Other Expenses	10,085.00	10,085.00	7,386.33	1,485.00	1,213.67	
First Aid Organization						
Salaries and Wages	1,107,000.00	1,122,000.00	1,100,671.19		21,328.81	
Emergency Management Services						
Other Expenses	10,000.00	31,000.00	10,098.25	20,815.95	85.80	
Uniform Construction Code - Appropriations Offset by						
Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Construction Code Official						
Salaries and Wages	846,600.00	835,600.00	775,058.43		60,541.57	
Other Expenses	57,400.00	47,400.00	21,648.12	2,559.34	23,192.54	
Streets and Roads:						
Public Works						
Salaries and Wages	1,362,100.00	1,262,100.00	1,193,881.99		68,218.01	
Other Expenses	189,350.00	189,350.00	116,146.66	11,385.70	61,817.64	
Township Garage						
Salaries and Wages	460,500.00	460,500.00	426,204.36		34,295.64	
Other Expenses	348,500.00	348,500.00	247,725.47	72,909.37	27,865.16	

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Health and Welfare:						
Senior Citizens of Pennsauken Township						
Other Expenses	\$ 6,500.00	\$ 6,500.00	\$ 3,204.21		\$ 3,295.79	
Utility Expenses:						
Motor Fuels	332,000.00	332,000.00	271,062.61	\$ 24,884.92	36,052.47	
Electricity	395,740.00	435,740.00	358,164.65	452.20	77,123.15	
Telephone	164,726.00	213,226.00	185,331.50	11,767.21	16,127.29	
Natural Gas and Propane	35,700.00	45,700.00	42,902.96		2,797.04	
Sewerage Authority	13,526.00	13,526.00	8,823.62		4,702.38	
Street Lighting	695,000.00	829,000.00	769,943.52		59,056.48	
Postage	51,000.00	51,000.00	31,591.72	22.93	19,385.35	
Recreation and Education:						
Recreation						
Salaries and Wages	78,800.00	78,800.00	78,796.89		3.11	
Other Expenses	130,000.00	130,000.00	103,591.99	4,581.15	21,826.86	
Swimming Pool						
Salaries and Wages	85,200.00	62,900.00	62,858.30		41.70	
Other Expenses	55,000.00	62,800.00	61,689.84	750.00	360.16	
Celebration of Public Events, Anniversary or Holiday						
Other Expenses	170,000.00	184,300.00	153,920.46	2,868.00	27,511.54	
Historical Preservation						
Other Expenses	10,500.00	10,500.00	10,500.00			
Environment Commission						
Other Expenses	1,500.00	1,500.00			1,500.00	
Shade Tree Commission						
Salaries and Wages	1,000.00	1,000.00	900.00		100.00	
Other Expenses	2,750.00	2,750.00	840.00	1,800.00	110.00	
Unclassified:						
Accumulated Leave						
Other Expenses	75,000.00	276,150.00	276,150.00			
Contingent Expenses	1,000.00	1,000.00			1,000.00	
Total Operations within "CAPS"	<u>33,880,407.00</u>	<u>33,869,857.00</u>	<u>31,506,812.26</u>	<u>699,472.65</u>	<u>1,663,572.09</u>	
Detail:						
Salaries and Wages	19,472,000.00	18,848,550.00	18,169,395.97		679,154.03	
Other Expenses (Including Contingent)	<u>14,408,407.00</u>	<u>15,021,307.00</u>	<u>13,337,416.29</u>	<u>699,472.65</u>	<u>984,418.06</u>	

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
MUNICIPAL -- WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System and ERI Liability	\$ 1,252,095.00	\$ 1,257,145.00	\$ 1,257,099.84		\$ 45.16	
Social Security System (O.A.S.I.)	877,870.00	839,370.00	801,779.19		37,590.81	
Unemployment Insurance	65,000.00	65,000.00	64,780.69		219.31	
Police and Fireman's Retirement System of N.J.	3,505,975.00	3,549,975.00	3,549,842.17		132.83	
Defined Contribution Retirement Program (DCRP)	20,000.00	20,000.00	17,171.74		2,828.26	
Total Statutory Expenditures	<u>5,720,940.00</u>	<u>5,731,490.00</u>	<u>5,690,673.63</u>		<u>40,816.37</u>	
Total Deferred Charges and Statutory Expenditures						
Municipal -- Within "CAPS"	<u>5,720,940.00</u>	<u>5,731,490.00</u>	<u>5,690,673.63</u>		<u>40,816.37</u>	
Total General Appropriations for Municipal Purposes --						
Within "CAPS"	<u>39,601,347.00</u>	<u>39,601,347.00</u>	<u>37,197,485.89</u>	<u>\$ 699,472.65</u>	<u>1,704,388.46</u>	
OPERATIONS -- EXCLUDED FROM "CAPS"						
Maintenance of Free Public Library (P.L. 1985, Ch. 82 & 541)	1,120,889.00	1,120,889.00	1,120,889.00			
Employee Group Health	<u>256,278.00</u>	<u>256,278.00</u>	<u>256,278.00</u>			
Total Other Operations Excluded from "CAPS"	<u>1,377,167.00</u>	<u>1,377,167.00</u>	<u>1,377,167.00</u>			
Public and Private Programs Off-Set by Revenues:						
Body Armor Replacement Fund						
Other Expenses	6,130.95	6,130.95	6,130.95			

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>			<u>Canceled</u>
OPERATIONS -- EXCLUDED FROM "CAPS" (Cont'd)						
Public and Private Programs Off-Set by Revenues (Cont'd):						
New Jersey Safety Incentive Grant (N.J.S. 40A:4-87, \$2,100.00+)	\$ 2,100.00	\$ 4,100.00	\$ 4,100.00			
Camden County Open Space - Pennsauken/Merchantville Trail						
Other Expenses (N.J.S.A. 40A:4-87, \$65,000.00+)		65,000.00	65,000.00			
Local Recreation Improvement Grant (N.J.S. 40A:4-87, \$71,000.00+)		71,000.00	71,000.00			
National Opiod Settlement (N.J.S.A. 40A:4-87, \$347,626.01+)		347,626.01	347,626.01			
New Jersey Department of Transportation Alternatives						
Program Multi Use Trail (N.J.S.A. 40A:4-87, \$151,900.55+)		151,900.55	151,900.55			
FEMA Emergency Management Assistance						
Program (N.J.S.A. 40A:4-87, \$20,000.00+)		20,000.00	20,000.00			
Burlington-Camden Trail Department of Transportation						
(N.J.S.A. 40A:4-87, \$584,451.85+)		584,451.85	584,451.85			
New Jersey Department of Community Affairs						
2024 Legislative Grant (N.J.S.A. 40A:4-87, \$5,000,000.00+)		5,000,000.00	5,000,000.00			
Energy Efficiency and Conservation Block Grant Program	76,290.00	76,290.00	76,290.00			
New Jersey BPU Community Energy Plan						
Grant (N.J.S. 40A:4-87, \$25,000.00+)		25,000.00	25,000.00			
New Jersey Department of Community Affairs						
2024 ARP - Firefighter Grant	40,000.00	40,000.00	40,000.00			
New Jersey DEP - Green Acres Jake's						
Place (N.J.S. 40A:4-87, \$702,750.00+)		702,750.00	702,750.00			
Community Center Capital Project	3,000,000.00	3,000,000.00	3,000,000.00			
Total Public and Private Programs Offset by Revenues	3,124,520.95	10,094,249.36	10,094,249.36			
Total Operations - Excluded from "CAPS"	4,501,687.95	11,471,416.36	11,471,416.36			
Detail:						
Salaries and Wages		367,626.01	367,626.01			
Other Expenses (Including Contingent)	4,501,687.95	11,103,790.35	11,103,790.35			
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"						
Capital Improvement Fund	187,900.00	187,900.00	187,900.00			
Total Capital Improvement Program -- Excluded from "CAPS"	187,900.00	187,900.00	187,900.00			

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 2,890,659.00	\$ 2,890,659.00	\$ 2,890,659.00			
Interest on Bonds	1,383,844.00	1,383,844.00	1,383,843.25			\$ 0.75
Interest on Notes	165,000.00	165,000.00	162,045.50			2,954.50
Total Municipal Debt Service -- Excluded from "CAPS"	4,439,503.00	4,439,503.00	4,436,547.75			2,955.25
DEFERRED CHARGES - MUNICIPAL- EXCLUDED FROM "CAPS"						
Special Emergency Authorizations -- { 5 Years (N.J.S. 40A:4-53)	260,000.00	260,000.00	260,000.00			
Total Deferred Charges - Municipal- Excluded from "CAPS"	260,000.00	260,000.00	260,000.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	9,389,090.95	16,358,819.36	16,355,864.11			2,955.25
Subtotal General Appropriations	48,990,437.95	55,960,166.36	53,553,350.00	\$ 699,472.65	\$ 1,704,388.46	2,955.25
Reserve for Uncollected Taxes	3,161,002.64	3,161,002.64	3,161,002.64			
Total General Appropriations	<u>\$ 52,151,440.59</u>	<u>\$ 59,121,169.00</u>	<u>\$ 56,714,352.64</u>	<u>\$ 699,472.65</u>	<u>\$ 1,704,388.46</u>	<u>\$ 2,955.25</u>
Appropriated by N.J.S.A. 40A:4-87		\$ 6,969,728.41				
Budget		<u>52,151,440.59</u>				
		<u>\$ 59,121,169.00</u>				
Disbursements			\$ 43,199,100.64			
Reserve for Federal, State and Local Grants -- Appropriated			10,094,249.36			
Deferred Charge - Special Emergency Authorization 40A:4-53			260,000.00			
Reserve for Uncollected Taxes			<u>3,161,002.64</u>			
			<u>\$ 56,714,352.64</u>			

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

TOWNSHIP OF PENNSAUKEN
TRUST FUNDS
Statements of Assets, Liabilities and Reserves -- Regulatory Basis
As of December 31, 2024 and 2023

ASSETS:	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Animal Control Fund:			
Cash	SB-1		\$ 66,550.29
Due from Current Fund	SB-2	\$ 91.80	
Total Animal Control Fund		91.80	66,550.29
Other Funds:			
Cash	SB-1	5,582,265.94	6,287,006.27
Mortgages Receivable	B	8,983.25	8,983.25
Housing Rehabilitation Program Inventory	B	72,000.00	72,000.00
Community Development Block Grant Receivable	SB-5	390,000.00	178,299.60
Total Other Funds		6,053,249.19	6,546,289.12
Total Assets		\$ 6,053,340.99	\$ 6,612,839.41
LIABILITIES AND RESERVES:			
Animal Control Fund:			
Due to State of New Jersey	SB-3	\$ 91.80	\$ 81.60
Reserve for Animal Control Fund Expenditures	SB-4		11,396.80
Due to Current Fund	SB-2		55,071.89
Total Animal Control Fund		91.80	66,550.29
Other Funds:			
Due to Current Fund	SB-6	79,365.94	177,730.61
Due to Bank	B	134.45	134.45
Due to General Capital Fund	C	5,000.00	5,000.00
Reserve for Payroll Deductions Payable	SB-7	199,688.54	182,723.92
Reserve for Economic Development -- Urban Development Action Grant	B	328.64	328.64
Reserve Community Development Block Grant	SB-8	341,310.78	122,237.78
Reserve for Section 8 Program	SB-9	62,195.93	53,582.42
Miscellaneous Trust Reserves:			
Reserve for Street Opening Deposits	SB-10	38,000.00	34,500.00
Reserve for Escrow Deposits	SB-10	137,588.95	691,976.74
Reserve for Unemployment Compensation Insurance	SB-10	88,596.54	59,219.44
Reserve for Parking Offense Adjudication Act	SB-10	726.14	756.81
Reserve for Public Defender	SB-10		9,914.87
Reserve for Planning and Zoning Deposits	SB-10	1,057,360.02	759,725.38
Reserve for Special Law Enforcement Officers: State Allocation	SB-10	105,319.39	82,973.49
Reserve for Housing Trust	SB-10	481,924.46	393,668.89
Reserve for Housing Rehabilitation Program	SB-10	147,425.03	146,413.55
Reserve for Tax Title Lien Redemption	SB-10	2,502,774.19	3,190,559.03
Reserve for Worker's Compensation Insurance	SB-10	226,076.87	293,475.36
Reserve for Accumulated Leave	SB-10	153,999.61	104,598.02
Reserve for Skate Park	SB-10	3,240.00	1,740.00
Reserve for Recreation	SB-10	11,484.37	6,520.42
Reserve for Police Outside Employment	SB-10	400,974.27	217,821.16
Reserve for Police Donations	SB-10	6,525.00	6,300.00
Reserve for Donations for Township Public Events	SB-10	3,210.07	4,388.14
Total Other Funds		6,053,249.19	6,546,289.12
Total Liabilities and Reserves		\$ 6,053,340.99	\$ 6,612,839.41

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

TOWNSHIP OF PENNSAUKEN
GENERAL CAPITAL FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2024

ASSETS:	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Cash	SC-1	\$ 4,027,983.33	\$ 15,684,741.76
Deferred Charges to Future Taxation:			
Funded	SC-3	37,785,543.00	40,676,202.00
Unfunded	SC-4	21,924,950.00	18,354,850.00
Due from Current Fund	SC-1	5,285,000.00	
Due from Trust Other Fund	C	5,000.00	5,000.00
Due from State of New Jersey:			
Transportation Trust Fund Grant Receivable	SC-6	1,004,029.12	553,247.12
Total Assets		<u>\$ 70,032,505.45</u>	<u>\$ 75,274,040.88</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Improvement Authorizations:			
Funded	SC-7	\$ 852,775.64	\$ 1,140,284.70
Unfunded	SC-7	10,216,632.37	9,522,535.95
Contracts Payable	SC-8	5,917,742.07	21,341,743.57
Capital Improvement Fund	SC-9	135,400.00	135,400.00
Bond Anticipation Notes	SC-10	14,985,000.00	2,414,900.00
General Serial Bonds	SC-11	37,785,543.00	40,676,202.00
Fund Balance	C-1	139,412.37	42,974.66
Total Liabilities, Reserves and Fund Balance		<u>\$ 70,032,505.45</u>	<u>\$ 75,274,040.88</u>

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

TOWNSHIP OF PENNSAUKEN
GENERAL CAPITAL FUND
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2024

Balance December 31, 2023	\$ 42,974.66
Increased by:	
Premium Collected on Sale of Bond Anticipation Notes	<u>96,437.71</u>
Balance December 31, 2024	<u><u>\$ 139,412.37</u></u>

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

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2024 and 2023

ASSETS:	Ref.	2024	2023
Operating Fund:			
Cash	SD-1	\$ 2,500,126.46	\$ 2,291,360.41
Cash -- Change Fund	SD-3	800.00	800.00
Utility Reimbursements Accounts Receivable	SD-5	26,962.79	4,225.58
Inventory	D	65,859.43	37,885.52
Total Operating Fund		2,593,748.68	2,334,271.51
Capital Fund:			
Cash	SD-1	1,138,143.88	1,566,959.69
Fixed Capital	SD-6	7,439,239.94	7,439,239.94
Fixed Capital Authorized and Uncompleted	SD-7	5,930,000.00	3,650,000.00
Total Capital Fund		14,507,383.82	12,656,199.63
Total Assets		\$ 17,101,132.50	\$ 14,990,471.14
LIABILITIES, RESERVES AND FUND BALANCE:			
Operating Fund:			
Appropriation Reserves	D-3, SD-9	\$ 89,416.45	\$ 144,519.18
Reserve for Encumbrances	D-3, SD-9	112,106.50	339,929.25
Accounts Payable	SD-9	92,727.00	
Due State of New Jersey - Sales Tax Payable	SD-14	1,848.94	276.27
Reserve for Inventory	D	65,859.43	37,885.52
Accrued Interest on Bonds and Notes	SD-10	103,158.42	50,189.56
		465,116.74	572,799.78
Fund Balance	D-1	2,128,631.94	1,761,471.73
Total Operating Fund		2,593,748.68	2,334,271.51
Capital Fund:			
Improvement Authorizations:			
Funded	SD-11		57,500.00
Unfunded	SD-11	2,672,257.15	2,501,422.26
Reserve for Encumbrances	SD-11	386,690.65	81,450.78
Reserve for Amortization	SD-12	7,014,782.94	6,935,441.94
Deferred Reserve for Amortization	SD-17	196,500.00	182,500.00
Serial Bonds	SD-16	424,457.00	503,798.00
Capital Improvement Fund	SD-13	39,029.00	3,029.00
Reserve for Preliminary Expenses	D	38.58	38.58
Bond Anticipation Notes Payable	SD-15	3,733,500.00	2,375,000.00
Reserve for Capital Projects	D	4,000.00	4,000.00
Fund Balance	D-2	36,128.50	12,019.07
Total Capital Fund		14,507,383.82	12,656,199.63
Total Liabilities, Reserves and Fund Balance		\$ 17,101,132.50	\$ 14,990,471.14

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

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY OPERATING FUND
 Statements of Operations and Changes in Operating Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 475,000.00	\$ 435,000.00
Playing Fees	2,287,861.22	2,264,014.01
Equipment Rental Fees	461,483.99	460,683.00
Vendor Concessionaire Contract	245,479.74	265,500.00
Miscellaneous	401,487.34	259,575.34
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	171,913.29	106,182.94
	<u>4,043,225.58</u>	<u>3,790,955.29</u>
<u>Expenditures</u>		
Operating	2,594,350.00	2,480,458.00
Capital Improvements	50,000.00	132,500.00
Debt Service	248,715.37	211,598.99
Deferred Charges and Statutory Expenditures	158,000.00	155,325.00
Surplus (General Budget)	150,000.00	150,000.00
	<u>3,201,065.37</u>	<u>3,129,881.99</u>
Total Expenditures		
Excess in Revenue	842,160.21	661,073.30
<u>Fund Balance</u>		
Balance January 1	1,761,471.73	1,535,398.43
	2,603,631.94	2,196,471.73
Decreased by:		
Utilized as Revenue in Golf Course Utility Operating Budget	475,000.00	435,000.00
Balance December 31	<u>\$ 2,128,631.94</u>	<u>\$ 1,761,471.73</u>

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

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY CAPITAL FUND
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2024

Balance December 31, 2023	\$ 12,019.07
Increased by:	
Premium Collected on Sale of Bond Anticipation Notes	<u>24,109.43</u>
Balance December 31, 2024	<u><u>\$ 36,128.50</u></u>

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

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY OPERATING FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2024

	<u>Budget</u>	<u>Realized</u>	Excess or (<u>Deficit</u>)
Operating Surplus Anticipated	\$ 475,000.00	\$ 475,000.00	
Playing Fees	2,058,707.00	2,287,861.22	\$ 229,154.22
Equipment Rental Fees	428,000.00	461,483.99	33,483.99
Vendor Concessionaire Contract	265,500.00	245,479.74	(20,020.26)
Miscellaneous		401,487.34	401,487.34
	<u>\$ 3,227,207.00</u>	<u>\$ 3,871,312.29</u>	<u>\$ 644,105.29</u>
<u>Analysis of Realized Revenues:</u>			
Playing Fees:			
Greens Fees		\$ 1,868,504.22	
Golf Memberships		<u>419,357.00</u>	
			<u>\$ 2,287,861.22</u>
Equipment Rental Fees			<u>\$ 461,483.99</u>
Miscellaneous:			
Receipts:			
Pro Shop Sales		\$ 183,850.37	
Miscellaneous		35,454.07	
Interest on Investments and Deposits		<u>182,182.90</u>	
			<u>\$ 401,487.34</u>

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

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY OPERATING FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>			<u>Canceled</u>
Operating:						
Salaries and Wages	\$ 1,076,250.00	\$ 1,076,250.00	\$ 1,063,726.50		\$ 12,523.50	
Other Expenses	1,488,100.00	1,488,100.00	1,309,763.98	\$ 112,106.50	66,229.52	
Annual Audit	30,000.00	30,000.00	30,000.00			
Total Operating	2,594,350.00	2,594,350.00	2,403,490.48	112,106.50	78,753.02	
Capital Improvements:						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00			
Total Capital Improvements	50,000.00	50,000.00	50,000.00			
Debt Service:						
Payment of Bond Principal	79,341.00	79,341.00	79,341.00			
Interest on Notes	145,000.00	161,000.00	160,066.65			\$ 933.35
Interest on Bonds	50,516.00	34,516.00	9,307.72			25,208.28
Total Debt Service	274,857.00	274,857.00	248,715.37			26,141.63
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employee's Retirement System	75,000.00	75,000.00	75,000.00			
Social Security System (O.A.S.I.)	83,000.00	83,000.00	72,336.57		10,663.43	
Total Deferred Charges and Statutory Expenditures	158,000.00	158,000.00	147,336.57		10,663.43	
Surplus (General Budget)	150,000.00	150,000.00	150,000.00			
Total Utility Appropriations	<u>\$ 3,227,207.00</u>	<u>\$ 3,227,207.00</u>	<u>\$ 2,999,542.42</u>	<u>\$ 112,106.50</u>	<u>\$ 89,416.45</u>	<u>\$ 26,141.63</u>
Disbursements			\$ 2,830,168.05			
Accrued Interest:						
Interest on Bonds and Notes			169,374.37			
			<u>\$ 2,999,542.42</u>			

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

TOWNSHIP OF PENNSAUKEN
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts -- Regulatory Basis
For the Year Ended December 31, 2024

	Balance <u>Dec. 31, 2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2024</u>
General Fixed Assets:				
Land and Buildings (at Assessed Valuation)	\$ 38,525,500.00			\$ 38,525,500.00
Computers and Computer Equipment	253,040.82			253,040.82
Furniture and Equipment	14,076,741.23	\$ 611,163.45	\$ 50,146.00	14,637,758.68
Vehicles	10,974,758.90	1,269,288.24	117,290.00	12,126,757.14
Total General Fixed Assets	\$ 63,830,040.95	\$ 1,880,451.69	\$ 167,436.00	\$ 65,543,056.64
Total Investment in General Fixed Assets	\$ 63,830,040.95	\$ 1,880,451.69	\$ 167,436.00	\$ 65,543,056.64

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2024, the Township's bank balances of \$36,830,488.83 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 32,395,859.72
Uninsured and Uncollateralized	<u>4,434,629.11</u>
Total	<u>\$ 36,830,488.83</u>

New Jersey Cash Management Fund - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2024, the Township's deposits with the New Jersey Cash Management Fund were \$5,926,772.88.

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$ 4.352</u>	<u>\$ 4.268</u>	<u>\$ 4.056</u>	<u>\$ 3.963</u>	<u>\$ 3.735</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.244	\$ 1.160	\$ 1.074	\$.996	\$.926
Municipal Library	.047	.046	.040	.037	.035
County	.891	.959	.894	.878	.832
Local School	1.967	1.904	1.851	1.860	1.757
Special District Tax:					
Garbage District	.203	.199	.197	.192	.185

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2024	\$ 2,376,807,809.00
2023	2,370,272,354.00
2022	2,358,511,023.00
2021	2,357,328,991.00
2020	2,352,369,818.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2024	\$ 103,975,767.14	\$ 102,395,019.92	98.48%
2023	101,376,120.16	99,315,789.39	97.97%
2022	96,021,113.74	94,320,346.82	98.23%
2021	93,602,785.62	91,777,028.66	98.05%
2020	88,084,695.05	86,216,401.87	97.88%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2024	\$ 1,003,915.74	\$ 1,438,287.56	\$ 2,442,203.30	2.35%
2023	910,783.76	2,115,533.91	3,026,317.67	2.99%
2022	844,455.43	1,838,421.88	2,682,877.31	2.79%
2021	832,055.00	1,712,157.83	2,544,212.83	2.72%
2020	854,740.26	1,644,184.05	2,498,924.31	2.84%

Note 3: PROPERTY TAXES (CONT'D)

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

<u>Year</u>	<u>Number</u>
2024	48
2023	42
2022	44
2021	57
2020	57

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2024	\$ 7,213,200.00
2023	7,213,200.00
2022	7,213,200.00
2021	7,213,200.00
2020	7,213,200.00

Note 5: MUNICIPAL ASSESSMENTS RECEIVABLE

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

<u>Year</u>	<u>Amount</u>
2024	\$ 18,843.34
2023	20,036.95
2022	68,657.88
2021	68,657.88
2020	68,657.88

Note 6: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2024	\$ 8,818,028.29	\$ 4,625,000.00	52.45%
2023	4,902,693.35	3,200,000.00	65.27%
2022	4,139,322.36	3,200,000.00	77.31%
2021	4,796,441.47	2,500,000.00	52.12%
2020	6,202,499.92	2,500,000.00	40.31%

Golf Course Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2024	\$ 2,128,632.00	\$ 500,000.00	23.49%
2023	1,761,471.73	475,000.00	26.97%
2022	1,535,398.43	435,000.00	28.33%
2021	966,214.04	435,000.00	45.02%
2020	439,066.65	237,500.00	54.09%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 79,365.94	\$ 5,285,091.83
Federal and State Grant	0.03	
Trust - Animal Control	91.80	
Trust - Other		84,365.94
General Capital	5,290,000.00	
	<u>\$ 5,369,457.77</u>	<u>\$ 5,369,457.77</u>

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

Note 8: PENSION PLANS

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

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

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

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

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

Tier Definition

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

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

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

Contributions

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

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

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

The Employer's contractually required contribution rate for the year ended December 31, 2024 was 17.05% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

Based on the most recent PERS measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 is \$1,311,678.00, and is payable by April 1, 2025. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 was \$1,318,260.00, which was paid on April 1, 2024.

Employee contributions to the Plan for the year ended December 31, 2024 were \$583,855.25.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2024 was .55% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2024, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was \$42,229.00. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$44,554.00.

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

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

The Employer's contractually required contribution rate for the year ended December 31, 2024 was 35.24% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 is \$3,417,438.00, and is payable by April 1, 2025. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 was \$3,505,975.00, which was paid on April 1, 2024.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)****Police and Firemen's Retirement System (Cont'd) –**

Employee contributions to the Plan for the year ended December 31, 2024 were \$993,098.45.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2024 was 5.97% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2024, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was \$578,640.00, and is payable by April 1, 2025. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$613,189.00, which was paid on April 1, 2024.

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

For the year ended December 31, 2024, employee contributions totaled \$22,884.54, and the Employer's contributions were \$17,171.74. There were no forfeitures during the year.

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

Pension Liability - As of December 31, 2024, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was \$13,098,312.00. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2024 measurement date, the Employer's proportion was .0963958453%, which was a decrease of -.0022373843% from its proportion measured as of June 30, 2023.

Note 8: PENSION PLANS (CONT'D)

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

Public Employees' Retirement System (Cont'd)

Pension (Benefit) Expense - For the year ended December 31, 2024, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date was \$61,435.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2024, the Employer's contribution to PERS was \$1,318,260.00, and was paid on April 1, 2024.

For the year ended December 31, 2024, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2024 measurement date, was \$42,229.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2024, the Employer's and State of New Jersey's proportionate share of the PERS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 25,512,947.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>5,029,823.00</u>
	<u>\$ 30,542,770.00</u>

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

Pension Liability (Cont'd) - The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2024 measurement date, the Employer's proportion was .2470604900%, which was a decrease of -.0163088100% from its proportion measured as of June 30, 2023. Likewise, at June 30, 2024, the State of New Jersey's proportion, on-behalf of the Employer, was .2470603300%, which was a decrease of -.0163090300% from its proportion, on-behalf of the Employer, measured as of June 30, 2023.

Pension (Benefit) Expense - For the year ended December 31, 2024, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date was \$1,140,158.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2024, the Employer's contribution to PFRS was \$3,505,975.00, and was paid on April 1, 2024.

For the year ended December 31, 2024, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2024 measurement date, was \$578,641.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2024, the Employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 262,383.00	\$ 1,607,296.00	\$ 1,869,679.00	\$ 34,871.00	\$ 873,421.00	\$ 908,292.00
Changes of Assumptions	16,272.00	40,331.00	56,603.00	149,029.00	749,273.00	898,302.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	607,333.00	199,685.00	807,018.00
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	49,206.00	2,387,990.00	2,437,196.00	1,122,307.00	3,859,348.00	4,981,655.00
Contributions Subsequent to the Measurement Date	655,839.00	1,708,719.00	2,364,558.00	-	-	-
	<u>\$ 983,700.00</u>	<u>\$ 5,744,336.00</u>	<u>\$ 6,728,036.00</u>	<u>\$ 1,913,540.00</u>	<u>\$ 5,681,727.00</u>	<u>\$ 7,595,267.00</u>

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amounts of \$655,839.00 and \$1,708,719.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2025. These amounts were based on an estimated April 1, 2026 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2024 to the Employer's year end of December 31, 2024.

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

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	-
June 30, 2023	5.08	-	6.16	-
June 30, 2024	5.08	-	6.09	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2020	5.00	-	5.00	-
June 30, 2021	-	5.00	-	5.00
June 30, 2022	5.00	-	5.00	-
June 30, 2023	-	5.00	-	5.00
June 30, 2024	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22
June 30, 2023	5.08	5.08	6.16	6.16
June 30, 2024	5.08	5.08	6.09	6.09

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

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

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2025	\$ (1,052,308.00)	\$ (1,492,723.00)	\$ (2,545,031.00)
2026	30,289.00	1,353,014.00	1,383,303.00
2027	(350,287.00)	(436,104.00)	(786,391.00)
2028	(211,741.00)	(819,784.00)	(1,031,525.00)
2029	(1,632.00)	(236,194.00)	(237,826.00)
Thereafter	-	(14,319.00)	(14,319.00)
	<u>\$ (1,585,679.00)</u>	<u>\$ (1,646,110.00)</u>	<u>\$ (3,231,789.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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

Police and Firemen's Retirement System

Employee mortality rates were based on the Pub-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 Pub-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% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2024 are summarized in the table that follows:

<u>PERS</u>			<u>PFRS</u>		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%	U.S. Large-Cap Equity	24.00%	6.90%
Non-US Developed Markets Equity	12.75%	8.85%	U.S. Small/Mid Cap Equity	4.00%	7.40%
International Small Cap Equity	1.25%	8.85%	Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Emerging Market Equity	5.50%	10.66%	Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Private Equity	13.00%	12.40%	Emerging Markets Large-Cap Equity	6.00%	9.60%
Real Estate	8.00%	10.95%	Emerging Markets Small-Cap Equity	1.50%	9.60%
Real Assets	3.00%	8.20%	U.S. Treasury Bond	7.00%	4.10%
High Yield	4.50%	6.74%	U.S. Corporate Bond	5.00%	5.90%
Private Credit	8.00%	8.90%	U.S. Mortgage-Backed Securities	5.00%	4.40%
Investment Grade Credit	7.00%	5.37%	Global Multisector Fixed Income	6.00%	6.50%
Cash Equivalents	2.00%	3.57%	Cash	2.00%	3.40%
U.S. Treasuries	4.00%	3.57%	Real Estate Core	3.00%	5.10%
Risk Mitigation Strategies	3.00%	7.10%	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%
	<u>100.00%</u>			<u>100.00%</u>	

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

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 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 would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Public Employees' Retirement System (PERS) - The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2024 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 17,404,436.00</u>	<u>\$ 13,098,312.00</u>	<u>\$ 9,433,824.00</u>

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Employer's annual required contribution. As such, the net pension liability as of the June 30, 2024 measurement date, for the Employer and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 36,452,325.00	\$ 25,512,947.00	\$ 16,402,842.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>7,186,498.00</u>	<u>5,029,823.00</u>	<u>3,233,785.00</u>
	<u>\$ 43,638,823.00</u>	<u>\$ 30,542,770.00</u>	<u>\$ 19,636,627.00</u>

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

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

Supplementary Pension Information

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

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

	Measurement Date Ended June 30,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the Net Pension Liability	0.0963958453%	0.0986332296%	0.0993756763%	0.1069821230%	0.1109123346%
Proportionate Share of the Net Pension Liability	\$ 13,098,312.00	\$ 14,286,406.00	\$ 14,997,158.00	\$ 12,673,636.00	\$ 18,086,901.00
Covered Payroll (Plan Measurement Period)	\$ 7,578,528.00	\$ 7,255,052.00	\$ 7,328,732.00	\$ 7,807,184.00	\$ 8,036,980.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	172.83%	196.92%	204.64%	162.33%	225.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%
	Measurement Date Ended June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.1038641260%	0.1028952196%	0.1017434065%	0.1010490132%	0.1019301596%
Proportionate Share of the Net Pension Liability	\$ 18,714,740.00	\$ 20,259,556.00	\$ 23,684,239.00	\$ 29,917,819.00	\$ 22,881,278.00
Covered Payroll (Plan Measurement Period)	\$ 7,376,924.00	\$ 7,202,384.00	\$ 6,959,932.00	\$ 6,942,460.00	\$ 7,029,892.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	253.69%	281.29%	340.29%	430.94%	325.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%

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

	Year Ended December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 1,311,678.00	\$ 1,318,260.00	\$ 1,253,175.00	\$ 1,252,885.00	\$ 1,213,325.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,311,678.00)</u>	<u>(1,318,260.00)</u>	<u>(1,253,175.00)</u>	<u>(1,252,885.00)</u>	<u>(1,213,325.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 7,693,824.00	\$ 7,525,454.00	\$ 7,364,931.00	\$ 7,278,570.00	\$ 7,670,452.00
Contributions as a Percentage of Covered Payroll	17.05%	17.52%	17.02%	17.21%	15.82%
	Year Ended December 31,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 1,010,292.00	\$ 1,023,475.00	\$ 942,544.00	\$ 897,705.00	\$ 876,326.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,010,292.00)</u>	<u>(1,023,475.00)</u>	<u>(942,544.00)</u>	<u>(897,705.00)</u>	<u>(876,326.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 7,829,086.00	\$ 7,491,595.00	\$ 7,305,606.00	\$ 6,953,551.00	\$ 6,936,061.00
Contributions as a Percentage of Covered Payroll	12.90%	13.66%	12.90%	12.91%	12.63%

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

	Measurement Date Ended June 30,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the Net Pension Liability	0.2470604900%	0.2633693000%	0.2897742000%	0.2555620935%	0.2551874666%
Proportionate Share of the Net Pension Liability	\$ 25,512,947.00	\$ 29,099,102.00	\$ 33,168,587.00	\$ 18,679,422.00	\$ 32,973,586.00
State's Proportionate Share of the Net Pension Liability	5,029,823.00	5,361,848.00	5,903,036.00	5,253,584.00	5,117,350.00
Total	<u>\$ 30,542,770.00</u>	<u>\$ 34,460,950.00</u>	<u>\$ 39,071,623.00</u>	<u>\$ 23,933,006.00</u>	<u>\$ 38,090,936.00</u>
Covered Payroll (Plan Measurement Period)	\$ 9,395,012.00	\$ 9,496,056.00	\$ 9,993,280.00	\$ 8,958,760.00	\$ 8,950,180.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	271.56%	306.43%	331.91%	208.50%	368.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.66%	70.16%	68.33%	77.26%	63.52%
	Measurement Date Ended June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.2628508215%	0.2590877011%	0.2692835362%	0.2768757032%	0.2699374696%
Proportionate Share of the Net Pension Liability	\$ 32,167,207.00	\$ 35,058,837.00	\$ 41,572,172.00	\$ 52,890,342.00	\$ 44,962,173.00
State's Proportionate Share of the Net Pension Liability	5,079,263.00	4,762,163.00	4,656,433.00	4,441,477.00	3,943,032.00
Total	<u>\$ 37,246,470.00</u>	<u>\$ 39,821,000.00</u>	<u>\$ 46,228,605.00</u>	<u>\$ 57,331,819.00</u>	<u>\$ 48,905,205.00</u>
Covered Payroll (Plan Measurement Period)	\$ 8,874,876.00	\$ 8,595,364.00	\$ 8,640,576.00	\$ 8,866,668.00	\$ 8,641,260.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	362.45%	407.88%	481.13%	596.51%	520.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.00%	62.48%	58.60%	52.01%	56.31%

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

	<u>Year Ended December 31,</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 3,417,438.00	\$ 3,505,975.00	\$ 3,768,668.00	\$ 2,978,485.00	\$ 2,850,880.00
Contribution in Relation to the Contractually Required Contribution	<u>(3,417,438.00)</u>	<u>(3,505,975.00)</u>	<u>(3,768,668.00)</u>	<u>(2,978,485.00)</u>	<u>(2,850,880.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 9,696,610.00	\$ 9,149,260.00	\$ 9,571,283.00	\$ 9,984,948.00	\$ 8,942,106.00
Contributions as a Percentage of Covered Payroll	35.24%	38.32%	39.37%	29.83%	31.88%
	<u>Year Ended December 31,</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 2,655,084.00	\$ 2,532,964.00	\$ 2,383,209.00	\$ 2,257,480.00	\$ 2,194,189.00
Contribution in Relation to the Contractually Required Contribution	<u>(2,655,084.00)</u>	<u>(2,532,964.00)</u>	<u>(2,383,209.00)</u>	<u>(2,257,480.00)</u>	<u>(2,194,189.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 8,818,197.00	\$ 8,943,603.00	\$ 8,642,661.00	\$ 8,472,342.00	\$ 8,672,192.00
Contributions as a Percentage of Covered Payroll	30.11%	28.32%	27.57%	26.65%	25.30%

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

Chapter 249, P.L. 2023 extends provisions of Chapter 498, P.L. 2021 for calendar years 2023 or 2024 to allow for a temporary return to employment by a former employee of the Legislature after retirement from PERS.

Changes in Assumptions

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2019	6.28%	2024	7.00%	2019	7.00%
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%

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

None.

Changes in Assumptions

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2019	6.85%	2024	7.00%	2019	7.00%
2023	7.00%	2018	6.51%	2023	7.00%	2018	7.00%
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

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

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

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

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

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

Actuarial Assumptions

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

Salary Increases *

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

Mortality:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OPEB Plan Fiduciary Net Position

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

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

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

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

	Measurement Date Ended June 30,			
	<u>2023</u>	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	0.003289%	0.003765%	0.003811%	0.003839%
Proportionate Share of the Net OPEB Liability	\$ 493,565.00	\$ 608,032.00	\$ 685,972.00	\$ 688,970.00
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>18,430,821.00</u>	<u>20,932,397.00</u>	<u>25,423,451.00</u>	<u>21,135,126.00</u>
Total	<u>\$ 18,924,386.00</u>	<u>\$ 21,540,429.00</u>	<u>\$ 26,109,423.00</u>	<u>\$ 21,824,096.00</u>
Covered Payroll (Plan Measurement Period)	\$ 16,982,656.00	\$ 17,006,937.00	\$ 16,930,053.00	\$ 16,613,420.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	2.91%	3.58%	4.05%	4.15%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	-0.79%	-0.36%	0.28%	0.91%
	Measurement Date Ended June 30,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Proportion of the Net OPEB Liability	0.003577%	0.004828%	0.004766%	
Proportionate Share of the Net OPEB Liability	\$ 484,543.00	\$ 756,384.00	\$ 973,016.00	
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>16,867,035.00</u>	<u>19,899,340.00</u>	<u>29,427,653.00</u>	
Total	<u>\$ 17,351,578.00</u>	<u>\$ 20,655,724.00</u>	<u>\$ 30,400,669.00</u>	
Covered Payroll (Plan Measurement Period)	\$ 16,796,818.00	\$ 16,210,115.00	\$ 15,556,948.00	
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	2.88%	4.67%	6.25%	
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%	

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)*****Schedule of Contributions (Last Seven Years)***

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

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

Other Notes to Supplementary OPEB Information

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

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

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

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

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

There were no changes to mortality projections.

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

TOWNSHIP OF PENNSAUKEN POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided - The Township provides postretirement health care benefits through a health plan for retirees and their families, which includes a medical, dental, prescription drug and vision plan. The Township provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: eligible retirees who retire from active employment with the Township and who have at least thirty (30) years of service with the Township and are members of the New Jersey Public Employees Retirement System (PERS) and police and fire personnel who retire with at least twenty-five (25) years of service in the Township and have at least twenty-five (25) years of service in the New Jersey Police and Firemen’s Retirement System (PFRS). Medical coverage is provided for the retirees and their families; however once Medicare age is attained by the retired employee or their spouse, Medicare is primary and the Township provides supplementary medical insurance benefits. Prescription drugs and dental benefits are provided for retirees and their families. Vision benefits are provided for retired employees. Life insurance is not provided. The plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers. Pursuant to Chapter 78 of P.L. 2011, effective June 28, 2011, retirees are required to contribute for medical and prescription drug benefits. Contributions are not required for employees with at least 20 years in the PERS or PFRS as of the effective date and meet the eligibility requirements of the employer pursuant to N.J.S.A. 40A:10-23 (i.e., age 62 with 15 years or 25 years of service). As of December 31, 2024, no retirees are required to make contributions.

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

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	176
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	198
	374

Total OPEB Liability

The Township’s total OPEB liability of \$72,484,947.00 was measured as of December 31, 2024 and was determined by an actuarial valuation as of this same date.

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

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

Discount Rate - Future costs have been discounted at the rate of 4.28% compounded annually. The rate is based upon the S&P Municipal Bond 20 Year High Grade Rate Index which consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years as of December 2024. Eligible bonds are rated at least AA by Standard and Poor’s Ratings Services, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating was used. For December 2023, future costs were discounted at the rate of 4.00% compounded annually. For December 2022, future costs were discounted at the rate of 4.31% compounded annually. For December 2021, future costs were discounted at the rate of 2.25% compounded annually. For December 2020, future costs were discounted at the rate of 1.91% compounded annually. For December 2019, future costs were discounted at the rate of 2.49% compounded annually. For December 2018, future costs were discounted at the rate of 3.64% compounded annually. Prior to 2017, an interest rate of 5% was assumed.

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**TOWNSHIP OF PENNSAUKEN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Actuarial Assumptions and Other Inputs (Cont'd) -**

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

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

Spousal Coverage - Married employees will remain married.

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

Final Average Salary - Final average salary for retirees age 55 and over is \$80,152.00.

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

Changes in Total OPEB Liability

Balance at December 31, 2023		\$ 77,956,934.00
Changes for the Year:		
Service Cost	\$ 1,573,074.00	
Interest Cost	3,058,484.00	
Benefit Payments	(2,989,664.00)	
Changes in Assumptions	(4,715,052.00)	
Difference between Expected and Actual Experience	<u>(2,398,829.00)</u>	
Net Changes		<u>(5,471,987.00)</u>
Balance at December 31, 2024		<u>\$ 72,484,947.00</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.00% at December 31, 2023 to 4.28% at December 31, 2024. The discount rate was based on the S&P Municipal Bond 20 year High Grade Bond index rate.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**TOWNSHIP OF PENNSAUKEN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

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

	December 31, 2024		
	1.00% Decrease <u>(3.28%)</u>	Current Discount Rate <u>(4.28%)</u>	1.00% Increase <u>(5.28%)</u>
Total OPEB Liability	<u>\$ 83,951,719.00</u>	<u>\$ 72,484,947.00</u>	<u>\$ 63,281,280.00</u>

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

	December 31, 2024		
	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	<u>\$ 62,657,861.00</u>	<u>\$ 72,484,947.00</u>	<u>\$ 84,908,984.00</u>

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2024, the Township recognized OPEB (benefit) expense of \$2,702,507.00. As of December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 14,782,324.33	\$ 29,177,199.50
Difference Between Expected and Actual Experience	<u>7,359,322.25</u>	<u>5,702,554.58</u>
	<u>\$ 22,141,646.58</u>	<u>\$ 34,879,754.08</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**TOWNSHIP OF PENNSAUKEN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

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

Year Ending Dec 31,	
2025	\$ (1,929,051.08)
2026	256,255.92
2027	(821,452.08)
2028	(821,452.08)
2029	(821,452.08)
Thereafter	<u>(8,600,956.08)</u>
	<u><u>\$(12,738,107.50)</u></u>

Supplementary OPEB Information

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

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

	Plan Measurement Date December 31,						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service Cost	\$ 1,573,074.00	\$ 1,421,844.00	\$ 2,705,702.00	\$ 2,987,960.00	\$ 1,366,587.00	\$ 1,010,740.00	\$ 2,032,032.00
Interest Cost	3,058,484.00	3,071,608.00	2,245,273.00	1,960,225.00	1,825,118.00	2,324,482.00	2,860,414.00
Benefit Payments	(2,989,664.00)	(2,913,375.00)	(2,913,375.00)	(2,903,326.00)	(2,903,326.00)	(2,133,411.00)	(2,133,411.00)
Changes in Assumptions	(4,715,052.00)	3,653,173.00	(27,996,681.00)	(4,879,506.00)	16,427,313.00	8,621,662.00	(4,836,402.00)
Difference Between Expected and Actual Experience	<u>(2,398,829.00)</u>		<u>(2,563,830.00)</u>	<u>-</u>	<u>12,615,981.00</u>	<u>-</u>	<u>(12,646,054.00)</u>
Net Change in Total OPEB Liability	(5,471,987.00)	5,233,250.00	(28,522,911.00)	(2,834,647.00)	29,331,673.00	9,823,473.00	(14,723,421.00)
Total OPEB Liability - Beginning of Year	<u>77,956,934.00</u>	<u>72,723,684.00</u>	<u>101,246,595.00</u>	<u>104,081,242.00</u>	<u>74,749,569.00</u>	<u>64,926,096.00</u>	<u>79,649,517.00</u>
Total OPEB Liability - End of Year	<u><u>\$ 72,484,947.00</u></u>	<u><u>\$ 77,956,934.00</u></u>	<u><u>\$ 72,723,684.00</u></u>	<u><u>\$ 101,246,595.00</u></u>	<u><u>\$ 104,081,242.00</u></u>	<u><u>\$ 74,749,569.00</u></u>	<u><u>\$ 64,926,096.00</u></u>
Covered-Employee Payroll	\$ 21,953,716.73	\$ 21,238,051.54	\$ 21,332,732.55	\$ 21,291,829.83	\$ 20,506,538.41	\$ 20,166,668.40	\$ 19,738,519.60
Total OPEB Liability as a Percentage of Covered Payroll	330.17%	367.06%	340.90%	475.52%	507.55%	370.66%	328.93%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**TOWNSHIP OF PENNSAUKEN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Other Notes to Supplementary OPEB Information**Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate changed from 4.00% at December 31, 2023 to 4.28% at December 31, 2024. For December 2022, future costs were discounted at the rate of 4.31%. For December 2021, future costs were discounted at the rate of 2.25%. For December 2020, future costs were discounted at the rate of 1.91%. For December 2019, future costs were discounted at the rate of 2.49%. For December 2018, future costs were discounted at the rate of 3.64%. Prior to 2017, an interest rate of 5% was assumed.

Note 10: COMPENSATED ABSENCES

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

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

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2024, accrued benefits for compensated absences are valued at \$3,048,324.98.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 12: LEASE LIABILITY AND LEASE ASSET

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

Golf Carts - The Township is leasing seventy-eight (78) golf carts with a total lease liability of \$766,590.00. The lease began on September 1, 2023, for a term of fifty (50) months. The implied interest rate is based on the Township's estimated incremental borrowing rate of 5.00%. The lease is not expected to be renewed at the expiration of the lease agreement. Based on this lease, the Township is making payments through October 31, 2027. The Township paid \$191,628.00 of lease payments during the year ended December 31, 2024 which were budgeted and paid from the golf course utility fund.

Under the provisions of GASB 87, as of December 31, 2024, the balance of the lease liability is \$477,544.44, and balance of the related right to use leased assets have a balance of \$464,249.49. The leases are summarized as follows:

Lease Liability and Lease Asset

<u>Description</u>	<u>Lease Liability</u>	<u>Lease Asset</u>
Golf Carts	<u>\$ 477,544.44</u>	<u>\$ 464,249.49</u>

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 171,648.96	\$ 19,979.04	\$ 191,628.00
2026	180,430.84	11,197.16	191,628.00
2027	<u>125,464.64</u>	<u>2,365.32</u>	<u>127,829.96</u>
Total	<u>\$ 477,544.44</u>	<u>\$ 33,541.52</u>	<u>\$ 511,085.96</u>

Under the provision of GASB 87, for the year ended December 31, 2024, the Township would have recognized \$174,093.60 in amortization of lease liability and \$28,333.49 in interest on leases.

As a result of the regulatory basis of accounting previously described in note 1, for the year ended December 31, 2024, lease payments of \$191,628.00 were budgeted and paid from the golf course utility fund.

Note 13: CAPITAL DEBT**General Improvement Bonds**

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

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

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 3,048,880.00	\$ 1,319,514.00	\$ 4,368,394.00
2026	3,002,101.00	1,251,584.00	4,253,685.00
2027	1,835,322.00	1,182,925.00	3,018,247.00
2028	2,108,187.00	1,125,023.00	3,233,210.00
2029	2,191,053.00	1,058,387.00	3,249,440.00
2030-2034	9,485,000.00	4,182,100.00	13,667,100.00
2035-2039	11,045,000.00	2,153,900.00	13,198,900.00
2040-2041	5,070,000.00	204,800.00	5,274,800.00
	<u>\$ 37,785,543.00</u>	<u>\$ 12,478,233.00</u>	<u>\$ 50,263,776.00</u>

Golf Course Utility Debt – General Obligation Bonds

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 81,120.00	\$ 8,229.00	\$ 89,349.00
2026	82,899.00	6,589.00	89,488.00
2027	84,678.00	4,913.00	89,591.00
2028	86,813.00	3,089.00	89,902.00
2029	88,947.00	1,056.00	90,003.00
	<u>\$ 424,457.00</u>	<u>\$ 23,876.00</u>	<u>\$ 448,333.00</u>

Note 13: CAPITAL DEBT (CONT'D)

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 52,770,543.00	\$ 43,091,102.00	\$ 43,683,284.00
Water Utility:			
Bonds and Notes MPWC (Note A)	14,569,140.24	3,466,770.48	3,606,535.09
Golf Course Utility:			
Bonds and Notes	<u>4,157,957.00</u>	<u>2,878,798.00</u>	<u>656,716.00</u>
Total Issued	<u>71,497,640.24</u>	<u>49,436,670.48</u>	<u>47,946,535.09</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	6,939,950.00	15,939,950.00	15,635,950.00
Golf Course Utility:			
Bonds and Notes	<u>2,000,000.00</u>	<u>1,092,500.00</u>	<u>950,000.00</u>
Total Authorized but not Issued	<u>8,939,950.00</u>	<u>17,032,450.00</u>	<u>16,585,950.00</u>
Total Issued and Authorized but not Issued	<u>80,437,590.24</u>	<u>66,469,120.48</u>	<u>64,532,485.09</u>
<u>Deductions</u>			
Water Utility:			
MPWC (Note A)	14,569,140.24	3,466,770.48	3,606,535.09
Golf Course Utility:			
Self-Liquidating	<u>6,157,957.00</u>	<u>3,971,298.00</u>	<u>1,606,716.00</u>
Total Deductions	<u>20,727,097.24</u>	<u>7,438,068.48</u>	<u>5,213,251.09</u>
Net Debt	<u>\$ 59,710,493.00</u>	<u>\$ 59,031,052.00</u>	<u>\$ 59,319,234.00</u>

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.698%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 28,660,000.00	\$ 28,660,000.00	
Self-Liquidating	20,727,097.24	20,727,097.24	
General	<u>59,710,493.00</u>		<u>\$ 59,710,493.00</u>
	<u>\$ 109,097,590.24</u>	<u>\$ 49,387,097.24</u>	<u>\$ 59,710,493.00</u>

Net debt \$59,710,493.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$3,516,774,325.00, equals 1.698%.

Note 13: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 123,087,101.38
Less: Net Debt	<u>59,710,493.00</u>
Remaining Borrowing Power	<u>\$ 63,376,608.38</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 3,871,312.29
Deductions:	
Operating and Maintenance Costs	\$ 2,752,350.00
Debt Service	<u>248,715.37</u>
Total Deductions	<u>3,001,065.37</u>
Excess in Revenue	<u>\$ 870,246.92</u>

Note 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

<u>Description</u>	<u>Balance December 31, 2024</u>	<u>2025 Budget Appropriation</u>
Special Emergency - Revaluation	\$ 1,040,000.00	\$ 260,000.00

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

Note 15: RISK MANAGEMENT

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

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

Note 15: RISK MANAGEMENT (CONT'D)

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ 115,000.00		\$ 856.77	\$ 86,479.67	\$ 88,596.54
2023	57,243.36		979.65	9,039.12	59,219.44
2022	9,982.00	\$ 1,530.30	64.37	12,019.28	10,035.55

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

Payments for 2024, 2023 and 2022 were \$359,553.68, \$404,240.72 and \$433,922.56, respectively. At December 31, 2024, there is a \$226,076.87 balance in the reserve. The 2025 adopted budget includes an appropriation in the amount of \$645,461.00 to fund the reserve for future claims. The management of the Township believes that the 2025 budget appropriation to fund the reserve is adequate to meet the needs of the Township and any additional funding required for claims in excess of the trust fund's reserve will be paid and charged to future budgets. There have been no settlements that exceed the Township's coverage for years ended December 31, 2024, 2023, and 2022.

Note 16: CONTINGENCIES

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

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

Note 17: CONCENTRATIONS

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

Note 18: INTERGOVERNMENTAL SERVICE AGREEMENTS

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

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

Township of Pennsauken	88.42%
Borough of Merchantville	11.58%

No payments were required to be made by the Township relative to any intergovernmental service agreements during the year 2024.

Note 19: TAX ABATEMENTS

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

For the year ended December 31, 2024, the Township abated property taxes totaling \$1,218,797.58 under these programs, including the following long-term tax exemption agreements that each exceeded ten percent (10%) of the total amount abated:

- An abatement of \$525,959.70 to the owner of a HUD approved apartment complex for affordable housing.
- An abatement of \$426,257.29 to the owner of a senior housing facility to provide for affordable housing for senior citizens.
- An abatement of \$191,699.45 to the owner of a HUD approved apartment complex for affordable housing for senior citizens.

Note 20: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
Various Capital Improvements and the Acquisition of Various Capital Equipment	5/15/2025	\$ 6,328,900.00

APPENDIX C

FORM OF BOND COUNSEL OPINIONS



May __, 2026

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

**RE: \$26,880,000 TOWNSHIP OF PENNSAUKEN, COUNTY OF CAMDEN,
NEW JERSEY, GENERAL OBLIGATION BONDS, SERIES 2026**

Mayor and Township Committee:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Bonds") by the Township of Pennsauken, County of Camden, New Jersey ("Township"). The Bonds consist of: (i) \$22,785,000 General Capital Improvement Bonds; and (ii) \$4,095,000 Golf Course Utility Bonds.

The Bonds are authorized pursuant to and in accordance with: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) the bond ordinances set forth in the Resolution (hereinafter defined), each duly and finally adopted by the Township Committee and published in accordance with the Local Bond Law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Township Council on April 2, 2026 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May __, 2026 ("Award Certificate").

The Bonds are dated their date of delivery, mature on March 1 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the interest rates per annum in the table below, payable semi-annually on March 1 and September 1, commencing March 1, 2027, in each year until maturity or earlier redemption.

<u>Year</u>	<u>General Capital Improvement Bonds</u>	<u>Golf Course Utility Bonds</u>	<u>Total Principal Amount</u>	<u>Interest Rate</u>
2027	\$765,000	\$195,000	\$960,000	%
2028	765,000	250,000	1,015,000	
2029	765,000	255,000	1,020,000	
2030	775,000	265,000	1,040,000	
2031	795,000	270,000	1,065,000	
2032	820,000	280,000	1,100,000	
2033	845,000	285,000	1,130,000	
2034	870,000	295,000	1,165,000	
2035	900,000	305,000	1,205,000	
2036	930,000	315,000	1,245,000	



<u>Year</u>	<u>General Capital Improvement Bonds</u>	<u>Golf Course Utility Bonds</u>	<u>Total Principal Amount</u>	<u>Interest Rate</u> %
2037	\$960,000	\$325,000	\$1,285,000	
2038	1,000,000	340,000	1,340,000	
2039	1,035,000	350,000	1,385,000	
2040	1,075,000	365,000	1,440,000	
2041	1,120,000	0	1,120,000	
2042	1,170,000	0	1,170,000	
2043	1,220,000	0	1,220,000	
2044	1,270,000	0	1,270,000	
2045	1,330,000	0	1,330,000	
2046	1,390,000	0	1,390,000	
2047	1,455,000	0	1,445,000	
2048	1,530,000	0	1,530,000	

The Bonds are issued in fully registered book-entry-only form without coupons, and are subject to redemption prior to maturity on the terms and conditions stated therein.

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

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

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

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

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

2. For the payment of principal and interest on the Bonds, the Township has the power and is obligated, to the extent payment is not otherwise provided, to levy *ad valorem* taxes upon all taxable real property within the Township without limitation as to rate or amount, except to the extent that enforcement



thereof may be affected by Creditors' Rights Limitations.

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

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

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

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

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



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

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

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

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

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

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

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

Very truly yours,



May __, 2026

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

**RE: \$520,000 TOWNSHIP OF PENNSAUKEN, COUNTY OF CAMDEN, NEW
JERSEY, SPECIAL EMERGENCY NOTES OF 2026, SERIES A**

Mayor and Township Committee Members:

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

The Notes are issued pursuant to and in accordance with: (i) the Local Budget Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Budget Law"); (ii) ordinance 2023-09, duly and finally adopted by the Township Committee ("Ordinance"); (iii) a resolution adopted by the Township Committee on April 2, 2026 ("Resolution"); and (iv) a Certificate of Determination and Award, executed by the Chief Financial Officer of the Township on May __, 2026 ("Award Certificate").

The Notes are dated May 20, 2026 and mature on May 19, 2027. The Notes are issued in [bearer][registered book-entry only] form without coupons and are not subject to redemption prior to maturity. The Notes are being issued by the Township to provide funds which will be used to temporarily finance the cost of a special emergency appropriation of the Township for the costs associated with a complete program of revaluation of real property.

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

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



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

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

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

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

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

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

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

Ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the



aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Notes will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Notes is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Notes.

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

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

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

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

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

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

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

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT AND FORMS OF INFORMATION REPORTING UNDERTAKING AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this ___th day of May, 2026, between the Township of Pennsauken, County of Camden, New Jersey ("Township") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Township of its General Obligation Bonds, Series 2026, in the principal amount of \$26,880,000 ("Bonds"). The Bonds consist of: (i) \$22,785,000 General Capital Improvement Bonds; and (ii) \$4,095,000 Golf Course Utility Bonds.

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the Bonds (collectively, the "Bondholders") and in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended from time to time, including administrative or judicial interpretations thereof, as it applies to the Bonds ("Rule").

SECTION 2. Definitions. Capitalized terms, not otherwise defined herein, shall, for purposes of this Disclosure Agreement, have the following meanings:

"Annual Report" shall mean, the Township's Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Commission" shall have the meaning set forth in Section 1 of this Disclosure Agreement

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the Township or the Dissemination Agent is authorized by law or contract to remain closed.

"Continuing Disclosure Information" shall mean: (i) the Annual Report; (ii) any notice required to be filed with the National Repository pursuant to Section 5 hereof; and (iii) any notice of an event required to be filed with the National Repository pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean Acacia Financial Group, Inc., Mount Laurel, New Jersey, or any successor Dissemination Agent designated in writing by the Township and which has filed with the Township 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 Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt bonds, including the 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.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"National 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.

"Official Statement" shall mean the Official Statement of the Township, dated May __, 2026, relating to the Bonds.

"Opinion of Counsel" shall mean a written opinion of counsel expert in federal securities law acceptable to the Township.

"Rule" shall have the meaning set forth in Section 1 of this Disclosure Agreement.

SECTION 3. Provision of Annual Report.

(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, 2025). 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 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 a copy 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: (i) the Township's annual financial statements, substantially in the form set forth in Appendix B to the Official Statement, audited by an independent certified public accountant, provided that the annual audited financial statements of the Township may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the Township are included in the Annual Report; and (ii) certain financial information and operating data of the Township consisting of Township indebtedness, property valuation information, and tax rate, levy and collection data. Each annual audited financial

statements will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the Division of Local Government Services in the New Jersey Department of Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following listed events ("Listed Events"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) 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 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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 obligation¹ of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The Township shall within ten (10) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8),

¹ The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

(10), (13), (14) or (15) of subsection (a) of this Section 5, the Township may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(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 two (2) 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 Obligations. The reporting obligations of the Township under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Township is no longer an Obligated Person (as defined in the Rule) with respect to the Bonds.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Township may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an Opinion of Counsel to the effect that such amendment or waiver will not, in and of itself, cause the undertakings herein to violate the Rule. No amendment to this Disclosure Agreement shall change or modify the rights or obligations of the Dissemination Agent without its written assent thereto. The Township shall give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent and the Dissemination Agent shall file such notice with the National Repository.

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Township from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement 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 Agreement. If the Township 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 Agreement, it shall not have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Default and Remedies. In the event of a failure of the Township to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Bondholders of at least twenty-five percent (25%) in aggregate principal amount of the outstanding Bonds and provision of indemnity and security for expenses satisfactory to it, shall), or any beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Township to comply with its obligations under this Disclosure Agreement. A failure of the Township to comply with any provision of this Disclosure Agreement shall not be deemed to be a default under the Bonds. The sole remedy under this Disclosure Agreement in the event of any failure of the Township to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 10. Notices. All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States

mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

(i) If to the Township:

Township of Pennsauken
2400 Merchantville Avenue
Pennsauken, NJ 08110
Attention: Chief Financial Officer

(ii) If to the Dissemination Agent:

Acacia Financial Group, Inc.
6000 Midlantic Drive
Mount Laurel, New Jersey 08054
Attention: Joshua Nyikita, Managing Director

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 10 for the giving of notice.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Township, the Dissemination Agent and the Bondholders and nothing herein contained shall confer any right upon any other person.

SECTION 12. 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 13. Compensation. The Township shall pay the Dissemination Agent from time to time reasonable compensation for all services rendered under this Disclosure Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Disclosure Agreement.

SECTION 14. 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 15. 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 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 17. 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 18. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

TOWNSHIP OF PENNSAUKEN, NEW JERSEY

By: _____
ELIZABETH PEDDICORD, Chief Financial Officer

ACACIA FINANCIAL GROUP, as Dissemination Agent

By: _____
JOSHUA NYIKITA, Managing Director

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: Township of Pennsauken, County of Camden, New Jersey

Name of Bond Issues Affected: General Obligation Bonds, Series 2026

Date of Issuance of the Affected
Bond Issue: May , 2026

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated May __, 2026, between the Township and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by _____.]

Dated:_____

ACACIA FINANCIAL GROUP, INC.,
as Dissemination Agent

cc: Township of Pennsauken, New Jersey