

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 6, 2025

NEW ISSUE – BOOK-ENTRY-ONLY

RATING: Moody's: "A1"
(See "RATING" herein.)

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

**TOWNSHIP OF PLUMSTED, IN THE
COUNTY OF OCEAN, NEW JERSEY**

**\$4,692,000* GENERAL OBLIGATION BONDS, SERIES 2025 (TAX-EXEMPT),
CONSISTING OF:
\$1,501,000* GENERAL IMPROVEMENT BONDS AND
\$3,191,000* REDEVELOPMENT AREA BONDS
(Callable) (Bank-Qualified)**

Dated: Date of Delivery

Due: August 15, as shown on the inside front cover

The \$4,692,000* General Obligation Bonds, Series 2025 (Tax-Exempt), consisting of the \$1,501,000* General Improvement Bonds (the "General Improvement Bonds") and the \$3,191,000* Redevelopment Area Bonds (the "Redevelopment Area Bonds"; and together with the General Improvement Bonds, the "Bonds"), of the Township of Plumsted, in the County of Ocean, New Jersey (the "Township"), will be issued in the form of one certificate for the aggregate principal amount of the Bonds of each series maturing in each year and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), which will act as the securities depository for the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Interest on the Bonds will be payable semiannually on February 15 and August 15 in each year until maturity or prior redemption, commencing on February 15, 2026. The principal of and interest due on the Bonds will be paid to DTC by the Township or its designated paying agent. Interest on the Bonds will be credited to the Participants (as defined herein) of DTC as listed on the records of DTC as of each next preceding February 1 and August 1 (the "Record Dates" for the payment of interest on the Bonds). Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months.

The Bonds are subject to optional redemption prior to their stated maturities as described herein. See "THE BONDS – Redemption" herein.

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

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

The Bonds will be offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, and certain other conditions described herein. GB Associates LLC, South Orange, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Bonds. Delivery is anticipated to be through the facilities of DTC in Brooklyn, New York, on or about August 26, 2025.

**BID PROPOSALS WILL BE ACCEPTED ONLY BY ELECTRONIC SUBMISSION VIA THE PARITY ELECTRONIC
BID SYSTEM ON AUGUST 13, 2025, UNTIL 11:00 A.M. FOR MORE DETAILS ON HOW TO BID
ELECTRONICALLY, VIEW THE NOTICE OF SALE POSTED AT WWW.I-DEALPROSPECTUS.COM.**

* Preliminary; subject to change.

**TOWNSHIP OF PLUMSTED, IN THE
COUNTY OF OCEAN, NEW JERSEY**

**\$4,692,000* GENERAL OBLIGATION BONDS, SERIES 2025 (TAX-EXEMPT),
CONSISTING OF:
\$1,501,000* GENERAL IMPROVEMENT BONDS AND
\$3,191,000* REDEVELOPMENT AREA BONDS**

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

<u>Year</u>	<u>General Improvement Bonds*</u>	<u>Redevelopment Area Bonds*</u>	<u>Total Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number†</u>
2026	\$ 96,000	\$ 81,000	\$177,000	%	%	72939L
2027	100,000	80,000	180,000			72939L
2028	100,000	80,000	180,000			72939L
2029	160,000	80,000	240,000			72939L
2030	160,000	80,000	240,000			72939L
2031	160,000	80,000	240,000			72939L
2032	165,000	80,000	245,000			72939L
2033	180,000	80,000	260,000			72939L
2034	190,000	80,000	270,000			72939L
2035	190,000	80,000	270,000			72939L
2036		150,000	150,000			72939L
2037		160,000	160,000			72939L
2038		160,000	160,000			72939L
2039		160,000	160,000			72939L
2040		160,000	160,000			72939L
2041		160,000	160,000			72939L
2042		160,000	160,000			72939L
2043		160,000	160,000			72939L
2044		160,000	160,000			72939L
2045		160,000	160,000			72939L
2046		160,000	160,000			72939L
2047		160,000	160,000			72939L
2048		160,000	160,000			72939L
2049		160,000	160,000			72939L
2050		160,000	160,000			72939L

* Preliminary; subject to change.

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

**TOWNSHIP OF PLUMSTED, IN THE
COUNTY OF OCEAN, NEW JERSEY**

MAYOR

Robert Bowen

COMMITTEE MEMBERS

Herbert Marinari, Deputy Mayor
Leonard Grilletto
James Hagelstein
Thomas Potter

CHIEF FINANCIAL OFFICER

Thomas Lombarski

TOWNSHIP CLERK

Jennifer Witham

TOWNSHIP ATTORNEY

Dasti, McGuckin, McNichols, Connors, Anthony & Buckley
Forked River, New Jersey

AUDITOR

Suplee, Clooney & Company LLC
Westfield, New Jersey

MUNICIPAL ADVISOR

GB Associates LLC
South Orange, New Jersey

BOND COUNSEL

McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

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

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be used, in whole or in part, for any other purpose.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements". Such statements are generally identifiable by the terminology used, such as "plan", "project", "expect", "anticipate", "intend", "believe", "estimate", "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Township does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

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

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OFFICIAL STATEMENT

RELATING TO

TOWNSHIP OF PLUMSTED, IN THE COUNTY OF OCEAN, NEW JERSEY

**\$4,692,000* GENERAL OBLIGATION BONDS, SERIES 2025 (TAX-EXEMPT),
CONSISTING OF:
\$1,501,000* GENERAL IMPROVEMENT BONDS AND
\$3,191,000* REDEVELOPMENT AREA BONDS**

INTRODUCTION

This Official Statement, which includes the cover page, the inside front cover page and the appendices attached hereto, has been prepared by the Township of Plumsted (the "*Township*"), in the County of Ocean (the "*County*"), State of New Jersey (the "*State*"), in connection with the sale and issuance of \$4,692,000* General Obligation Bonds, Series 2025 (Tax-Exempt), consisting of \$1,501,000* General Improvement Bonds (the "*General Improvement Bonds*") and \$3,191,000* Redevelopment Area Bonds (the "*Redevelopment Area Bonds*"; and together with the General Improvement Bonds, the "*Bonds*"). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Bonds described herein.

This Official Statement contains specific information relating to the Bonds including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety. All financial and other information presented herein has been provided by the Township from its records, except for information expressly attributed to other sources.

This Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

THE BONDS

General Description

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

* Preliminary; subject to change.

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

Redemption

The Bonds maturing prior to August 15, 2033 are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after August 15, 2033 are subject to redemption, in whole or in part, on any date on or after August 15, 2032 at the option of the Township at 100% of the principal amount of the Bonds being redeemed (the "*Redemption Price*"), plus in each case accrued interest thereon to the date fixed for redemption.

Notice of Redemption

Notice of redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds not less than 30 days nor more than 60 days prior to the date fixed for redemption. Such mailing shall be to the owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Township or a duly appointed bond registrar. However, as long as DTC (or any successor thereto) acts as securities depository for the Bonds, notice of redemption may be sent to such securities depository by email or as otherwise permitted by the securities depository regulations. Any failure of the securities depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any notice of redemption shall not affect the validity of the redemption proceedings. If the Township determines to redeem a portion of the Bonds prior to maturity, the Bonds to be redeemed shall be selected by the Township; the Bonds to be redeemed having the same maturity shall be selected by the securities depository in accordance with its regulations.

If notice of redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the redeemed Bonds after the date fixed for redemption and no further interest shall accrue beyond the redemption date. Payment shall be made upon surrender of the Bonds redeemed.

So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Township shall send redemption notices only to Cede & Co.

BOOK-ENTRY-ONLY SYSTEM

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal of and interest and other payments due on the Bonds to DTC Participants or Beneficial Owners (each as defined below), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations concerning these matters.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds 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 year of maturity of the Bonds of each series, in the aggregate principal amount of each maturity, and will be deposited with DTC.

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township or its 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 are credited on the applicable record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, if applicable, and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records.

Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and shall be the responsibility of such Participant and not of DTC or its nominee, the paying agent, if any, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, if applicable, 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 paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

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

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

THE TOWNSHIP AS PAYING AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS OR BENEFICIAL OWNERS.

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

Discontinuation of Book-Entry-Only System

If the Township, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Bonds at any time, the Township will attempt to locate another qualified securities depository. If the Township fails to find such a securities depository, or if the Township determines, in its sole discretion, that it is in the best interest of the Township

or that the interests of the Beneficial Owners might be adversely affected if the book-entry-only system of transfer is continued (the Township undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination), the Township shall notify DTC of the termination of the book-entry-only system.

AUTHORIZATION AND PURPOSE OF THE BONDS

General Improvement Bonds

The General Improvement Bonds have been authorized by and are being issued pursuant to the laws of the State, including the Local Bond Law (constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended) (the "*Local Bond Law*"), the bond ordinance adopted by the Township Committee referred to in the chart below and a resolution duly adopted by the Township Committee on July 23, 2025 (the "*Resolution*").

Number of Bond Ordinance	Description of Improvement and Date of Adoption of Bond Ordinance	Amount Funded by Bond Proceeds
2020-07	Various capital improvements and acquisition of various capital equipment, finally adopted August 5, 2020.	\$1,501,000

Proceeds from the sale and issuance of the General Improvement Bonds will be used to (i) currently refund the Township's \$683,500 Bond Anticipation Note, Series 2024A (Tax-Exempt), dated August 28, 2024 and maturing on August 27, 2025, (ii) issue new money in the amount of \$817,500 to finance various capital improvements and acquisition of various capital equipment, and (iii) pay the costs associated with the authorization, sale and issuance of the General Improvement Bonds.

Redevelopment Area Bonds

The Redevelopment Area Bonds have been authorized by and are being issued pursuant to the laws of the State, including the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 *et seq.*), and the Local Bond Law, as applicable, the bond ordinances adopted by the Township Committee referred to in the chart below and the Resolution.

Number of Bond Ordinance	Description of Improvement and Date of Adoption of Bond Ordinance	Amount Funded by Bond Proceeds
2017-21, as amended by 2021-03	New Egypt Redevelopment Project, finally adopted November 1, 2017, as amended May 5, 2021.	\$3,076,000
2015-06	Various capital improvements, finally adopted September 2, 2015.	\$115,000
Total:		\$3,191,000

Proceeds from the sale and issuance of the Redevelopment Area Bonds will be used to (i) currently refund \$2,372,000 of the Township's \$3,893,223 Bond Anticipation Note, dated January 21, 2025 and maturing on August 27, 2025 (the "*Prior Note*"), (ii) issue new money in the amount of \$819,000 to finance the New Egypt Redevelopment Project and various capital improvements, and (iii) pay the costs associated with the authorization, sale and issuance of the Redevelopment Area Bonds.

Simultaneously with the delivery of the Bonds, the Township expects to issue \$1,641,223 Bond Anticipation Notes, Series 2025 (Federally Taxable) to refinance the balance of the Prior Note and the Township's \$120,000 Bond Anticipation Note, Series 2024B (Federally Taxable), dated August 28, 2024 and maturing August 27, 2025.

RESILIENCY PLANNING

Recent Healthcare Developments

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to state and local governments, including the American Rescue Plan Act of 2021 (the "*Plan*"). The pandemic and certain mitigation measures, which altered the behavior of businesses and people, have had and may continue to have negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

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

The Plan, signed into law on March 12, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Township has received \$897,114.18 from the Plan. The deadline to obligate the funds was December 31, 2024, and such funds can only be spent on certain allowable uses as set forth in the Plan.

Weather Related Matters

The Township seeks advice and information from State and regional planning agencies to help it monitor and to help mitigate future potential risks, including the impacts of potential climate change related matters.

Cybersecurity

The Township maintains an insurance policy through its Joint Insurance Fund for losses relating to cybersecurity breaches and provides ongoing training for safe practices.

SECURITY AND SOURCE OF PAYMENT

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

**MUNICIPAL FINANCE –
FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES**

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

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

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis. The average for the last three years of the equalized value of all taxable property and improvements and certain Class II railroad property within the boundaries of Township, as annually determined by the State Director of Taxation, is \$1,174,335,188.

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

As of December 31, 2024, after taking into account the deductions referred to in the prior paragraph, the statutory net debt of the Township as a percentage of average equalized valuation was 2.521%. As noted above, the statutory limit is 3½%.

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

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

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

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

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

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

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

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

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

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

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

The exceptions are certain enumerated quasi-capital projects ("*special emergencies*") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, revaluation programs, revision and codification of ordinances, master plan preparation, drainage map preparation for flood control purposes, contractually obligated severance liabilities and payment of compensated absences, which may be amortized over five years. Of course, emergency

appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Under legislation recently enacted to address the COVID-19 pandemic, P.L. 2020, c. 74 (A4175), a municipality may adopt an emergency appropriation to fund certain deficits resulting from COVID-19 with approval of the Director of the Division of Local Government Services and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten years. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to COVID-19. Also, local units may be able to issue refunding bonds with Local Finance Board approval to repay a Federal Emergency Management Agency Community Disaster Loan for which it executed a promissory note in 2013.

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

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

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

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

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

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

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

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

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500, and if a delinquency (including interest) is in excess of \$10,000 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. These interest penalties are the highest permitted under New Jersey statutes. If a delinquency is in excess of \$10,000 and remains in arrears after December 31, an additional penalty of 6% shall be charged. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey statutes.

Tax Appeals

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

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

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

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

TAX MATTERS

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

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

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

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

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

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

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

Original Issue Discount

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

Original Issue Premium

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

Bank-Qualification

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

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

Additional Federal Income Tax Consequences of Holding the Bonds

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

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

Changes in Federal Tax Law Regarding the Bonds

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

State Taxation

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

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

FINANCIAL STATEMENTS

Appendix B contains certain audited financial data of the Township for the fiscal years ended December 31, 2024 and 2023. The audited financial data were extracted from the report prepared by Suplee, Clooney & Company LLC, Westfield, New Jersey (the "*Auditor*"), to the extent and for the period set forth in its report appearing in Appendix B to this Official Statement. The Auditor has not participated in the preparation of this Official Statement nor has such firm verified the accuracy, completeness or fairness of the information contained herein (except for the audited financial data appearing in Appendix B hereto), and, accordingly, will express no opinion with respect thereto. See "APPENDIX B – EXCERPTS FROM FINANCIAL STATEMENTS OF THE TOWNSHIP OF PLUMSTED, IN THE COUNTY OF OCEAN, NEW JERSEY".

LITIGATION

To the best of the knowledge of the Township Attorney, Dasti, McGuckin, McNichols, Connors, Anthony & Buckley, Forked River, New Jersey, there is no litigation of any nature, now pending or threatened, restraining or enjoining the issuance or delivery of the Bonds, or the levy or collection of any taxes to pay the principal of or interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or collection of taxes, or contesting the corporate existence or boundaries of the Township or the title of any of the present officers. Moreover, to the best of the knowledge of the Township Attorney, no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided.

SECONDARY MARKET DISCLOSURE

Solely for the purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "*Rule*"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the following requirements in accordance with paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the Township shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof:

(a) On or prior to September 30 of each fiscal year, beginning September 30, 2026 for the fiscal year ending December 31, 2025, electronically to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("*EMMA*") system or such other repository designated by the Securities and Exchange Commission to be an authorized repository for filing secondary market disclosure information, if any, annual financial information with respect to the Township, consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Township and certain financial information and operating data, consisting of (i) the Township indebtedness, (ii) the Township's property valuation information and (iii) tax rate, levy and collection data. The audited financial information will be prepared in accordance with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law.

(b) If any of the following events occur regarding the Bonds, a timely notice not in excess of ten business days after the occurrence of the event sent to EMMA:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;

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

The term "*Financial Obligation*" as used in subparagraphs (b)(15) and (b)(16) above means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of (i) or (ii); *provided, however*, that the term "*Financial Obligation*" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

(c) Notice of failure of the Township to provide required annual financial information on or before the date specified in the Resolution shall be sent in a timely manner to EMMA.

If all or any part of the Rule ceases to be in effect or is not in effect for any reason, then the information required to be provided under the Resolution, insofar as the provisions of the Rule not or no longer in effect required the provision of such information, shall not or no longer be required to be provided.

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

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

The Township has not been subject to any prior disclosure undertakings under the Rule.

MUNICIPAL BANKRUPTCY

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

Reference should also be made to N.J.S.A. 52:27-40 *et seq.*, which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

APPROVAL OF LEGAL PROCEEDINGS

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

UNDERWRITING

The Bonds have been purchased from the Township, pursuant to the terms of the Township's notice of sale, by _____ (the "Underwriter") at a purchase price of \$_____ (the "Purchase Price"). The Purchase Price reflects the par amount of the Bonds in the amount of \$_____, plus [net] original issue premium in the amount of \$_____, less Underwriter's discount in the amount of \$_____. The Underwriter is obligated to purchase all of the Bonds if any are purchased.

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

RATING

Moody's Ratings (the "*Rating Agency*") has assigned a rating of "A1" to the Bonds based upon the creditworthiness of the Township. The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Township furnished to the Rating Agency certain information and materials concerning the Bonds and the Township. There can be no assurance that the rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Bonds.

MUNICIPAL ADVISOR

GB Associates LLC, South Orange, New Jersey, has served as Municipal Advisor to the Township with respect to the issuance of the Bonds (the "*Municipal Advisor*"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, marketing or trading municipal securities or other negotiable instruments.

PREPARATION OF OFFICIAL STATEMENT

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

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

Neither Bond Counsel nor the Municipal Advisor has participated in the preparation of the financial or statistical information contained in this Official Statement nor have they verified the accuracy, completeness or fairness thereof and, accordingly, express no opinion with respect thereto.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Thomas Lombarski, Chief Financial Officer, Township of Plumsted, 121 Evergreen Road, New Egypt, New Jersey 08533, (609) 758-2241, or by e-mail at cfo@plumsted.org.

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MISCELLANEOUS

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

TOWNSHIP OF PLUMSTED

By: _____
Thomas Lombarski
Chief Financial Officer

Dated: August __, 2025

APPENDIX A

**CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE
TOWNSHIP OF PLUMSTED, IN THE COUNTY OF OCEAN, NEW JERSEY**

TOWNSHIP OF PLUMSTED GENERAL INFORMATION

General Description

Plumsted Township (“the Township”) was incorporated as a township by an act of the New Jersey Legislature on March 11, 1845, from portions of Jackson Township, while the area was still part of Monmouth County. Plumsted Township became part of the newly created Ocean County on February 15, 1850.

Governmental Structure

The Township is governed under the Township form of New Jersey municipal government, one of 141 municipalities (of the 564) statewide that use this form, the second-most commonly used form of government in the State of New Jersey (the “State”). The Township Committee is comprised of five members, who are elected directly by the voters at-large in partisan elections to serve three-year terms of office on a staggered basis, with either one or two seats coming up for election each year as part of the November general election. At an annual reorganization meeting held during the first week of January, the Township Committee selects one of its members to serve as Mayor and another as Deputy Mayor and also appoints from its members a liaison for each of the Township's administrative departments.

Governmental Services

The Township provides standard municipal services through specified departments and funded by general revenues including: police and public safety; construction and maintenance of streets; trash collection and disposal; recreation programs and facilities; supervision of health programs; acquisition and maintenance of property; maintenance of building codes and regulation of licenses and permits; maintenance of records; collection of taxes and revenues; purchase of supplies and equipment.

Township departments include:

Office of the Clerk
Construction
Public Safety

Community Development
Finance
Redevelopment
Tax Collector

The Township’s court matters are administered by the Manchester Township Municipal Court, and the Tax Assessor and Information Technology functions are also handled by Manchester Township.

In addition, the Township has various boards, councils, and commissions, including:

Arts Council
Environmental Commission
Drug and Alcohol Alliance

Board of Health
Land Use Board

Plumsted School District

The Plumsted Township School District (the “District”) houses approximately 1150 students attending three schools: New Egypt Primary School, Dr. Gerald H. Woehr Elementary School, and New Egypt High School 7-12. The District offers a comprehensive curriculum to meet the varied needs of the students and

prepare them for 21st-century skills and college and career readiness. Numerous programs are available to accommodate the student's individualized academic, social, and emotional needs. The District has prioritized the child's development (Mind, Body, Spirit) throughout the Pre-K through 12th Grade experience.

The District recently increased the number of preschool classrooms to a total of eight classrooms. The full-day preschool is free to residents who meet each year's criteria.

The Board of Education has full power to operate the local public schools as it deems fit in compliance with State and federal mandates and pertinent laws of the municipality. The Board of Education's required functions are the development of policy and the employment of the Chief School Administrator who shall carry out its policies through the development and implementation of regulations.

The largest source of revenue for the District's operations is the local property tax. Over the past three years, property taxes have comprised approximately 57% of total revenues, while the District has received State aid totaling approximately 40% of its budgeted revenues. The Fiscal Year 2026 Budget anticipates approximately \$350,000 in federal aid, representing less than 1.5% of total budgeted revenues.

The District is a Type II district, administered by a 7-member Board of Education that is elected by the voters.

Plumsted Municipal Utilities Authority

The Plumsted Municipal Utilities Authority (the "MUA") is responsible for trash pickup and recycling, as well as the operation of the Wastewater/Sewer System. It also manages a responsible Municipal Energy Aggregation Contract opportunity to save on energy costs.

The Executive Director is Brian J. Brach, PE, QPA.

The MUA's Board of Commissioners consists of five Regular Members and two Alternate Members:

Steven Grosso, Regular Member (Chair)
Michael Ruppell, Regular Member (Vice Chair)
Beth Kimmick, Regular Member (Treasurer)
Janet Christman, Regular Member
Clara Glory, Alternate Member

One Regular Member and one Alternate Member position are currently open.

ECONOMIC DEVELOPMENT

Venue at Longview

Developed by the Lennar Corporation ("Lennar"), Venue at Longview is an active adult (55+) community consisting of 453 homes, including 2- and 3-bedroom units.

The Financial Agreement between Lennar and the Township called for Lennar to make a financial contribution (to the Township) for each unit constructed and sold and for the owners of the units to make a payment in lieu of property taxes ("PILOT"). For the first five years of ownership by the first owner of a unit, the PILOT is set at 55% of otherwise applicable taxes. Beginning in year 6 and continuing through year 30, the PILOT is set equal to full taxation.

As of August 2025, the project is more than 100% sold and more than 96% occupied, with the balance expected to be occupied in the next several months.

Sanitary Sewer System

The Township's Sanitary Sewer System (the "System") was constructed to serve the Township's Main Street corridor, as well as new development, including the Venue at Longview. Homeowners and businesses outside of the Venue project are able to connect to the System, with the opportunity to fund the costs of the connections with low-interest, forgivable loans.

The System will improve environmental conditions and save property owners potential future costs through the elimination of the current septic tanks. This is expected to improve property values and enhance opportunities for downtown businesses (in particular, restaurants).

Economic and Business Development Commission

In 2025, the Township created the Economic and Business Development Commission of the Township of Plumsted (the "Commission").

The Commission consists of five members appointed by the Township Committee, each of whom serves three-year terms. At least four members must be business owners or corporate officers of businesses that are located and/or headquartered within the physical limits of the Township. Each member must have had experience in industry and commerce and shall be conversant with the business climate of the Township.

The powers and duties of the Commission include:

- review and advise the governing body on impacts to business and the business environment from ordinances, zoning, regulations and administrative functions of the Township government
- make recommendations for changes that would assist business to be successful and encourage growth within the Township, study and analyze the surrounding municipalities, and advise of best practices that promote commercial activity
- survey vacant lands within the Township noting advantages and utilities and classify vacant land according to their adaptability for improvement for various types of business, commercial, and industrial enterprises
- to solicit business, commercial, and industrial organizations to purchase or lease in the Township
- to provide guidance to the Township Committee and the Planning Board on desirable and suitable areas within the Township for location of business, commerce and industry
- to encourage expansion of existing and potential business, commerce and industry to the best interest of the Township
- to prepare and disseminate material and data advertising the advantages of the Township new business, commerce, and industry
- to prepare and disseminate material and data advertising existing business, commerce, and industry

TOWNSHIP OF PLUMSTED ELECTED OFFICIALS

<u>Title</u>	<u>Name</u>
Mayor	Robert Bowen
Deputy Mayor	Herbert Marinari

Committeeman Leonard Grilletto
 Committeeman James Hagelstein
 Committeeman Thomas Potter

The Mayor and Deputy Mayor are selected through a vote of all five Committee members.

The principal administrators of the Township, all of whom are appointed by the Township Committee, are as follows:

Township Clerk Jennifer Witham
 Finance Thomas Lombarski, Chief Financial Officer
 Public Safety and Police Earl Meroney, Chief/Director
 Construction Matthew Rack
 Tax Assessor Martin Lynch, CTA, CMA

Township court matters are handled by the Manchester Municipal Court.

Fire protection services are provided by the Plumsted Fire District #1, which is funded through a dedicated tax collection by the Township.

POPULATION

Year	Township of Plumsted	County of Ocean	State of New Jersey
2010	8,421	576,567	8,791,894
2020	8,072	637,229	9,288,994
2024(est.)	9,387	666,434	9,500,851

Source: U.S. Census

SCHEDULE OF FUND BALANCES AND UTILIZATION IN BUDGET

Year	December 31 Balance	Utilized in Budget of Succeeding Year
2020	1,036,964	646,481
2021	1,430,617	715,000
2022	1,465,924	770,000
2023	1,706,920	893,022
2024	1,490,265	800,000

Notes: The December 31, 2024 Fund Balance is unaudited; the amount of this balance utilized in the 2025 Budget is based on the introduced budget (pending adoption).

TEN LARGEST TAXPAYERS

Owner	Assessed Valuation	2024 Tax Levy
Jensen's Inc. C/O Sun Communities	\$4,662,200	\$145,041
Newco Associates LLC	4,165,900	129,601
Lennar Plumsted Urban Renewal LLC	3,631,100	24,312
Miland Partnership	2,866,100	89,164
Vernon Holdings 101837 LLC	2,740,000	85,241
Dow Chemical Company	2,063,300	52,153
John O'Connor Holdings Co. LLC	1,878,200	58,431
One Goldman DR LLC	1,328,800	41,339
539 537 LLC	1,250,000	38,888
SCP 2001A-CSF-42 LLC	1,221,300	37,995

TEN LARGEST TAX-EXEMPT PROPERTIES

Owner	Total Assesment
Joint Base McGuire-Dix-Lakehurst	\$121,110,100
Plumsted Township	49,400,700
Ocean County	7,982,400
State of NJ	7,534,800
United Methodist Church	1,876,600
New Egypt Fire Company	1,543,900
American Legion Post	1,327,800
Venue at Longview HOA	1,207,500
New Egypt Lodge BPOE	1,058,300
Plumsted Presbyterian Church	996,900

TOWNSHIP OF PLUMSTED

Statutory Debt as of December 31, 2024

	Gross	Deductions	Net
Bonds & Notes Issued-School.....	\$1,480,000		
Authorized but not Issued.....	0		
Less Applicable Deductions		1,480,000	
Net Debt for School.....			-0-
 Bonds & Notes Issued			
Self-Liquidating.....	0		
Authorized but not Issued.....	0		
Less Applicable Deductions		0	
Net Debt Self-Liquidating			-0-
 Bonds & Notes Issued-General	30,810,806		
Authorized but not Issued.....	4,130,597		
Less Applicable Deductions		5,335,515	
Net Debt General Purposes			29,605,888
 TOTAL GROSS DEBT.....	 \$36,421,403		
TOTAL STATUTORY DEDUCTIONS.		\$6,815,515	
TOTAL NET DEBT			\$29,605,888

**EQUALIZED VALUATION OF REAL PROPERTY
PLUS ASSESSED VALUATION OF CLASS II RAILROADS**

<u>Year</u>	<u>Amount</u>
2022	\$1,086,028,306
2023	1,170,199,642
2024	1,266,777,617

Equalized Valuation Basis	\$1,174,335,188
Net Debt (December 31, 2024)	\$29,605,888
% Net Debt of	
Equalized Valuation Basis	2.52%

**DEBT SERVICE ON OUTSTANDING BONDS
GENERAL IMPROVEMENTS**

Calendar Year	Principal	Interest	Total
2025	\$40,030	\$672	\$40,703
2026	40,142	561	40,702
2027	5,771	447	6,218
2028	5,887	331	6,218
2029	5,976	243	6,218
2030	6,156	62	6,218

BOND ANTICIPATION NOTES (General Improvements)

<u>Maturity</u>	<u>Amount</u>
August 27, 2025	\$738,000*

* to be paid with a portion of the proceeds of the 2025 Bonds and the 2025 Notes

**DEBT SERVICE ON OUTSTANDING BONDS
REDEVELOPMENT BONDS**

Calendar Year	Principal	Interest	Total
2025	\$742,843	\$520,885	\$1,263,728
2026	762,843	500,885	1,263,728
2027	782,843	479,885	1,262,728
2028	812,843	447,885	1,270,728
2029	832,843	434,385	1,267,228
2030	857,843	409,885	1,267,728
2031	872,843	387,735	1,260,578
2032	897,843	368,735	1,266,578
2033	917,843	348,685	1,266,528
2034	937,843	327,935	1,265,778
2035	962,843	306,385	1,269,228
2036	982,417	283,885	1,266,302
2037	997,115	268,997	1,266,112
2038	1,016,706	259,296	1,276,002
2039	1,036,088	229,014	1,265,102
2040	1,055,352	212,850	1,268,202
2041	1,069,397	196,205	1,265,602
2042	1,088,315	179,237	1,267,552
2043	1,107,003	161,800	1,268,803
2044	1,125,454	143,899	1,269,353
2045	1,143,661	125,541	1,269,202
2046	1,161,617	106,736	1,268,353
2047	1,179,314	87,489	1,266,803
2048	1,201,744	66,434	1,268,178
2049	1,218,899	44,816	1,263,715
2050	1,245,771	22,757	1,268,528

BOND ANTICIPATION NOTES (Redevelopment)

<u>Maturity</u>	<u>Amount</u>
August 27, 2025	\$3,938,000*

* to be paid at maturity with a portion of the proceeds of the 2025 Bonds and the 2025 Notes

STATEMENT OF CURRENT FUND OPERATIONS

Year Ending
December 31, 2024

CURRENT REVENUE ON A CASH BASIS:

Fund Balance Utilized	\$ 893,022
Current Taxes	24,492,988
Delinquent Taxes	1,803
Miscellaneous Revenue	3,584,839
Non-Budgeted Revenue	110,583
Unexpended Balance of Appropriation Reserves	452,498
Other Credits to Income	<u>99,440</u>
Total Funds	\$29,635,173

EXPENDITURES AND TAX REQUIREMENTS:

Municipal Purposes	6,992,105
Municipal Open Space Taxes	157,334
School Taxes	15,088,955
County Taxes	3,997,399
Special District Taxes	2,717,741
Other Expenditure & Deduction	5,272
Total	\$28,958,806

Surplus in Revenue \$676,367

Surplus Balance January 1, 2024..... \$1,706,920

Subtotal \$2,383,287

Less: Fund Balanced Utilized as Revenue \$893,022

Surplus Balance December 31, 2024..... \$1,490,265

Calendar Year 2024 Unaudited Results

The Township ended 2024 with a Fund Balance of \$1,490,265, a decrease of \$216,655 from the balance as of January 1, 2024 (but \$24,431 higher than the balance as of January 1, 2023).

Tax collections were \$80,657 higher than budgeted. Miscellaneous revenues contributed a total of \$63,334 less than anticipated. The largest other credit to income (versus budget) was the cancelation of unexpended balances of 2023 appropriation reserves (\$452,498).

2025 BUDGETS

Municipal

The Township adopted its calendar year 2025 Budget on June 18, 2025.

Fund balance of \$800,000 is anticipated as revenue, compared to \$893,022 in the 2024 Budget. The municipal tax levy (including open space) is anticipated to increase approximately 3.9%. Together with an increase in assessed valuations of approximately 1%, the total municipal tax levy (including open space) would increase approximately 5% (\$133,000).

PILOT revenue is anticipated to increase by \$832,000 (to \$1,132,000). This figure is considerably less than the total PILOTs received from the Venue at Longview, with the balance being held in reserve.

In 2024, the Township realized revenue in the form of Municipal Relief Fund Aid; no such funds are anticipated in the 2025 Budget and, as a result, State aid in the 2025 Budget is approximately \$46,000 lower than in 2024.

The largest increase in budgeted expenses in 2025 (versus 2024) is for salaries and wages for Public Safety, with an increase of approximately \$450,000 (40%) versus the 2024 budget. This increase is due to a new contract with the local Police Benevolent Association that includes the first salary increases in several years, as well as substantial increases in the Police Lieutenant and Chief salaries.

Other expense increases are in insurance (General Liability and Group Health), which are \$70,000 higher than in 2024.

Plumsted Township MUA

For 2025, the MUA increased rates for all services (trash, recycling, and sewer). Sewer rates were increased to \$120/month per Equivalent Service Unit (ESU).

The MUA's 2025 Budget anticipates as revenue a subsidy of \$500,000 from the Township.

The MUA has received a subsidy from the Township for the past several years. The Township subsidy for 2025 was doubled, from \$250,000/year to \$500,000/year, to offset operational costs and an even larger increase in sewer rates. The MUA anticipates requesting annual subsidies from the Township for the foreseeable future. The prevailing thought is that these subsidies will be systematically lowered and phased out commensurate with a combination of rate increases and potential future connections. However, an exact timeframe for phase out of subsidies is undetermined and will generally relay upon availability of funding from the Township, rate of growth of the MUA sewer system, and ability of the rate base to pay increased sewer costs. Absent a Township subsidy, the MUA would have been forced to raise sewer rates to an estimated \$160/month in 2025.

The PILOT revenues from the Venue at Longview are expected to provide sufficient revenue for all required subsidies without any impact on the municipal tax rate however, this is not a certainty, as the precise level and duration of subsidies are not known at this time

ASSESSED VALUATIONS

Year	Valuation
2021	\$782,783,300
2022	782,700,600
2023	784,267,800
2024	786,668,900
2025	793,509,100

Source: Mercer County Abstract of Ratables

ASSESSED VALUE CLASSIFICATION – TAXABLE PROPERTY

Year	Vacant	Residential	Farm	Commercial	Industrial	Apartments	TOTAL
2020	\$25,149,500	\$673,775,800	\$37,855,300	\$42,762,800	\$10,905,200	\$2,963,200	\$793,411,800
2021	16,299,400	671,582,000	38,270,700	42,762,800	10,905,200	2,963,200	782,783,300
2022	15,450,800	671,617,800	39,000,800	42,762,800	10,905,200	2,963,200	782,700,600
2023	14,710,000	675,193,700	37,888,100	42,607,600	10,905,200	2,963,200	784,267,800
2024	14,384,200	676,724,600	38,384,800	43,327,900	10,905,200	2,963,200	786,668,900

Source: Mercer County Abstract of Ratables

ASSESSED VALUE CLASSIFICATION – TAX-EXEMPT PROPERTY

Year	Public Schools	Public Property	Church/Charitable	Cemeteries	Other	TOTAL
2020	\$42,474,000	\$144,162,800	\$10,667,600	\$319,200	\$9,230,300	\$206,863,900
2021	42,474,000	143,118,300	10,740,300	319,200	12,168,000	208,819,800
2022	42,474,000	168,776,400	10,740,300	319,200	13,773,900	236,083,800
2023	42,474,000	201,103,900	9,412,500	319,200	13,704,100	267,013,700
2024	42,474,000	144,984,500	10,740,300	319,200	107,188,000	305,706,000

Source: Mercer County Abstract of Ratables

TAX LEVY AND COLLECTIONS

Year	Tax Levy	Current Collections	Percentage
2020	\$20,491,894	\$20,491,894	99.72%
2021	20,935,160	20,879,408	99.73%
2022	21,714,492	21,671,742	99.80%
2023	22,858,635	22,818,158	99.82%
2024	24,550,411	24,482,988	99.76%

TAX RATE ANALYSIS
Tax Rate Per \$100 Assessed Valuation

Fiscal Year	Total	School	County*	Municipal*	Special Distri
2021	2.673	1.646	0.451	0.329	0.247
2022	2.770	1.699	0.470	0.336	0.265
2023	2.903	1.758	0.500	0.337	0.308
2024	3.111	1.919	0.508	0.338	0.348
2025	3.159	1.940	0.512	0.351	0.357

* including Open Space

NOTE: The School District has recently set its tax rate for its 2025-2026 Budget at \$2.255, approximately \$0.31 higher than the figure shown above; this equates to an increase in the tax levy (vs. the prior year) of approximately \$2.5 million. The total school tax levy will be raised over the next four quarters, beginning with the August 2025 tax bill.

EMPLOYEES

The Township has a total of 34 employees, 16 of whom are within the Police Department (13 officers, 3 administrative positions).

The Township has a contract with Plumsted PBA Local 390 that runs through December 31, 2028. The contract includes increases for 2025 (versus 2024) that range from 14% (for Step 1) to 58% (for Step 10) and 2.5% annual increases for the next three years. Prior to this contract, there had been no increases for Steps 1-9 for the prior three years

PENSION INFORMATION

Substantially all eligible Township employees participate in the Public Employees' Retirement System (PERS), Police and Firemen's Retirement System (PFRS) or the Defined Contribution Retirement Program (DCRP). Each of these programs is established by State statute and administered by the New Jersey Division of Pensions and Benefits.

The annual Township contributions to these systems are provided by the State; for the last three years, the Township's total contributions were \$324,950 (2024), \$411,436 (2023), and \$344,120 (2022).

APPENDIX B

**EXCERPTS FROM FINANCIAL STATEMENTS OF THE
TOWNSHIP OF PLUMSTED, IN THE COUNTY OF OCEAN, NEW JERSEY**

Report of Audit

on the

*Financial Statements
and Supplementary Schedules*

of the

Township of Plumsted

in the

*County of Ocean
New Jersey*

for the

*Year Ended
December 31, 2024*



SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Plumsted
County of Ocean
New Egypt, New Jersey 08533

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

SUPLEE, CLOONEY & COMPANY LLC

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

SUPLEE, CLOONEY & COMPANY LLC

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's regulatory financial statements. The supplementary information and data listed in the table of contents as required by the Division are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and data listed in the table of contents, as required by the Division, are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

SUPLEE, CLOONEY & COMPANY LLC

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 30, 2025



SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and Members
of the Township Committee
Township of Plumsted
County of Ocean
New Egypt, New Jersey 08533

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and account groups of the Township of Plumsted, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated June 30, 2025. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Plumsted prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory financial statements, we considered the Township's control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Township's internal control.

SUPLEE, CLOONEY & COMPANY LLC

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township of Plumsted's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Plumsted's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Plumsted's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 30, 2025

CURRENT FUND

TOWNSHIP OF PLUMSTED

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2024</u>	<u>BALANCE DECEMBER 31, 2023</u>
<u>ASSETS</u>			
Current Fund:			
Cash	A-4	\$ 8,294,145.96	\$ 5,566,255.27
Change Fund		750.00	750.00
Due from State of New Jersey Ch. 20, P.L. 1971	A-13	1,469.12	2,469.12
		<u>8,296,365.08</u>	<u>5,569,474.39</u>
Receivables with Full Reserves:			
Taxes Receivable	A-5	5,588.92	70.39
Municipal Liens Receivable	A-6	78,928.86	69,895.00
Property Acquired for Taxes	A-7	139,000.00	196,900.00
Revenue Accounts Receivable	A-8	5,331.42	5,018.61
Interfunds Receivable	A-17		58.28
		<u>228,849.20</u>	<u>271,942.28</u>
		<u>8,525,214.28</u>	<u>5,841,416.67</u>
Grant Fund:			
Interfund - Current Fund	A-20	776,247.92	90,867.94
Grants Receivable	A-21	862,337.67	1,318,485.65
		<u>1,638,585.59</u>	<u>1,409,353.59</u>
Total Assets		<u>\$ 10,163,799.87</u>	<u>\$ 7,250,770.26</u>

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2023
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Appropriation Reserves	A-3:A-9	\$ 687,885.01	\$ 622,823.35
Accounts Payable	A-10	6,978.87	25,000.00
Tax Overpayments	A-11	13,944.70	13,895.35
Prepaid Taxes	A-12	261,271.84	241,412.24
Due State of New Jersey	A-13	3,614.00	7,200.00
County Taxes Payable	A-14	12,657.33	
Local School District Tax Payable	A-15	1,821,917.65	1,123,520.65
Deferred Revenue Municipal Aid Relief Fund	A-8		46,648.11
Due New Hanover - UCC	A-4	190.00	6,614.00
Due New Hanover - DCA	A-4	11.00	107.00
Municipal Open Space Tax Payable		717.48	717.48
Due Plumsted MUA	A-16	1,126.67	1,113.95
Interfunds Payable - Grant Fund	A-20	776,247.92	90,867.94
Reserve for Encumbrances	A-18	251,903.18	191,727.26
Miscellaneous Reserves	A-19	2,965,494.61	1,490,906.88
		6,803,960.26	3,862,554.21
Reserve for Receivables and Other Assets	A	228,849.20	271,942.28
Fund Balance	A-1	1,492,404.82	1,706,920.18
		<u>8,525,214.28</u>	<u>5,841,416.67</u>
Grant Fund:			
Reserve for:			
Encumbrances	A-18	869,066.20	127,601.64
Grants Appropriated	A-22	768,012.56	1,183,042.94
Grants Unappropriated	A-23	1,506.83	98,709.01
		<u>1,638,585.59</u>	<u>1,409,353.59</u>
Total Liabilities, Reserves and Fund Balance		\$ <u>10,163,799.87</u>	\$ <u>7,250,770.26</u>

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

"A-1"

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>REF.</u>	<u>YEAR 2024</u>	<u>YEAR 2023</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-2	\$ 893,022.00	\$ 770,000.00
Miscellaneous Revenue Anticipated	A-2	3,584,839.00	3,406,629.90
Receipts from Delinquent Taxes	A-2	1,803.38	6,166.53
Receipts from Current Taxes	A-2	24,492,987.56	22,818,158.35
Non-Budget Revenues	A-2	112,656.45	68,093.43
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-9	452,497.86	586,422.07
Canceled Accounts Payable	A-10	25,000.00	
Prior Year Interfunds Returned	A-17	58.28	
Canceled Tax Overpayments			6,528.46
<u>TOTAL INCOME</u>		<u>29,562,864.53</u>	<u>27,661,998.74</u>
<u>EXPENDITURES</u>			
Budget and Emergency Authorizations:			
Salaries and Wages		2,018,013.36	1,951,771.00
Other Expenses		2,627,092.36	2,235,610.01
Capital Improvements		315,000.00	410,000.00
Municipal Debt Service		1,469,101.90	1,252,096.64
Deferred Charges and Statutory Expenditures		488,450.00	520,665.00
	A-3	6,917,657.62	6,370,142.65
County Taxes	A-14	3,997,399.40	3,928,477.21
Local School District Tax	A-15	15,088,955.00	13,779,753.00
Special District Tax	A-5	2,717,741.31	2,410,491.00
Municipal Open Space Tax	A-5	157,333.92	157,571.04
Refund of Prior Year Revenue	A-4	5,270.64	4,568.01
<u>TOTAL EXPENDITURES</u>		<u>28,884,357.89</u>	<u>26,651,002.91</u>
Regulatory Excess to Fund Balance		<u>678,506.64</u>	<u>1,010,995.83</u>
<u>FUND BALANCE</u>			
Balance, January 1	A	<u>1,706,920.18</u>	<u>1,465,924.35</u>
		2,385,426.82	2,476,920.18
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>893,022.00</u>	<u>770,000.00</u>
Balance, December 31	A	<u>\$ 1,492,404.82</u>	<u>\$ 1,706,920.18</u>

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	REF.	ANTICIPATED		EXCESS OR (DEFICIT)
		BUDGET	SPECIAL N.J.S. 40A: 4-87 REALIZED	
Fund Balance Appropriated	A-1	\$ 893,022.00	\$ 893,022.00	\$
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage	A-8	10,300.00	10,300.00	342.00
Other	A-8	6,385.00	6,727.00	1,224.00
Fees and Permits	A-8	107,329.00	108,553.00	
Fines and Costs:				
Municipal Court	A-8	32,302.12	53,743.49	21,441.37
Interest and Costs on Taxes	A-8	25,550.00	23,636.48	(1,913.52)
Interest on Investments and Deposits	A-8	113,974.25	175,001.63	61,027.38
Cable Television Franchise Fees	A-8	28,961.00	28,961.10	0.10
Police Towing Fees	A-8	5,455.00	3,685.00	(1,770.00)
Cell Tower Revenue	A-8	62,358.00	63,126.84	768.84
Off Duty Municipal Police	A-8	20,000.00	20,000.00	
Battery Storage Facility	A-8	21,000.00	21,000.00	
Energy Receipts Tax	A-8	452,556.00	452,555.52	(0.48)
Garden State Trust Fund	A-8	6,279.00	6,279.00	
Municipal Relief Fund Aid	A-8	46,648.11	46,648.11	

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	REF.	ANTICIPATED		EXCESS OR (DEFICIT)
		BUDGET	SPECIAL N.J.S. 40A: 4-87	
Uniform Construction Code Fees:				
Rental/Smoke Detection Inspection	A-8	\$ 23,000.00	\$	\$ 15,775.00
Additional Uniform Construction Code Fees	A-8	510,000.00		402,209.50
Shared Service Agreements:				
New Hanover - Uniform Construction Code:				
Salaries and Wages	A-8	16,033.36		5,833.33
Other Expenses	A-8	4,799.97		
Reserve for Payment of Debt	A-8	1,149,896.57		1,135,448.60
Pilot Revenue (Sewer R & R Fund)	A-8	175,000.00		175,000.00
American Rescue Plan Act (Lost Revenue)	A-8	97,313.18		97,313.18
Reserve for Courtesy Busing	A-8	10,529.00		10,529.00
Pilot Revenue	A-8	250,000.00		250,000.00
Alcohol Education and Rehabilitation Fund	A-20		980.67	980.67
Body Armor Replacement Fund	A-20	1,395.83		1,395.83
Clean Communities Program	A-20		23,972.36	23,972.36
DMHAS Youth Leadership Grant	A-20	5,458.57		5,458.57
ARPA Inclusive Recreation Grant	A-20		100,000.00	100,000.00
Municipal Alliance on Alcoholism and Drug Abuse	A-20	7,987.00		7,987.00
NJ Department of Transportation Municipal Aid - Jansen C	A-20	303,255.00		303,255.00
Recycling Tonnage Grant	A-20	6,888.79		6,888.79
Safe and Secure Communities Program	A-20	22,575.00		22,575.00
	A-1	3,523,229.75	124,953.03	3,584,839.00
				(63,343.78)

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>REF.</u>	<u>ANTICIPATED</u>		<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
		<u>BUDGET</u>	<u>SPECIAL N.J.S. 40A: 4-87</u>		
Receipts From Delinquent Taxes	A-1:A-2	\$	\$	\$ 1,803.38	\$ 1,803.38
Amount to be Raised by Taxes for Support of Municipal Budget:	A-2	2,491,032.31		2,571,689.43	80,657.12
Local Tax for Municipal Budget		6,907,284.06	124,953.03	7,051,353.81	19,116.72
<u>Budget Totals</u>				112,656.45	112,656.45
Non-Budget Revenue	A-1:A-2				
		\$ 6,907,284.06	\$ 124,953.03	\$ 7,164,010.26	\$ 131,773.17
	<u>REF.</u>	A-3	A-3		

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>REF.</u>	
<u>ANALYSIS OF REALIZED REVENUE</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1:A-5	\$ 24,492,987.56
Less:		
Allocated to Local School District, County, Municipal Open Space and Special District Taxes	A-5	<u>21,961,429.63</u>
Balance for Support of Municipal Budget Appropriations		2,531,557.93
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>40,131.50</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 2,571,689.43</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections (Net)	A-2:A-5	\$ 70.39
Tax Title Lien Collections	A-2:A-6	<u>1,732.99</u>
	A-2	<u>\$ 1,803.38</u>
<u>Analysis of Non-Budget Revenues:</u>		
Misc in Lieu of Taxes		\$ 7,000.00
Municipal Clerk		2,226.34
Finance Department		26,797.99
Police Department		750.00
Recycling		974.80
Construction Department		490.00
Tax Collector		23,911.79
Abandoned Properties Registration		24,000.00
Motel-Hotel Occupancy Tax		1,320.50
Senior Citizen/Veterans Administrative Fee		955.00
Unclassified		<u>24,230.03</u>
	A-2:A-4	<u>\$ 112,656.45</u>

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
GENERAL GOVERNMENT:				
Shared Services:				
Other Expenses	\$ 10,529.00	\$ 10,529.00	\$ 10,529.00	\$
Mayor and Township Committee:				
Salaries and Wages	5.00	5.00	5.00	
Other Expenses	1,500.00	1,500.00	708.25	791.75
Business Administrator/Community Development Coordinator:				
Salaries and Wages	40,000.00	40,000.00	39,514.53	485.47
Other Expenses	9,000.00	4,500.00	4,443.59	56.41
Municipal Clerk:				
Salaries and Wages	185,000.00	185,000.00	178,040.03	6,959.97
Other Expenses	39,700.00	39,700.00	34,849.16	4,850.84
Assessment Search Officer:				
Salaries and Wages	5,100.00	5,100.00	4,776.65	323.35
Financial Administration:				
Salaries and Wages	99,000.00	89,000.00	87,433.58	1,566.42
Other Expenses	21,522.00	21,522.00	19,395.34	2,126.66
Audit Services	35,000.00	35,000.00	34,500.00	500.00
Assessment of Taxes:				
Salaries and Wages	21,250.00	21,250.00	19,772.30	1,477.70
Other Expenses	16,600.00	16,600.00	1,870.20	14,729.80
Collection of Taxes:				
Salaries and Wages	103,000.00	103,000.00	102,473.11	526.89
Other Expenses	20,000.00	20,000.00	17,764.93	2,235.07
Tax Search Officer:				
Salaries and Wages	5,100.00	5,100.00	3,139.39	1,960.61
Legal Services and Costs:				
Other Expenses	200,000.00	230,000.00	219,568.50	10,431.50
Engineering Services and Costs:				
Other Expenses	66,600.00	81,600.00	58,420.64	23,179.36
Downtown Economic Development:				
Salaries and Wages	13,000.00	3,000.00	2,565.67	434.33
Other Expenses	36,500.00	36,500.00	33,000.00	3,500.00

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Senior Outreach Services:				
Other Expenses	\$ 1,000.00	\$ 1,000.00	\$	\$ 1,000.00
Planning Board:				
Salaries and Wages	7,500.00	7,500.00	4,938.48	2,561.52
Other Expenses	5,500.00	13,000.00	6,966.59	6,033.41
Zoning Officer:				
Salaries and Wages	23,000.00	23,000.00	21,573.91	1,426.09
Mobile Home Inspector:				
Salaries and Wages	3,200.00	4,700.00	3,095.08	1,604.92
Rental Inspections:				
Salaries and Wages	11,600.00	9,100.00	8,823.13	276.87
Code Enforcement Officer				
Salaries and Wages	7,500.00	7,500.00	6,945.86	554.14
Insurance:				
General Liability Insurance	96,578.00	96,578.00	96,578.00	
Workers Compensation Insurance	76,273.00	76,273.00	76,273.00	
Employees Group Health Insurance	330,000.00	305,000.00	266,145.28	38,854.72
Vision Program	2,000.00	2,000.00	922.88	1,077.12
Health Benefit Waiver	43,000.00	43,000.00	19,109.84	23,890.16
<u>PUBLIC SAFETY:</u>				
Police:				
Salaries and Wages	1,150,000.00	1,113,000.00	1,108,994.78	4,005.22
Other Expenses	92,100.00	122,100.00	101,873.59	20,226.41
Emergency Management Services:				
Salaries and Wages	8,300.00	3,300.00	2,346.14	953.86
Other Expenses	1,400.00	1,400.00		1,400.00
School Crossing Guards:				
Salaries and Wages	100.00	100.00		100.00

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Municipal Court:				
Salaries and Wages	\$ 25,500.00	\$ 25,500.00	\$ 20,770.85	\$ 4,729.15
Other Expenses	18,660.00	18,660.00	795.55	17,964.45
Public Defender (P.L. 1997, C. 256):				
Other Expenses	7,025.00	7,025.00	3,025.00	4,000.00
<u>PUBLIC WORKS FUNCTIONS:</u>				
Road Repairs and Maintenance:				
Other Expenses	23,500.00	23,500.00	20,500.00	3,000.00
Snow Removal:				
Other Expenses	60,000.00	52,500.00	14,840.00	37,660.00
Sanitary Landfill:				
Other Expenses	500.00	500.00	500.00	
Public Buildings and Grounds:				
Salaries and Wages	85,000.00	90,000.00	75,781.13	14,218.87
Other Expenses	62,500.00	72,500.00	49,353.60	23,146.40
<u>HEALTH AND WELFARE</u>				
Board of Health:				
Other Expenses	2,000.00	4,500.00	3,075.00	1,425.00
Soil/Water Testing	150.00	150.00		150.00
Environmental Committee:				
Other Expenses	800.00	800.00	425.00	375.00
Administration of Public Assistance:				
Relocation Costs	50.00	50.00		50.00
Catholic Charities	840.00	840.00	280.00	560.00
Federally Mandated Hepatitis Immunization:				
Other Expenses	100.00	100.00		100.00

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<u>PARKS AND RECREATION FUNCTIONS:</u>				
Recreation Department:				
Other Expenses	\$ 15,000.00	\$ 15,000.00	\$ 4,358.05	\$ 10,641.95
Celebration of Public Event, Anniversary or Holiday:				
Other Expenses	2,500.00	2,500.00	1,407.84	1,092.16
Council for the Arts:				
Other Expenses	400.00	400.00	96.11	303.89
Public Employee Awards (NJSA 40A:5-31):				
Salaries and Wages	250.00	250.00		250.00
Other Expenses	150.00	150.00	24.02	125.98
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</u>				
<u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17):</u>				
State Uniform Construction Code Official:				
Salaries and Wages	16,433.00	16,433.00	16,433.00	
<u>UTILITIES:</u>				
Electricity				8,873.57
Street Lighting	30,000.00	26,500.00	17,626.43	13,539.45
Telephone	60,000.00	65,000.00	51,460.55	2,196.67
Water	50,000.00	50,000.00	47,803.33	
Natural Gas	7,000.00	7,000.00	6,421.99	578.01
Heating Oil	8,000.00	8,500.00	6,676.76	1,823.24
Gasoline	5,000.00	5,000.00	4,933.65	66.35
Sewer	40,000.00	43,000.00	37,489.78	5,510.22
Salary Settlements and Adjustments:	3,750.00	3,750.00	2,520.00	1,230.00
Salaries and Wages	1,000.00	1,000.00		1,000.00
Other Expenses	1,000.00	1,000.00		1,000.00
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>				
CONTINGENT	3,314,565.00	3,319,565.00	2,983,864.07	335,700.93
<u>TOTAL OPERATIONS INCLUDING CONTINGENT</u>				
WITHIN "CAPS"	25,000.00	25,000.00	4,446.58	20,553.42
Detail:	3,339,565.00	3,344,565.00	2,988,310.65	356,254.35
Salaries and Wages	1,853,838.00	1,795,838.00	1,726,532.46	69,305.54
Other Expenses	1,485,727.00	1,548,727.00	1,261,778.19	286,948.81

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"				
Contribution to:				
Public Employees Retirement System	\$ 83,444.00	\$ 83,444.00	\$ 83,444.00	\$ 13,444.22
Social Security System (O.A.S.I.)	150,000.00	151,000.00	137,555.78	
Police and Firemen's Retirement System of N.J.	241,506.00	241,506.00	241,506.00	
State Unemployment Insurance	15,500.00	9,500.00	9,215.30	284.70
Defined Contribution Retirement Plan	3,000.00	3,000.00		3,000.00
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	493,450.00	488,450.00	471,721.08	16,728.92

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 3,833,015.00	\$ 3,833,015.00	\$ 3,460,031.73	\$ 372,983.27
OPERATIONS EXCLUDED FROM "CAPS"				
One Year Appropriation CAP Exclusions Approved by the Local Finance Board (LFN 2024-19)				
Workers Compensation Insurance	11,955.00	11,955.00	11,955.00	
General Liability	21,772.00	21,772.00	21,739.00	33.00
Uniform Construction Code Appropriations Offset by Increased Fees:				
Salaries and Wages	183,567.00	183,567.00	145,946.64	37,620.36
Other Expenses	310,000.00	310,000.00	64,352.56	245,647.44
Interlocal Municipal Service Agreements:				
Plumsted Board of Education - Courtesy Busing				
Other Expenses	126,762.00	126,762.00	126,762.00	
New Hanover - Uniform Construction Code				
Salaries and Wages	16,033.36	16,033.36	7,316.53	8,716.83
Other Expenses	4,799.97	4,799.97	884.59	3,915.38
Manchester Township:				
Other Expenses - Court	43,750.00	43,750.00	43,750.00	
Other Expenses - IT Services	20,000.00	20,000.00	20,000.00	
Other Expenses - Tax Assessor	32,500.00	32,500.00	28,846.15	3,653.85
Barnegat Township:				
Chief Financial Officer	40,000.00	40,000.00	40,000.00	
TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"	811,139.33	811,139.33	511,552.47	299,586.86
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:				
Matching Funds for Grants	5,000.00	5,000.00	980.67	5,000.00
Alcohol Education and Rehabilitation Fund (40A: 4-87 + 980.67)			23,972.36	
Clean Communities Program (40A:4-87 + 23,972.36)			5,458.57	
DMHAS Youth Leadership Grant	5,458.57	5,458.57	100,000.00	
ARPA Inclusive Recreation Grant (40A:4-87 + 100,000.00)			7,987.00	
Municipal Alliance on Alcoholism and Drug Abuse - Grant Share	7,987.00	7,987.00	5,500.00	
Municipal Alliance on Alcoholism and Drug Abuse - Local Share	5,500.00	5,500.00	303,255.00	
NJ Department of Transportation Municipal Aid - Jansen Ct. & Maria Rd.	303,255.00	303,255.00		

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>				
(CONTINUED):				
Recycling Tonnage Grant	\$ 6,888.79	\$ 6,888.79	\$ 6,888.79	\$
Safe and Secure Communities Program - Grant Share	22,575.00	22,575.00	22,575.00	
Safe and Secure Communities Program - Local Share	5,644.00	5,644.00	5,644.00	
Supplemental Fire Services Program	2,140.00	2,140.00	2,140.00	
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>	<u>364,448.36</u>	<u>489,401.39</u>	<u>484,401.39</u>	<u>5,000.00</u>
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>1,175,587.69</u>	<u>1,300,540.72</u>	<u>995,953.86</u>	<u>304,586.86</u>
Detail:				
Salaries and Wages	222,175.36	222,175.36	175,838.17	46,337.19
Other Expenses	953,412.33	1,078,365.36	820,115.69	258,249.67
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>				
Sewer Renewal and Replacement Fund	175,000.00	175,000.00	175,000.00	
Police Department Equipment/Vehicle (ARP Revenue Loss)	130,000.00	130,000.00	129,685.12	314.88
Police Department Equipment/OEM Radio	10,000.00	10,000.00		10,000.00
<u>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>	<u>315,000.00</u>	<u>315,000.00</u>	<u>304,685.12</u>	<u>10,314.88</u>

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>				
Payment of Bond Anticipation Notes and Capital Notes	\$ 269,000.00	\$ 269,000.00	\$ 269,000.00	\$
Interest on Notes	90,169.08	90,169.08	90,169.08	
Downtown Business Zone Loan	34,484.22	34,484.22	34,484.22	
NJ Environmental Infrastructure Trust and Fund Loans:				
Loan Principal	607,975.95	607,975.95	607,975.95	
Loan Interest	541,920.62	541,920.62	541,920.62	
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	<u>1,543,549.87</u>	<u>1,543,549.87</u>	<u>1,543,549.87</u>	
<u>TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM "CAPS"</u>	<u>3,034,137.56</u>	<u>3,159,090.59</u>	<u>2,844,188.85</u>	<u>314,901.74</u>
<u>SUB-TOTAL GENERAL APPROPRIATIONS</u>	<u>6,867,152.56</u>	<u>6,992,105.59</u>	<u>6,304,220.58</u>	<u>687,885.01</u>
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>40,131.50</u>	<u>40,131.50</u>	<u>40,131.50</u>	
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 6,907,284.06</u>	<u>\$ 7,032,237.09</u>	<u>\$ 6,344,352.08</u>	<u>\$ 687,885.01</u>
<u>REF.</u>	<u>A-2</u>		<u>A-1</u>	<u>A:A-1</u>
Appropriation by 40A:4-87				
Budget		\$ 124,953.03		
		<u>6,907,284.06</u>		
		<u>\$ 7,032,237.09</u>		
Grants Appropriated	A-20		\$ 484,401.39	
Reserve for Encumbrances	A-18		251,903.18	
Canceled	A-1		74,447.97	
Reserve for Uncollected Taxes	A-2		40,131.50	
Disbursements	A-4		5,493,468.04	
			<u>\$ 6,344,352.08</u>	

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

TRUST FUND

"B"

TOWNSHIP OF PLUMSTED

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2024</u>	<u>BALANCE DECEMBER 31, 2023</u>
<u>ASSETS</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ <u>389.81</u>	\$ <u>200.00</u>
		<u>389.81</u>	<u>200.00</u>
Trust - Other Funds:			
Cash	B-1	3,084,647.90	2,993,202.28
Interfund - Current Fund	B-4	<u>717.48</u>	<u>659.20</u>
		<u>3,085,365.38</u>	<u>2,993,861.48</u>
		\$ <u>3,085,755.19</u>	\$ <u>2,994,061.48</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Trust Fund:			
Due State Department of Health	B-2	\$ 127.80	\$
Reserve for Animal Control Trust Fund Expenditures	B-3	262.01	
Reserve for Encumbrances	B-5	<u>389.81</u>	<u>200.00</u>
		<u>389.81</u>	<u>200.00</u>
Trust - Other Funds:			
Reserve for Encumbrances	B-5	114,580.83	32,500.31
Miscellaneous Reserves	B-6	<u>2,970,784.55</u>	<u>2,961,361.17</u>
		<u>3,085,365.38</u>	<u>2,993,861.48</u>
		\$ <u>3,085,755.19</u>	\$ <u>2,994,061.48</u>

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

GENERAL CAPITAL FUND

"C"

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2024</u>	<u>BALANCE DECEMBER 31, 2023</u>
<u>ASSETS</u>			
Cash	C-2	\$ 4,907,992.91	\$ 4,111,716.70
Deferred Charges to Future Taxation:			
Funded	C-4	26,114,083.64	26,761,980.56
Unfunded	C-5	<u>8,827,319.66</u>	<u>9,036,319.66</u>
		<u>\$ 39,849,396.21</u>	<u>\$ 39,910,016.92</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-6	\$ 4,696,723.00	\$ 1,609,723.00
Downtown Business Improvement Zone Loan Payable	C-7	68,968.34	103,452.56
NJ I-Bank Loan Payable	C-8	26,010,121.46	26,618,097.41
Green Trust Loan Payable	C-9	34,993.84	40,430.59
Improvement Authorizations:			
Funded	C-10	10,398.54	10,398.54
Unfunded	C-10	2,778,918.15	5,349,332.41
Capital Improvement Fund	C-11	82,731.39	82,731.39
Renewal and Replacement Fund	C-12	553,059.64	359,279.04
Reserve for Encumbrances	C-13	282,596.58	624,945.36
Reserve for Retirement of Debt	C-3	5,329,969.36	5,111,040.71
Fund Balance	C-1	<u>915.91</u>	<u>585.91</u>
		<u>\$ 39,849,396.21</u>	<u>\$ 39,910,016.92</u>

There were bonds and notes authorized but not issued on December 31, 2024 of \$4,130,596.66 and December 31, 2023 of \$7,426,596.66 (Schedule C-14).

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

"C-1"

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2023	C	\$	585.91
Increased by:			
Premium on Sale of Bond Anticipation Notes	C-2		<u>330.00</u>
Balance, December 31, 2024	C	\$	<u><u>915.91</u></u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"D"

TOWNSHIP OF PLUMSTED

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2024</u>	BALANCE DECEMBER <u>31, 2023</u>
Fixed Assets:		
Land	\$ 2,810,000.00	\$ 2,037,069.13
Improvements	3,954,062.22	3,889,115.64
Equipment and Vehicles	1,057,959.46	1,001,914.35
Wastewater Treatment Plant	<u>32,629,771.21</u>	<u>30,494,468.79</u>
<u>Total Fixed Assets</u>	<u>\$ 40,451,792.89</u>	<u>\$ 37,422,567.91</u>
Reserve:		
Investments in General Fixed Assets	<u>\$ 40,451,792.89</u>	<u>\$ 37,422,567.91</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF PLUMSTED
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Plumsted, County of Ocean, New Jersey, (the "Township"), is an instrumentality of the State of New Jersey established to function as a municipality. The Township Committee consists of five (5) elected officials and is responsible for fiscal control of the Township.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization.

Except as noted below, the financial statements of the Township of Plumsted include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township of Plumsted, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Plumsted do not include the operations of any libraries, first aid organizations, volunteer fire companies, the local school district, the Plumsted Township Municipal Utilities Authority or the Plumsted Township Redevelopment Agency (Currently Inactive), in as much as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

Animal Control Trust Fund - dog license receipts and disbursements.

Trust Other Fund - receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

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

C. Basis of Accounting

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

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Township's budget.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Revenues (Continued)

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

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds, notes and loans are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

No depreciation has been provided on general fixed assets or reported in the financial statements.

The Township has developed a fixed assets accounting and reporting system based upon an inspection and historical cost analysis except for land and buildings acquired prior to December 31, 1985 which are stated at current replacement values as permitted by N.J.A.C. 5:30-5.6. Except for land and buildings, fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. General fixed assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

Accounting and Financial Reporting for Pensions

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

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C.5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68 however, local units are permitted to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2024 was not available, therefore the information dated June 30, 2023 is disclosed.

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

Under GAAP, municipalities are required to recognize their distributive shares of the net OPEB liability, deferred outflows of resources and deferred inflows of resources in the Statement of Net Position and the total OPEB related expense in the Statement of Revenues, Expenses and Changes in Net Position and in the Notes to the Financial Statements in accordance with GASB 75. New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net OPEB liability as a liability on their balance sheets. However, N.J.A.C.5:30 6.1(c)(2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75 however, local units are permitted to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2024 was not available, therefore the information dated June 30, 2023 is disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Leases

Under GAAP, lease receivables are measured at the present value of the lease payments expected to be received during the lease term. Payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right-to-use assets on the statements of net position.

New Jersey's municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording lease receivables, deferred outflows, lease liabilities or deferred inflows on their balance sheets.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general-purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division, and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey, and which meet the requirements of the Governmental Unit Deposit Protection Act, (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank or a savings bank which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation, ("FDIC"). The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

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

Fund	Cash		Less	Cash
	On Hand	On Deposit	Checks Outstanding	Book Balance
Current	\$ 113,364.47	\$ 8,403,876.06	\$ 222,344.57	\$ 8,294,895.96
Animal Control Trust		394.94	5.13	389.81
Trust Other	2,172.08	3,112,764.68	30,288.86	3,084,647.90
General Capital		4,918,746.53	10,753.62	4,907,992.91
	<u>\$ 115,536.55</u>	<u>\$ 16,435,782.21</u>	<u>\$ 263,392.18</u>	<u>\$ 16,287,926.58</u>

At year-end, the carrying amount of the Township's deposits was \$16,435,782.21. Of this amount \$500,000.00 was covered by FDIC insurance, \$2,279,980.23 was guaranteed by the United States Government and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered \$11,578,914.24. The amount of \$2,076,887.74 was on deposit in the name of various developers for escrow and is insured by FDIC insurance or uninsured depending upon the deposits of the individual developer in the escrow depository.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a specific policy for custodial credit risk other than those policies that adhere to the requirements of statute.

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2024</u>	<u>2023</u>
Insured		
FDIC	\$ 500,000.00	\$ 250,000.00
UNITED STATES GOVERNMENT	2,279,980.23	1,726,418.65
GUDPA	11,578,914.24	9,071,479.32
Escrow Deposits	<u>2,076,887.74</u>	<u>2,147,671.18</u>
	<u>\$ 16,435,782.21</u>	<u>\$ 13,195,569.15</u>

B. Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

Other than cash equivalents that would otherwise qualify as investments, except for their maturity or the withdrawal provisions of their deposit, the Township of Plumsted had no investments outstanding as of December 31, 2024. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its' deposits and Investments.

NOTE 3: MUNICIPAL DEBT

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

SUMMARY OF STATUTORY DEBT CONDITION-
ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.521%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt \$	1,480,000.00	\$ 1,480,000.00	\$
General Debt	34,941,403.30	5,329,969.36	29,611,433.94
	<u>\$ 36,421,403.30</u>	<u>\$ 6,809,969.36</u>	<u>\$ 29,611,433.94</u>

Net debt \$29,611,433.94 divided by equalized valuation basis per N.J.S.40A:2-2 as amended \$1,174,335,188.33 equals 2.521%.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2024</u>	<u>YEAR 2023</u>	<u>YEAR 2022</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 30,810,806.64	\$ 28,371,703.56	\$ 28,741,560.63
Total Issued	<u>30,810,806.64</u>	<u>28,371,703.56</u>	<u>28,741,560.63</u>
Less:			
Funds Held to Pay			
Bonds, Notes and Loans	5,329,969.36	5,111,040.71	4,093,065.59
Total Deductions	<u>5,329,969.36</u>	<u>5,111,040.71</u>	<u>4,093,065.59</u>
Net Debt Issued	<u>25,480,837.28</u>	<u>23,260,662.85</u>	<u>24,648,495.04</u>
Authorized But Not Issued			
Bonds, Notes and Loans	4,130,596.66	7,426,596.66	8,043,391.66
Net Bonds Notes and Loans Issued and Authorized but Not issued	<u>\$ 29,611,433.94</u>	<u>\$ 30,687,259.51</u>	<u>\$ 32,691,886.70</u>

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

Equalized Valuation Basis* - December 31 2024	\$1,174,335,188.33
3-1/2% of Equalized Valuation Basis	41,101,731.59
Net Debt	<u>29,611,433.94</u>
Remaining Borrowing Power	<u>\$11,490,297.65</u>

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

LONG-TERM DEBT OBLIGATIONS

At December 31, 2024 the Township's long-term debt outstanding was as follows:

Green Trust Loan Program

The Township has a low interest loan (2%) under the New Jersey Department of Environmental Protection's Green Trust Loan Program. The \$100,000 Loan for the Recreation Complex Improvement was finalized on or about December 20, 2010. The Recreation Complex Improvement Loan must be repaid in semi-annual installments over nineteen- and one-half years. The balance as of December 31, 2024 was \$34,993.84 and loan payments are due through 2030.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT OBLIGATIONS (CONTINUED)

Green Trust Loan Program (Continued)

Debt Service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 5,546.03	\$ 672.29
2026	5,657.51	560.81
2027	5,771.23	447.09
2028	5,887.23	331.09
2029	6,005.56	212.76
2030	6,126.28	92.04
	<u>\$ 34,993.84</u>	<u>\$ 2,316.08</u>

Downtown Business Improvement Zone Loan Program

On December 15, 2011, the Township closed on a 0% Downtown Business Improvement Zone Loan in the Amount of \$528,294.76 to fund Downtown New Egypt Improvements. Payments are due annually on December 15 of each year until the loan is paid in full.

Debt Service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>
2025	\$ 34,484.22
2026	<u>34,484.12</u>
	<u>\$ 68,968.34</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT OBLIGATIONS (CONTINUED)

NJ I-Bank Loan

On June 9, 2021, the Township permanently financed a portion of its Interim Construction Notes in the amount of \$22,082,853.00. On December 11, 2023 the Township permanently financed the remainder of its Interim Construction Notes in the amount of \$5,910,557. Payments made during the period under audit amounted to \$607,975.95. The balance as of December 31, 2024 was \$26,010,121.46. Loan payments are due semi-annually on February 1st and August 1st through the year 2050.

Debt Service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 742,842.81	\$ 567,968.54
2026	762,842.81	547,968.54
2027	782,842.81	526,968.54
2028	812,842.81	504,968.54
2029	832,842.81	481,468.54
2030-34	4,484,214.05	2,078,392.70
2035-39	4,995,168.05	1,572,983.50
2040-44	5,445,520.05	1,129,406.18
2045-49	5,905,234.05	666,431.28
2050	<u>1,245,771.21</u>	<u>69,839.69</u>
	\$ <u>26,010,121.46</u>	\$ <u>8,146,396.05</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SHORT-TERM DEBT OBLIGATIONS

Bond Anticipation Notes

On December 31, 2024 the Township's outstanding Bond Anticipation Notes were as follows:

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
15-06	Various Capital Improvements and Other Related Expenses	\$ 75,000.00	4.800%
17-15	Various Capital Improvements and Other Related Expenses	34,160.18	4.800%
18-09	Aid to New Egypt Redevelopment Project	10,839.82	4.800%
17-21	Aid to New Egypt Redevelopment Project	50,000.00	4.875%
17-21	Aid to New Egypt Redevelopment Project	188,892.00	4.875%
17-21	Aid to New Egypt Redevelopment Project	358,331.00	4.875%
17-21/21- 03	Aid to New Egypt Redevelopment Project	3,296,000.00	4.875%
20-07	Various Capital Improvements and the Acquisition of Various Capital Equipment	195,000.00	4.800%
20-07	Various Capital Improvements and the Acquisition of Various Capital Equipment	<u>488,500.00</u>	4.800%
		\$ <u>4,696,723.00</u>	

Bonds and Notes Authorized but Not Issued

At December 31, 2024, the Township had bonds and notes authorized but not issued in the amount of \$4,130,596.66.

NOTE 4: COMPENSATED ABSENCES

In accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to compensated absences. The Township's policy with respect to compensated absences is as follows:

Vacation Leave

Any unused vacation leave may be carried forward into the next succeeding year only. In the event an employee is unable to utilize during the first six (6) months

NOTE 4: COMPENSATED ABSENCES (CONTINUED)

Vacation Leave (Continued)

of the succeeding year any unused vacation time, the Township Committee may consider approval by resolution, an employee's request with Department Head approval, to utilize the aforementioned unused vacation time during the last six (6) months of the succeeding year. Unused vacation time from the previous year shall not be utilized so that a vacation will exceed the total for the previous year.

Sick Leave

Sick leave will be recorded in thirty (30) minute increments. Sick leave can be accumulated without limit during each employee's length of service for a period of up to thirty (30) days. In the first calendar year of employment, full-time permanent employees shall be entitled to two thirds (2/3) a day of sick leave for each month or fractional part thereof calculated from date of employment. Thereafter, full-time permanent employees shall be entitled to either eight, (8) days of sick leave each year which shall be credited to their account at the beginning of the year.

Any amount of sick leave used which exceeds the amount accrued to an employee's account at time of separation from the Township will be deducted from the final salary payment. Upon termination for any reason accumulated sick time will be forfeited. Temporary and seasonal employees shall not be eligible for sick leave with pay.

If an employee is unable to report for work due to illness, this fact shall be reported to the department not later than one (1) hour after the start of the normal work day. An employee on sick leave and receiving their normal compensation who, in addition, qualifies for payments under workers' compensation weekly benefits shall, during the period they are receiving such weekly benefits, be entitled to only that portion of their regular salary which with the workers' compensation payments, equals their normal salary.

Effective October 29, 2018, part-time employees became eligible for paid sick leave at the rate of one (1) hour of sick leave per thirty (30) hours worked.

The amount of sick leave accumulated may differ between contractual and non-contractual employees.

Compensated absences at December 31, 2024 approximate \$113,670.38 per the 2025 Municipal User Friendly Budget. Funds reserved at December 31, 2024 amounted to \$20,438.20.

NOTE 5: FUND BALANCES APPROPRIATED

The Current Fund balance at December 31, 2024, which was appropriated and included as anticipated revenue for the year ending December 31, 2025, was as follows:

Current Fund: \$800,000.00

NOTE 6: PROPERTY TAXES

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

NOTE 7: TAXES COLLECTED IN ADVANCE

Taxes collected in advance set forth as a cash liability in the financial statements are as follows:

	Balance December <u>31, 2024</u>	Balance December <u>31, 2023</u>
Prepaid Taxes	\$261,271.84	\$241,412.24
Tax Overpayments	13,944.70	13,895.35

NOTE 8: CONTINGENT LIABILITIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2024, the Township does not believe that any material liabilities will result from such audits.

NOTE 9: LITIGATION

The Township is a member of the Ocean County Municipal Joint Insurance Fund, and any and all claims for damages under the New Jersey Tort Claims Act are covered by the self-insurance pool provided by the Fund. There is no anticipated or pending tort claim litigation which will result in any direct and uninsured liability

NOTE 9: LITIGATION (CONTINUED)

of the Township. Rather, all matters of tort claim have adequate insurance protection.

It is the opinion of the Township officials that there is no litigation threatened or pending that would materially affect the financial position of the Township or adversely affect the Township's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds, notes or other obligations.

NOTE 10: 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. The Township is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance program for municipalities within the State. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the Township is required to remit an employer's match to the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State.

NOTE 11: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$	\$ 776,247.92
Grant Fund	<u>776,247.92</u>	<u></u>
	\$ <u>776,247.92</u>	\$ <u>776,247.92</u>

NOTE 12: PENSION PLANS

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

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

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

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

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:3B. All benefits vest after ten years of service, except for disability benefits, which vest

NOTE 12: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.50% of base salary. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums.

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

Certain portions of the costs are contributed by the employees. The Township's share of pension, which is based upon the annual billings received from the state, amounted to \$324,950 for 2024, \$411,436.00 for 2023 and \$344,120 for 2022.

All contributions were equal to the required contributions for each of the three years, respectively.

Certain Township employees are also covered by the Federal Insurance Contribution Act.

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68

As discussed in Note 1, as of the date of this report, the information for the period ended June 30, 2024 for PERS was not available. Therefore, the information dated June 30, 2023 is disclosed.

Public Employees Retirement System (PERS)

At June 30, 2023, the State reported a net pension liability of \$904,309.00 for the Township's proportionate share of the total net pension liability. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Township's proportion was 0.0062433444 percent, which was a decrease of 0.0019111428 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the State recognized an actuarially determined pension benefit of \$28,847.00 for the Township's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statements based on the April 1, 2023 billing was \$102,832.00.

At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 8,646.00	\$ 3,697.00
Changes of assumptions	1,987.00	54,805.00
Net difference between projected and actual earnings on pension plan investments	4,164.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>100,445.00</u>	<u>286,386.00</u>
	<u>\$ 115,242.00</u>	<u>\$ 344,888.00</u>

NOTE 12: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2024	(\$84,932.20)
2025	(63,837.20)
2026	51.80
2027	(43,853.20)
2028	(37,075.20)
	<u>(\$229,646.00)</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. These actuarial valuations used the following assumptions:

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

NOTE 12: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 12: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

Best estimates of arithmetic rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2023 asset are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasury's	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

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

NOTE 12: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2023 respectively, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2023		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Township's proportionate share of the pension liability	\$1,177,218.00	\$904,309.00	\$672,028.00

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2023, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

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

NOTE 12: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation (Continued)

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Township as of June 30, 2023 was 0.0062670485% which was a decrease of 0.0019200172 percent from its proportion measured as of June 30, 2022. The non-employer contributing entities' contribution and employer pension expense and related revenue for the years ended June 30, 2023 and June 30, 2022 was \$2,820.00 and \$2,589.00, respectively.

Pension plan fiduciary net position

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2023, the State reported a net pension liability of \$2,004,466.00 for the Township's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2023, the Township's proportion was 0.0181419600 percent, which was a decrease of 0.0055867100 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the State recognized an actuarially determined pension expense of \$184,928.00. The pension expense recognized in the Township's financial statements based on the April 1, 2023, billing was \$308,604.00.

NOTE 12: PENSION PLANS (CONTINUED)

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

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

At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 85,827.00	\$ 95,595.00
Changes of assumptions	4,326.00	135,349.00
Net difference between projected and actual earnings on pension plan investments	102,084.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	415,591.00	568,136.00
	<u>\$ 607,828.00</u>	<u>\$ 799,080.00</u>

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

Year Ended <u>June 30</u>	<u>Amount</u>
2024	\$ (108,516.00)
2025	(105,370.00)
2026	89,935.00
2027	(40,868.00)
2028	(26,811.00)
Thereafter	<u>378.00</u>
	<u>\$ (191,252.00)</u>

NOTE 12: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions:

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

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 12: PENSION PLANS (CONTINUED)

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

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

Long-Term Rate of Return (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasury's	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

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

NOTE 12: PENSION PLANS (CONTINUED)

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

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

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

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2023		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Township's proportionate share of the PFRS pension liability	\$2,792,872.00	\$2,004,466.00	\$1,347,912.00

Special Funding Situation

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

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of December 31, 2023 and 2022 is 0.0181419700% and 0.0237288600% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2023 and 2022 was \$42,239.00 and \$60,179.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2023 and 2022 was \$42,012.00 and \$55,769.00, respectively.

NOTE 12: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation (Continued)

At June 30, 2023 and 2022, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$369,346.00 and \$483,380.00, respectively.

At June 30, 2023, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$2,004,466.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>369,346.00</u>
	<u>\$2,373,812.00</u>

Pension plan fiduciary net position

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

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75

As of the date of this report, the New Jersey Division of Pensions and Benefits has not provided updated actuarial valuations for other post-employment obligations for the year ended June 30, 2024. The New Jersey Division of Pensions and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2023.

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

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

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation

The Township, by resolution of the governing body, has elected to provide post-retirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

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 percent 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 non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net 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.

At June 30, 2023 and 2022, the State's proportionate share of the net OPEB liability attributable to the Township for the special funding situation is \$1,772,180.00.00 and \$1,846,992.00.00 respectively.

At June 30, 2023, the Township's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

Township's proportionate share of the Net OPEB Liability	-0-
State of New Jersey's proportionate Share of Net OPEB Liability associated with the Township	<u>\$1,772,180</u>
	<u>\$1,772,180</u>

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

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

Salary Increases:

Public Employees Retirement System (PERS):

Initial fiscal year applied

Rate for all future years 2.75% to 6.55%

Police and Firemen's Retirement System (PFRS):

Rate for all future years 3.25% to 16.25%

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 July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Discount Rate

The discount rate for June 30, 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.

OPEB Plan Fiduciary Net Position

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

NOTE 14: REDEVELOPERS AGREEMENT

The Township has signed an agreement with Lennar Plumsted, LLC as the redeveloper of Block 40, Lots 10 and 18, for a minimum of 400 and a maximum of 500 units, in an Active Adult Community. Lennar shall pay to the Township, a fee of \$19,500.00 for each market unit. As of December 31, 2024, Lennar has paid the Township \$500,000.00 (as per the Redevelopment Agreement) for final subdivision/site plan approval and commencement of construction. In addition, the Township received payments of approximately \$8,365,500.00 which represents the per unit fees due on the market units. Lennar has also agreed to prepay any annual debt service shortfall not covered by these prepayments.

NOTE 15: SCHOOL TAXES

Local School District Taxes have been raised and liabilities deferred by statute resulting in the school taxes payable as set forth in the Current Fund liabilities as follows:

	Local School District Tax Balance December 31	
	2024	2023
Balance of Tax	\$ 7,609,117.26	\$ 6,910,720.26
Deferred	<u>5,787,199.61</u>	<u>5,787,199.61</u>
Tax Payable	<u>\$ 1,821,917.65</u>	<u>\$ 1,123,520.65</u>

NOTE 16: FIXED ASSETS

During 2024 the following changes occurred in the fixed assets of the Township:

	Balance Dec. 31, 2023	Increases	Decreases	Balance Dec. 31, 2024
General Fixed Assets				
Account Group:				
Land	\$ 2,037,069.13	\$ 990,030.87	\$ 217,100.00	\$ 2,810,000.00
Improvements	3,889,115.64	64,946.58		3,954,062.22
Equipment and Vehicles	1,001,914.35	56,045.11		1,057,959.46
Wastewater Treatment Plant	<u>30,494,468.79</u>	<u>2,135,302.42</u>		<u>32,629,771.21</u>
	<u>\$ 37,422,567.91</u>	<u>\$ 3,246,324.98</u>	<u>\$ 217,100.00</u>	<u>\$ 40,451,792.89</u>

General fixed assets, as shown in Exhibit D, are presented as recorded in the Township records with offsetting reserves on the balance sheet of the Township's General Fixed Assets Account Group.

NOTE 17: LEASES

In December of 2013, the Township entered into a lease agreement with Wireless EDGE Tower, LLC for the leasing of Township property at which a telecommunications facility, structure and equipment would be housed. The agreement has a lease term of five (5) years with a renewal option of four (4) additional 5-year terms. Payments received by the Township during 2024 totaled \$63,126.84 for this lease.

On November 30, 2021, the Township agreed that in exchange for an annual payment of \$1,200.00, space at the American Legion Post 455 would be leased for use by the Township's Municipal Alliance Program. The original agreement was for the years 2022 and 2023. The Township continued the lease through 2024. The amount due for 2024, was not paid until 2025.

NOTE 18: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through June 30, 2025, which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that other than the item listed below, there are no items that would require disclosure in the financial statements.

SALE OF SERIAL BONDS

On or about August 26, 2025, the Township intends on issuing/closing on the Sale of General Obligation Bonds, Series 2025 in the amount of approximately \$4,696,000 consisting of \$3,979,000 Tax Exempt Bonds and \$717,000 Federally Taxable Bonds. The Bonds to be Issued are to Permanently Finance Debt currently being Temporarily Financed under Bond Anticipation Notes as reflected on Audit Schedule "C-6".

Final amounts to be bonded may differ once the details of the issuance are finalized.

RELATED PARTY - PLUMSTED MUA

The Plumsted MUA's 2025 Budget anticipates as revenue a subsidy of \$500,000 from the Township.

In addition to the 2025 subsidy requested, the MUA allegedly owes close to \$1,800,000 to a prior Contract Operator for invoices dating back to Fiscal Year 2022, of which the Township had authorized payment in an amount not-to-exceed \$1,460,000 under Township Resolution No. 2024-314 to settle said outstanding claims. Although the exact amount of the MUA liability is not yet known, it can be anticipated that a formal request from the MUA for said funds authorized under Township Resolution No. 2024-314 is forthcoming. As of May 1, 2025, the amount due has risen to \$1,763,647.

APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

_____, 2025

Township Committee of the
Township of Plumsted, in the
County of Ocean, New Jersey

Dear Committee Members:

We have acted as bond counsel to the Township of Plumsted, in the County of Ocean, New Jersey (the "Township"), in connection with the issuance by the Township of its \$4,692,000* General Obligation Bonds, Series 2025 (Tax Exempt), consisting of \$1,501,000* General Improvement Bonds (the "General Improvement Bonds") and \$3,191,000* Redevelopment Area Bonds (the "Redevelopment Bonds"; and together with the General Improvement Bonds, the "Bonds"), each dated the date hereof. In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to us as we have deemed necessary.

The General Improvement Bonds are issued pursuant to the Local Bond Law of the State of New Jersey (N.J.S.A. 40A:2-1 *et seq.*) (the "Local Bond Law"), a resolution of the Township adopted July 23, 2025, in all respects duly approved, and the bond ordinance referred to therein, in all respects duly approved and published as required by law.

The Redevelopment Bonds are issued pursuant to the Local Redevelopment and Housing Law of the State of New Jersey (N.J.S.A. 40A:12-1 *et seq.*) and the Local Bond Law, as applicable, a resolution of the Township adopted July 23, 2025 pursuant to N.J.S.A. 40A:2-26(f), in all respects duly approved, and the various bond ordinances referred to therein, each in all respects duly approved and published as required by law.

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

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

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

Very truly yours,

*Preliminary; subject to change.