

**PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 12, 2026**

**NEW ISSUE – BOOK-ENTRY-ONLY**

**NOT RATED**

*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 Notes (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 Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. Based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.*

**TOWNSHIP OF IRVINGTON, IN THE  
COUNTY OF ESSEX, NEW JERSEY**

**\$2,600,000 BOND ANTICIPATION NOTES**

**DATED DATE: MARCH 5, 2026  
MATURITY DATE: MARCH 4, 2027  
INTEREST RATE: \_\_\_\_%  
RE-OFFERING YIELD: \_\_\_\_%  
CUSIP NO. 464080 \_\_\_\_**

The \$2,600,000 Bond Anticipation Notes (the "Notes") of the Township of Irvington, in the County of Essex, New Jersey (the "Township"), are being issued to: (i) finance the Township's allocable share of capital improvement projects for the Joint Meeting of Essex and Union Counties; and (iii) pay the costs associated with the authorization, sale and issuance of the Notes. See "AUTHORIZATION AND PURPOSE OF NOTES" herein.

The Notes will be issued in the form of one certificate for the aggregate principal amount of the Notes 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 securities depository. The principal of and interest due on the Notes shall be paid on the maturity date thereof to DTC by the Township or its designated paying agent. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of the close of business one business day prior to the maturity date (the "Record Date"). See "DESCRIPTION OF THE NOTES – Book-Entry-Only System" herein.

The Notes are valid and legally binding obligations of the Township, payable in the first instance from the proceeds of the sale of bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Township without limitation as to rate or amount.

The Notes are not subject to redemption prior to their stated maturity date. See "DESCRIPTION OF THE NOTES – Redemption" herein.

**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, to obtain information essential to the making of an informed investment decision.**

*The Notes are 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 approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, and certain other conditions described herein. Acacia Financial Group, Inc., Mount Laurel, New Jersey, has served as Municipal Advisor to the Township in connection with the Notes. Delivery is anticipated to be through the facilities of DTC in Brooklyn, New York, on or about March 5, 2026.*

**ELECTRONIC SUBMISSIONS FOR THE NOTES WILL BE RECEIVED VIA PARITY OR  
E-MAIL UNTIL 11:30 A.M. ON FEBRUARY 19, 2026. FOR MORE DETAILS ON HOW TO BID  
ELECTRONICALLY, VIEW THE NOTICE OF SALE POSTED AT [WWW.I-DEALPROSPECTUS.COM](http://WWW.I-DEALPROSPECTUS.COM).**

**TOWNSHIP OF IRVINGTON, IN THE  
COUNTY OF ESSEX, NEW JERSEY**

**MAYOR**

Anthony Vauss

**MUNICIPAL COUNCIL MEMBERS**

Jamillah Z. Beasley, Council President  
Dr. October Hudley, 1st Vice President  
Dr. Charnette Frederic, 2nd Vice President  
Orlander Glen Vick, North Ward  
Anthony Vauss Jr., Council Member At-Large  
Darlene Brown, Council Member At-Large  
Luis Antilus, West Ward

**DIRECTOR OF REVENUE AND FINANCE**

Faheem J. Ra'Oof

**MUNICIPAL CLERK**

Shawna Supel

**TOWNSHIP ATTORNEY**

Ramon E. Rivera, Esq.  
Irvington, New Jersey

**INDEPENDENT AUDITOR**

Samuel Klein and Company, LLP  
Certified Public Accountants  
Newark, New Jersey

**MUNICIPAL ADVISOR**

Acacia Financial Group, Inc.  
Mount Laurel, 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 Notes other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Township and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself, by the Township. The information and the expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Notes made hereunder shall, under any circumstances, create any implication that there has been no change in 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 Notes described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Township.

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

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 NOTES IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

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.

"CUSIP" is a registered trademark of the American Bankers Association. CUSIP numbers have been provided by CUSIP Global Services, which is operated on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP number listed on the cover page hereof is being provided solely for the convenience of holders of the Notes only at the time of issuance of the Notes, and the Township does not make any representations with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number for the Notes is subject to being changed after the issuance of the Notes as a result of various subsequent actions, including, but not limited to, the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to the Notes.

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**OFFICIAL STATEMENT**

**RELATING TO**

**\$2,600,000 BOND ANTICIPATION NOTES**

**OF THE**

**TOWNSHIP OF IRVINGTON, IN THE  
COUNTY OF ESSEX, NEW JERSEY**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Irvington (the "Township"), in the County of Essex (the "County"), State of New Jersey (the "State"), in connection with the sale and issuance of its \$2,600,000 Bond Anticipation Notes (the "Notes"). This Official Statement has been executed by and on behalf of the Township by its Director of Revenue and Finance and may be distributed in connection with the sale of the Notes described herein.

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

**DESCRIPTION OF THE NOTES**

**General Description**

The Notes are dated, will mature on the date and in the amount and will bear interest payable at the interest rate as set forth on the cover page hereof. Interest shall be computed on a 30-day month/360-day year basis consisting of twelve 30-day months. The principal of and interest due on the Notes will be paid to the registered owners by the Township or its designated paying agent. Principal of and interest due on the Notes will be credited to the registered owners as of the business day immediately preceding the maturity date of the Notes (the "Record Date" for the payment of principal of and interest on the Notes).

The Notes are issuable as fully registered book-entry obligations in the form of one certificate in the aggregate principal amount of the Notes. The Notes may be purchased in book-entry-only form in the 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 Notes, payments of the principal of and interest on the Notes will be made by the Township directly to Cede & Co. (or any successor or assign), as nominee for DTC.

**Redemption**

The Notes are not subject to redemption prior to their stated maturity date.

**Book-Entry-Only System**

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Notes, payment of principal of and interest and other payments on the Notes to Direct and Indirect Participants (each as defined below) or Beneficial Owners (defined below),

confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township.

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

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

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

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

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

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

Redemption proceeds, if applicable, and principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or 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 will be the responsibility of such Participant and not of DTC, 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 principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or 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 Notes 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, note certificates are required to be printed and delivered.

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

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

**THE TOWNSHIP 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 THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.**

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

## **Discontinuation of Book-Entry-Only System**

If the Township, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Notes at any time, the Township will attempt to locate another qualified securities depository. If the Township fails to find such a securities depository, or if the Township determines, in its sole discretion, that it is in the best interest of the Township or that the interest of the Beneficial Owners might be adversely affected if the book-entry-only system of transfer is continued (the Township undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination), the Township shall notify DTC of the termination of the book-entry-only system.

## **SECURITY AND SOURCE OF PAYMENT**

The Notes are valid and legally binding obligations of the Township, payable in the first instance from the proceeds of the sale of bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Township without limitation as to rate or amount.

## **AUTHORIZATION AND PURPOSE OF NOTES**

The Notes have been authorized by and are being issued pursuant to: (i) the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 *et seq.* (the "Local Bond Law"); and (ii) the bond ordinance of the Township set forth below.

<b>Bond Ordinance Number</b>	<b>Description of Improvement and Date of Adoption of Ordinance</b>	<b>Aggregate Amount of Notes to Be Issued</b>
MC 3918	Allocable share of capital improvement projects for the Joint Meeting of Essex and Union Counties, finally adopted September 8, 2025.	\$2,600,000

The proceeds from the sale and issuance of the Notes will be used by the Township to: (i) finance the Township's allocable share of capital improvement projects for the Joint Meeting of Essex and Union Counties; and (iii) pay the costs associated with the authorization, sale and issuance of the Notes.

## **CERTAIN RISK FACTORS**

### **Cybersecurity**

The Township relies upon a large and complex technology environment to conduct its various operations. As a result, the Township faces certain cybersecurity threats at various times, including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyberattacks, the Township has invested in multiple forms of cybersecurity and operational safeguards. In addition, the Township maintains certain insurance coverage for cyberattacks and related events. However, there can be no assurance that any existing safety or security measures will provide adequate protection in safeguarding against cybersecurity threats and attacks. Cybersecurity breaches of the Township could cause material disruption of the Township's finances and operations.

## **Climate Change**

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

## **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. 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 \$3,595,507,109.33.

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.

The Township has not exceeded its statutory debt limit. As of December 31, 2025, the statutory net debt as a percentage of average equalized valuation was 1.878%. 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 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 notes' maturity to the end of the tenth fiscal year in which the 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 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 New Jersey 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 Township 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 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 and contractually required severance liabilities, 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 enacted to address the COVID-19 pandemic, P.L. 2020, c. 60 (A4175), a local unit may adopt an emergency appropriation to fund certain deficits resulting from COVID-19 with approval of the Director 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 year. Appropriation reserves may also be transferred during the first three months of the 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 Notes.

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 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 result 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.

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 New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are typically 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 rates and penalties are the highest permitted under New Jersey statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey statutes. A table detailing delinquent taxes and tax title liens is included in Appendix A.

## **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 available on the Township's website and is also on file with the Municipal Clerk and is available for review during business hours.

## **TAX MATTERS**

### **Exclusion of Interest on the Notes From Gross Income for Federal Tax Purposes**

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

Assuming the Township observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC, Bond Counsel to the Township ("*Bond Counsel*"), is of the opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative

minimum tax; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Notes from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (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 Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the owners of the Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Notes.

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

### **Original Issue Premium**

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

### **Bank-Qualification**

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

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of 100% of the deduction of interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues 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 Notes**

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

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

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

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

### **State Taxation**

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

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

## **LITIGATION**

To the knowledge of the Township Attorney, Ramon E. Rivera, Esq., Irvington, New Jersey, there is no litigation of any nature, now pending or threatened, restraining or enjoining the issuance or delivery of the Notes, or the levy or collection of any taxes to pay the principal of or interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or 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 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**

The Township has covenanted for the benefit of the holders and beneficial owners of the Notes to provide certain secondary market disclosure information pursuant to Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "*Rule*"). Specifically, for so long as the Notes remain outstanding (unless the Notes have been wholly defeased), the Township will provide 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, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Notes:

- (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 Notes, or other material events affecting the tax status of the Notes;
- (7) Modifications to the rights of holders of the Notes, if material;
- (8) Note calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Township;
- (13) The consummation of a merger, consolidation or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Township, any of which affect holders of the Notes, if material; and

(16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Township, if any such event reflects financial difficulties.

The term "*Financial Obligation*" as used in subparagraphs (15) and (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.

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 Notes being specifically limited in the undertaking to specific performance of the covenants.

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

The Township has entered into prior undertakings to provide continuing disclosure for certain outstanding debt issues. In connection with such debt issues, the Township failed to timely file two notices of incurrence of financial obligation, adopted budgets for the fiscal year ended 2023 and 2024 and certain operating data for the fiscal year ended 2023. Failure to file notices and Event 15 notices for these disclosures have been uploaded to EMMA. The Township has engaged the services of Digital Assurance Certification, LLC to assist with the Township's ongoing continuing disclosure obligations.

## **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, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended 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 such 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 Notes are subject to the approval of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Township, whose approving legal opinion will be delivered with the Notes substantially in the form set forth as Appendix C. Certain legal matters will be passed upon for the Township by its Township Attorney, Ramon E. Rivera, Esq., Irvington, New Jersey.

## UNDERWRITING

The Notes have been purchased from the Township at a public sale by \_\_\_\_\_ (the "*Underwriter*") at a price of \$\_\_\_\_\_, which represents the par amount of the Notes, *plus* original issue premium in the amount of \$\_\_\_\_\_, *less* Underwriter's discount in the amount of \$\_\_\_\_\_. The Underwriter intends to offer the Notes to the public initially at the offering yield set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investments trusts) at a yield higher than the public offering yield set forth on the cover page of this Official Statement, and such yield may be changed, from time to time, by the Underwriter without prior notice.

## MUNICIPAL ADVISOR

Acacian Financial Group, Inc., Mount Laurel, New Jersey, serves as municipal advisor to the Township (the "*Municipal Advisor*") with respect to the issuance of the Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the appendices hereto. The Municipal Advisor is a municipal advisory firm, and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instrument.

## FINANCIAL STATEMENTS

The Township has included its unaudited financial statements for the year ended December 31, 2024 (the "*2024 Financial Statements*") in this Official Statement; however, the 2024 Financial Statements have not yet been accepted by the Municipal Council. The 2024 Financial Statements, when completed and accepted by the Municipal Council, will be posted on EMMA in accordance with the Rule. Township officials anticipate the accepted 2024 Financial Statements to be in-line with the information presented in this Official Statement and do not anticipate that the accepted 2024 Financial Statements will contain any information not included herein that would materially adversely affect the Township's financial condition.

## 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 Director of Revenue and Finance 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.

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, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

#### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Faheem Ra'Oof, the Township's Director of Revenue and Finance, at 1 Civic Square, Room 207, Irvington, New Jersey 07111, telephone (973) 399-6709, or by e-mail at [fraoof@irvingtonnj.org](mailto:fraoof@irvingtonnj.org).

#### **MISCELLANEOUS**

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

#### **TOWNSHIP OF IRVINGTON, IN THE COUNTY OF ESSEX, NEW JERSEY**

By: \_\_\_\_\_  
**Faheem J. Ra'Oof**  
**Director of Revenue and Finance**

**Dated: February \_\_, 2026**

## **APPENDIX A**

### **CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE TOWNSHIP OF IRVINGTON**

## TOWNSHIP OF IRVINGTON GENERAL INFORMATION

### Median Household Income

<u>Year</u>	<u>Township of Irvington</u>	<u>County of Essex</u>	<u>State of New Jersey</u>
As of 7/01/24*	\$59,232	\$76,712	\$101,050
As of 7/01/23*	51,961	69,807	93,214
As of 7/01/22*	52,361	71,819	93,666
As of 7/01/21*	48,138	64,855	85,683
2020	44,898	63,959	85,245

Source: U.S. Census Bureau.

\*Source: Home Town Locator from the New Jersey Gazeteer.

### Building Permits

<u>Year</u>	<u>Number of Permits</u>	<u>Estimated Cost of Construction</u>
2024	2,853	\$35,605,262
2023	1,867	24,282,758
2022	2,492	44,828,961
2021	2,283	838,892
2020	1,891	453,460

Source: Township of Irvington Building Inspector.

### Population

<u>Year</u>	<u>Township of Irvington</u>	<u>County of Essex</u>
As of 7/01/24*	61,838	881,527
As of 7/01/23*	61,493	873,361
As of 7/01/22*	61,520	874,475
As of 7/01/21*	54,625	854,817
2020 (Estimate)	61,176	863,728

Source: U.S. Census Bureau.

\*Source: Home Town Locator from the New Jersey Gazeteer.

**Estimated Per Capita Income**  
**As of July 1, 2024, 2023, 2022, 2021 and 2020**

<u>Year</u>	Township of <u>Irvington</u>	County of <u>Essex</u>	State of <u>New Jersey</u>
As of 7/01/24*	\$29,823	\$52,589	\$55,036
As of 7/01/23*	25,606	\$45,389	51,378
As of 7/01/22*	24,905	44,684	50,570
As of 7/01/21*	21,760	39,408	44,633
2020	24,203	39,695	44,153

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

\*Source: Home Town Locator from the New Jersey Gazeteer.

**Unemployment Rate**

According to the State of New Jersey, Department of Labor and Industry, the Unemployment Percentages for the years 2020 to 2024 (on an annual average basis) were as follows:

	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
<u>Township of Irvington</u>				
2024	31,374	29,309	2,065	6.6%
2023	26,500	24,600	1,900	7.3
2022	25,800	24,400	1,400	5.3
2021	25,938	23,359	2,579	9.9
2020	25,500	21,800	3,700	14.4

County of Essex

2024	425,042	401,693	23,349	5.5%
2023	396,000	373,900	22,100	5.6
2022	386,500	370,900	15,600	4.0
2021	385,997	355,103	30,894	8.0
2020	373,900	330,300	43,600	11.7

State of New Jersey

2024	4,898,008	4,676,064	221,944	4.5%
2023	4,819,800	4,604,100	215,700	4.5
2022	4,731,600	4,584,500	147,100	3.1
2021	4,643,000	4,303,500	339,500	7.3
2020	4,495,200	4,055,300	439,900	9.8

Source: State of New Jersey, Department of Labor and Workforce Development

**Summary of the Township of Irvington Budgets**  
**Current Fund**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Anticipated Revenues:</b>					
<b>Anticipated Surplus</b>	\$ 1,500,000.00	\$ 1,904,875.93	\$ 4,767,977.16	\$ 7,000,000.00	\$ 4,500,000.00
<b>Miscellaneous Revenues</b>	34,629,646.27	53,820,489.93	45,599,094.00	33,318,479.33	34,243,423.79
<b>Receipts from Delinquent Taxes</b>	3,500,000.00	2,878,500.00	2,328,784.00	2,162,281.50	1,828,453.75
<b>Amount to be Raised for Municipal Purpose</b>	<u>81,909,421.50</u>	<u>81,935,593.27</u>	<u>81,936,203.08</u>	<u>84,539,547.62</u>	<u>87,227,237.03</u>
<b>Total Anticipated Revenues</b>	<u><b>\$121,539,067.77</b></u>	<u><b>\$140,539,459.13</b></u>	<u><b>\$134,632,058.24</b></u>	<u><b>\$127,020,308.45</b></u>	<u><b>\$127,799,114.57</b></u>
<b>Appropriations:</b>					
<b>Salaries and Wages</b>	\$ 43,315,540.39	\$ 45,889,974.92	\$ 46,476,782.20	\$ 48,579,263.12	\$ 52,454,270.71
<b>Other Expenses</b>	43,097,896.72	61,662,293.03	55,488,832.08	48,719,662.27	48,408,811.90
<b>Deferred Charges and Statutory Expenditures</b>	16,245,269.14	14,804,883.71	16,632,145.16	14,916,013.98	14,339,422.74
<b>Capital Improvements</b>	25,000.00	50,000.00	50,000.00	50,000.00	100,000.00
<b>Municipal Debt Service</b>	8,057,329.19	7,156,001.22	6,254,192.05	6,028,194.82	4,220,447.96
<b>Type I School District Debt Service</b>	6,047,506.25	6,026,306.25	5,855,106.75	5,854,094.25	6,003,081.25
<b>Reserve for Uncollected Taxes</b>	<u>4,750,526.08</u>	<u>4,950,000.00</u>	<u>3,875,000.00</u>	<u>2,873,080.01</u>	<u>2,273,080.01</u>
<b>Total Appropriations</b>	<u><b>\$121,539,067.77</b></u>	<u><b>\$140,539,459.13</b></u>	<u><b>\$134,632,058.24</b></u>	<u><b>\$127,020,308.45</b></u>	<u><b>\$127,799,114.57</b></u>

## **Capital Budget**

In accordance with the Local Budget Law, each local unit should adopt and annually revise a six-year capital program budget if its population is over 10,000. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years.

The capital budget, as adopted for the years referenced below, anticipates that there will be no appropriations for capital projects.

### **Comparative Schedule of Fund Balances Current Fund**

<u>Year</u>	<u>Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2024*	\$3,104,179.54	\$ 165,000.00
2023	7,622,901.48	7,000,000.00
2022	9,819,418.81	7,000,000.00
2021	8,518,976.95	4,767,977.16
2020	6,436,698.88	1,904,875.93

\*Unaudited

## **TAX INFORMATION ON THE TOWNSHIP**

### **Tax Collection Procedures**

Real property taxes are assessed locally, based upon assessed valuation. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed semi-annually in June of the preceding fiscal year and October of the current fiscal year for that fiscal year's levy. Taxes are payable in four quarterly installments on August 1, November 1, February 1, and May 1. The amount due for the August 1 and November 1 installments are determined as the full tax levied for municipal purposes in the preceding municipal fiscal year, less the amount charged as the February 1 and May 1 installments for municipal purposes of the previous fiscal year; plus the full tax levied for the current tax year (calendar year) for county and school taxes, less the amount charged as the February 1 and May 1 installments for county and school purposes of the previous fiscal year. The amounts due for the February 1 and May 1 installments are determined as the full tax levied for municipal purposes for the current fiscal year less the amounts charged for municipal purposes as the August 1 and November 1 installments of the current fiscal year, plus one half of the total tax levied for county and school purposes in the preceding tax year (calendar year). If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on August 15, November 15, February 15 and May 15 to the County by the Township.

When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on October 1 in the fiscal year following the fiscal year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivables and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

<u>Tax Year (Calendar)</u>	<u>Municipal Rate per \$100 of Assessed Property Value*</u>	<u>County Rate</u>	<u>School Rate</u>	<u>County Open Space</u>	<u>Total Tax Rate</u>
2024	\$4.394	\$0.687	\$1.088	\$0.028	\$6.197
2023	4.290	0.665	1.094	0.024	6.073
2022	4.214	0.616	1.110	0.021	5.961
2021	4,269	0.563	1.129	0.018	5,979
2020	4,289	0.535	1.135	0.017	5,976

\*Includes Library

### Tax Appeals

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the Essex County Tax Board on or before the first day of April of the current tax year 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 a further hearing. State tax appeals tend to take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations or, with the permission of the Local Finance Board, may be financed, generally, over a three to five year period.

### Current Tax Collections

<u>Year</u>	<u>Total Levy</u>	<u>Collection During Year of Levy</u>	
		<u>Amount</u>	<u>Percentage</u>
2024	\$119,602,606.53	\$119,581,498.98	99.38%
2023	116,374,355.53	115,430,123.91	99.18
2022	112,150,053.97	110,177,050.90	98.19
2021	111,013,317.84	109,007,808.66	98.19
2020	110,572,399.61	107,079,577.73	96.84

## Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Levy</u>
2024	\$ 8,117,990	\$ 791,728	\$ 8,909,718	7.45 %
2023	8,599,154	253,079	8,852,233	7.61
2022	7,808,129	106,778	7,914,907	7.06
2021	9,299,264	1,032,208	10,331,472	9.30
2020	12,926,743	597,311	13,524,054	12.23

## Assessed Valuations of Property Owned by the Township Acquired for Taxes

<u>Year</u>	<u>Amount</u>
2024	\$10,359,100
2023	10,695,600
2022	10,695,600
2021	11,581,300
2020	2,877,300

## Largest Taxpayers for the Year 2025

<u>Taxpayer</u>	<u>2025 Assessed Valuation</u>
Parkway Associates	\$147,491,800
Union Mill Run, LLC	54,258,400
Essex Realty Garden Group LLC	24,187,200
378 Stuyvesant Ave LLC	18,930,000
I & S Investment	16,807,000
Bradford Holding LLC	16,363,200
Parkway East Apts LLC	16,226,000
I & S Investment	15,743,500
Colonial Village Associates	15,509,700
874 Springfield, LLC	14,897,700

Source: Township of Irvington Tax Assessor

**Assessed Valuations  
Land and Improvements by Class**

<u>Calendar Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total</u>
2024	\$ 8,982,400	\$1,219,507,400	\$312,272,950	\$104,829,900	\$263,967,900	\$1,909,560,550
2023	9,553,700	1,198,356,950	311,806,150	105,137,000	263,813,000	1,888,666,800
2022	9,823,200	1,169,851,950	312,925,750	104,792,800	263,246,000	1,860,639,700
2021	12,777,100	1,139,401,450	314,955,712	103,747,600	263,106,000	1,833,987,862
2020	14,037,500	1,122,939,150	318,118,012	106,341,500	263,409,500	1,824,845,662

**Assessed Valuations  
Net Valuation Taxable**

<u>Calendar Year</u>	<u>Real Property</u> <u>Net of Business</u> <u>Personal Property</u>	<u>Business</u> <u>Personal</u> <u>Property</u>	<u>Net</u> <u>Valuation</u> <u>Taxable</u>	<u>County</u> <u>Equalization</u> <u>Ratio</u>
2024	\$1,909,560,550	\$ 500	\$1,909,561,050	53.68%
2023	1,888,666,800	6,178,200	1,894,845,000	62.44
2022	1,860,639,700	6,564,353	1,867,204,053	72.47
2021	1,833,987,862	7,428,813	1,841,416,675	81.78
2020	1,824,845,662	7,452,768	1,832,298,340	87.61

**Components of Real Estate Tax Rate  
(per \$100 of Assessment)**

<u>Fiscal Year</u>	<u>Total</u>	<u>Local Municipal*</u>	<u>School</u>	<u>County</u>	<u>County Open Space</u>
2024	\$6.197	\$4.394	\$1.088	\$.687	\$.028
2023	6.073	4.290	1.094	.665	.024
2022	5.961	4.214	1.110	.616	.021
2021	5.979	4.269	1.129	.563	.018
2020	5.976	4.289	1.135	.535	.017

\*Includes Library

**Apportionment of Tax Levy  
Including School and County Purposes**

<u>Year</u>	<u>Total</u>	<u>Local Municipal</u>	<u>School</u>	<u>County</u>
2024	\$118,330,831	\$83,896,916	\$20,789,850	\$13,644,065
2023	115,062,599	81,281,979	20,717,098	13,063,522
2022	111,287,283	78,678,578	20,717,154	11,891,551
2021	110,091,714	78,599,287	20,795,835	10,696,592
2020	109,483,815	78,583,292	20,785,658	10,114,865

## DEBT INFORMATION ON THE TOWNSHIP

### Debt Statements

The Township must report all new authorizations of debt or changes in previously authorized debt to the Division. The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 31 of each year, the Township must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the Township as of the previous June 30. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

### Debt Incurring Capacity

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Municipal:</b>					
Equalized Valuations (Last 3 Year)	\$2,105,366,879	\$2,274,347,996	\$2,598,966,695	\$3,009,650,198	\$3,595,507,109
3 1/2% Borrowing Margin	73,687,841	79,602,180	90,963,834	105,337,756	125,842,749
Net Debt Issued, Outstanding and Authorized	57,972,157	62,154,227	57,004,628	54,848,313	69,416,606
Available Debt Borrowing	15,715,684	17,447,953	33,959,206	50,489,443	56,426,143
<b>Local School:</b>					
4% Borrowing Margin	84,214,675	90,973,919	103,958,668	120,386,008	143,820,284
Debt Issued, Outstanding and Authorized	24,885,309	22,363,059	22,935,293	18,424,095	16,578,985
Available School Borrowing	59,326,366	68,610,860	81,023,375	101,961,913	127,241,299

**Gross and Statutory Net Debt  
(Exclusive of Overlapping Debt)**

<u>Year</u>	<u>Gross Debt Amount</u>	<u>Statutory Net Debt Amount</u>	<u>Statutory Net Debt Percentage</u>
2024	\$108,356,091	\$69,416,606	1.931%
2023	95,632,908	54,848,313	1.822
2022	97,280,971	57,004,628	2.193
2021	84,517,286	62,154,227	2.733
2020	82,857,466	57,972,157	2.754

**TOWNSHIP OF IRVINGTON**  
**STATEMENT OF INDEBTEDNESS**  
**AS OF DECEMBER 31, 2020 - 2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>GENERAL PURPOSES:</b>					
Serial Bonds	\$ 39,245,000.00	\$ 40,670,000.00	\$ 42,430,000.00	\$ 39,555,000.00	\$ 59,930,000.00
Loans Payable	3,141,476.97	2,629,971.65	1,966,917.00	2,472,243.00	1,317,343.00
Bond Anticipation Notes	9,488,935.00	8,938,589.00	8,102,294.00	7,271,999.00	216,105.00
Bonds and Notes Authorized but Not Issued	<u>6,096,745.23</u>	<u>9,915,666.76</u>	<u>21,846,467.00</u>	<u>27,909,571.00</u>	<u>30,313,659.00</u>
	<u><u>57,972,157.20</u></u>	<u><u>62,154,227.41</u></u>	<u><u>74,345,678.00</u></u>	<u><u>77,208,813.00</u></u>	<u><u>91,777,107.00</u></u>
<b>SCHOOL BONDS:</b>					
Bonds and Notes Issued and Outstanding	13,870,000.00	11,877,750.00	15,911,475.00	13,280,000.00	13,250,000.00
Bonds (Type I)	<u>11,015,309.00</u>	<u>10,485,309.00</u>	<u>7,023,818.00</u>	<u>5,144,095.00</u>	<u>3,328,985.00</u>
	<u><u>24,885,309.00</u></u>	<u><u>22,363,059.00</u></u>	<u><u>22,935,293.00</u></u>	<u><u>18,424,095.00</u></u>	<u><u>16,578,985.00</u></u>
<b>Total GROSS DEBT</b>	<b>82,857,466.20</b>	<b>84,517,286.41</b>	<b>97,280,971.00</b>	<b>95,632,908.00</b>	<b>108,356,092.00</b>
<b>STATUTORY DEDUCTIONS:</b>					
School Purposes	24,885,309.00	22,363,059.00	22,935,293.00	18,424,095.00	16,578,985.00
Other Deductions			<u>17,341,050.00</u>	<u>22,360,500.00</u>	<u>22,360,500.00</u>
	<u><u>57,972,157.20</u></u>	<u><u>62,154,227.41</u></u>	<u><u>57,004,628.00</u></u>	<u><u>54,848,313.00</u></u>	<u><u>54,848,313.00</u></u>
<b>TOTAL NET DEBT</b>	<b></b>	<b></b>	<b></b>	<b></b>	<b>\$ 69,416,607.00</b>
<b>UNDERLYING DEBT:</b>					
County of Essex Gross	\$ 1,019,452,780.20	\$ 1,022,759,441.76	\$ 963,505,111.00	\$ 1,011,892,947.00	\$ 996,171,720.00
County of Essex - Net	649,227,780.20	680,439,441.76	685,637,111.00	671,990,781.00	619,874,554.00
<b>APPORTIONMENT TO TOWNSHIP OF IRVINGTON - Gross</b>	<b>\$ 23,100,800.00</b>	<b>\$ 24,474,673.44</b>	<b>\$ 25,292,009.00</b>	<b>\$ 28,535,381.00</b>	<b>\$ 28,918,865.00</b>
<b>APPORTIONMENT TO TOWNSHIP OF IRVINGTON - Net</b>	<b>\$ 14,711,501.50</b>	<b>\$ 16,282,915.84</b>	<b>\$ 17,997,974.00</b>	<b>\$ 18,950,140.00</b>	<b>\$ 17,994,958.00</b>
<b>TOWNSHIP DEBT INCLUDING UNDERLYING DEBT:</b>					
Gross	\$ 105,958,266.20	\$ 108,993,958.85	\$ 122,572,980.00	\$ 124,168,289.00	\$ 137,274,957.00
Net	72,683,658.70	78,437,143.25	75,002,602.00	73,798,453.00	87,401,565.00

Basis of Debt Apportionment:	Total County (2020)	Total County (2021)	Total County (2022)	Total County (2023)	Total County (2024)
Net Valuation Taxable	\$84,186,079,360.00	\$84,273,912,422.00	\$88,072,307,089.00	\$ 90,223,432,789.00	\$ 94,626,161,920.00
Equalization Amounts Deducted	(352,380,308.00)	(15,374,528.00)	(1,412,858,072.00)	(457,476,202.00)	(1,154,712,754.00)
Equalization Amounts Added	9,019,656,281.00	10,331,301,541.00	11,997,050,891.00	18,326,585,430.00	29,726,834,098.00
Net Valuation for County Tax	\$92,853,355,333.00	\$94,589,839,435.00	\$98,656,499,908.00	\$108,092,542,017.00	\$123,198,283,264.00
Ratio - Township of Irvington	2.266	2.393	2.625	2.820	2.903

Underlying Debt was computed based on information abstracted from the Essex County Abstract of Ratables published by the Essex County Board of Taxation.

Basis of Debt Apportionment:	Total Township (2020)	Total Township (2021)	Total Township (2022)	Total Township (2023)	Total Township (2024)
Net Valuation Taxable	\$1,832,298,430.00	\$1,841,416,675.00	\$1,867,204,053.00	\$1,894,845,000.00	\$1,909,561,050.00
Equalization Amounts Deducted	---	---	---	---	---
Equalization Amounts Added	272,064,058.00	422,445,084.00	722,012,699.00	1,152,884,222.00	1,666,859,691.00
Net Valuation for County Tax	\$2,104,362,488.00	\$2,263,861,759.00	\$2,589,216,752.00	\$3,047,729,222.00	\$3,576,420,741.00

Underlying Debt was computed based on information abstracted from the Essex County Abstract of Ratables published by the Essex County Board of Taxation.

**TOWNSHIP OF IRVINGTON  
GROSS AND NET DEBT  
PER CAPITA - AMOUNT AND PERCENT**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>GROSS DEBT</b> Per Capita (2020 Estimated Census - \$61,176)	\$1,354.41	\$1,381.54	\$1,590.18	\$1,563.24	\$1,771.28
<b>PERCENT OF NET VALUATION TAXABLE</b>	4.5222%	4.590%	5.210%	5.047%	5.674%
(2019 - \$1,813,167,542.00) (2020 - \$1,832,298,430.00) (2021 - \$1,841,416,675.00) (2022 - \$1,867,204,053.00) (2023 - \$1,894,845,000.00) (2024 - \$1,909,561,050.00)					
<b>PERCENT OF ESTIMATED TRUE VALUE OF REAL PROPERTY</b>	3.937%	3.733%	3.757%	3.138%	3.029%
(2019 - \$2,047,454,022.00) (2020 - \$2,104,362,488.00) (2021 - \$2,263,861,759.00) (2022 - \$2,589,216,752.00) (2023 - \$3,047,729,222.00)					
<b>NET DEBT</b> Per Capita (2020 Estimated Census - \$61,176)	\$947.63	\$1,015.99	\$931.81	\$896.57	\$1,134.70
<b>PERCENT OF NET VALUATION TAXABLE</b>	3.164%	3.375%	3.053%	2.895%	3.635%
(2019 - \$1,813,167,542.00) (2020 - \$1,832,298,430.00) (2021 - \$1,841,416,675.00) (2022 - \$1,867,204,053.00) (2023 - \$1,894,845,000.00)					
<b>PERCENT OF ESTIMATED TRUE VALUE OF REAL PROPERTY</b>	2.755%	2.745%	2.202%	1.800%	1.941%
(2019 - \$2,047,454,022.00) (2020 - \$2,104,362,488.00) (2021 - \$2,263,861,759.00) (2022 - \$2,589,216,752.00) (2023 - \$3,047,729,222.00)					

**TOWNSHIP OF IRVINGTON**  
**GROSS, NET AND UNDERLYING DEBT**  
**PER CAPITA - AMOUNT AND PERCENT**  
**(Continued)**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>GROSS MUNICIPAL AND UNDERLYING DEBT</b> Per Capita (2020 Estimated Census - \$61,176)	\$1,732.02	\$1,781.69	\$2,003.66	\$2,029.69	\$2,243.93
<b>PERCENT OF NET VALUATION TAXABLE</b> (2019 - \$1,813,167,542.00) (2020 - \$1,832,298,430.00) (2021 - \$1,841,416,675.00) (2022 - \$1,867,204,053.00) (2023 - \$1,894,845,000.00)	5.782%	5.919%	6.565%	6.553%	7.187%
<b>PERCENT OF ESTIMATED TRUE VALUE OF REAL PROPERTY</b> (2019 - \$2,047,454,022.00) (2020 - \$2,104,362,488.00) (2021 - \$2,263,861,759.00) (2022 - \$2,589,216,752.00) (2023 - \$3,047,729,222.00)	5.035%	4.815%	4.774%	4.075%	3.838%
<b>NET MUNICIPAL AND UNDERLYING DEBT</b> Per Capita (2020 Estimated Census - \$61,176)	\$1,188.11	\$1,282.15	\$1,226.01	\$1,206.33	\$1,134.70
<b>PERCENT OF NET VALUATION TAXABLE</b> (2019 - \$1,813,167,542.00) (2020 - \$1,832,298,430.00) (2021 - \$1,841,416,675.00) (2022 - \$1,867,204,053.00) (2023 - \$1,894,845,000.00)	3.997%	4.260%	4.017%	3.985%	3.635%
<b>PERCENT OF ESTIMATED TRUE VALUE OF REAL PROPERTY</b> (2019 - \$2,047,454,022.00) (2020 - \$2,104,362,488.00) (2021 - \$2,263,861,759.00) (2022 - \$2,589,216,752.00) (2023 - \$3,047,729,222.00)	3.454%	3.465%	2.897%	2.421%	1.941%

**APPENDIX B**

**FINANCIAL STATEMENTS OF THE TOWNSHIP OF IRVINGTON**

**SAMUEL KLEIN AND COMPANY, LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT**

To the Mayor and Members of the Township Council  
Township of Irvington  
Irvington, New Jersey 07111

The accompanying summary financial statements - regulatory basis, and the related notes, are derived from the audited basic financial statements of the Township of Irvington, State of New Jersey, as of and for the years ended December 31, 2023, December 31, 2022, December 31, 2021 and December 31, 2020. We expressed unmodified audit opinions on those audited financial statements - regulatory basis in our report dated May 1, 2025. The audited financial statements, and the summary financial statements derived therefrom, do not reflect the effects of events, if any that occurred subsequent to the date of our report on the audited financial statements.

The summary financial statements do not contain all the disclosures required by Generally Accepted Accounting Principles of the Township of Irvington, State of New Jersey. Reading the summary financial statements therefore is not a substitute for reading the audited financial statements of the Township of Irvington, State of New Jersey.

**Management's Responsibility for the Summary Financial Statements**

Management is responsible for the preparation of the summary financial statements on the basis described in Note 1.

**Auditor's Responsibility**

Our responsibility is to express an opinion about whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with auditing standards generally accepted in the United States of America. The procedures consisted principally of comparing the summary financial statements with the related information in the audited financial statements from which the summary financial statements have been derived, and evaluating whether the summary financial statements - regulatory basis are prepared in accordance with the basis described in Note 1. We did not perform any audit procedures regarding the audited financial statements after the date of our report on those financial statements.

## **Opinion**

In our opinion, the summary financial statements - regulatory basis of the Township of Irvington, State of New Jersey as of and for the years then ended December 31, 2023, December 31, 2022, December 31, 2021 and December 31, 2020 referred to above are consistent, in all material respects, with the audited financial statements - regulatory basis from which they have been derived, on the basis described in Note 1.

## **Emphasis-of-Matter**

These summary financial statements - regulatory basis were prepared for the purpose of inclusion in an official statement for the issuance of General Obligation Bonds of the Township of Irvington, State of New Jersey and were abstracted from audit reports issued under the periods referred to above as dated May 1, 2025, April 11, 2024, April 3, 2023 and April 26, 2022, respectively.

*SAMUEL KLEIN AND COMPANY, LLP*

SAMUEL KLEIN AND COMPANY LLP  
CERTIFIED PUBLIC ACCOUNTANTS

*JOSEPH J. FACCONE*

JOSEPH J. FACCONE, RMA, PA

Newark, New Jersey  
May 1, 2025

TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

Sheet #1

	Unaudited		Audited		Balance Dec. 31, 2020
	Balance Dec. 31, 2024	Balance Dec. 31, 2023	Balance Dec. 31, 2022	Balance Dec. 31, 2021	
<b>ASSETS AND DEFERRED CHARGES</b>					
<b>Regular Fund</b>					
Cash	\$ 14,381,529.82	\$ 6,727,414.64	\$ 15,761,861.73	\$ 21,482,535.22	\$ 27,327,242.36
Due from State - Ch. 20, P.L. 1971	64,524.14	67,500.16	66,000.16	65,500.16	62,691.99
Prepaid Debt Service				31,781.06	31,781.06
	<u>14,446,053.96</u>	<u>6,794,914.80</u>	<u>15,827,861.89</u>	<u>21,579,816.44</u>	<u>27,421,715.41</u>
<b>Receivables and Other Assets with Full Reserves:</b>					
B					
Change Funds	791,727.88	878,564.82	263,261.18	1,448,748.79	272.00
Delinquent Property Taxes	8,117,989.64	8,422,535.10	7,808,129.17	9,299,264.05	478.00
- Tax Title Liens	10,359,100.00	10,359,100.00	10,695,600.00	11,581,300.00	597,311.24
Property Acquired for Taxes - Assessed Valuation	869,434.99	809,691.44	446,485.78	539,633.20	12,926,742.66
Revenue Accounts Receivable	18,029.86	1,229,132.71	1,121,031.10	1,083,206.64	2,877,300.00
Sewer User Charges	336,556.23	330,987.19	303,929.08	395,143.79	285,458.86
Sewer Liens	35,430.20	35,430.20	33,674.80	54,214.80	969,508.07
Other Municipal Liens Receivable	119,161.02	3,094,361.80	3,440,060.40	991,592.99	64,507.43
Interfunds Receivable	141,405.98	141,405.98	158,208.77	155,942.26	3,313,730.11
Other Receivables	<u>20,788,835.80</u>	<u>25,301,209.24</u>	<u>24,270,380.28</u>	<u>25,549,318.52</u>	<u>313,981.76</u>
Deferred Charges	<u>2,874,468.58</u>	<u>3,184,578.94</u>	<u>2,455,031.58</u>	<u>1,318,212.84</u>	<u>21,843,356.05</u>
	<u>38,109,358.34</u>	<u>35,280,702.98</u>	<u>42,553,273.75</u>	<u>48,447,347.80</u>	<u>52,224,402.41</u>
<b>Federal and State Grant Fund</b>					
Cash	67,089.08	5,267,089.08	9,565,867.55	3,489,366.64	
Federal and State Grants Receivable	11,920,203.67	12,805,884.36	12,844,186.74	16,429,580.48	9,168,116.82
Unidentified Expenditures	<u>11,987,292.75</u>	<u>18,072,973.44</u>	<u>22,410,054.29</u>	<u>789,212.57</u>	<u>789,212.57</u>
	<u>\$ 50,096,651.09</u>	<u>\$ 53,353,676.42</u>	<u>\$ 64,963,328.04</u>	<u>\$ 69,155,507.49</u>	<u>9,957,329.39</u>
					<u>\$ 62,181,731.80</u>

TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

Sheet #2

	Unaudited		Audited		Balance Dec. 31, 2020
	Balance Dec. 31, 2024	Balance Dec. 31, 2023	Balance Dec. 31, 2022	Balance Dec. 31, 2021	
<b>Regular Fund</b>					
<b>Expenditure Reserves:</b>					
Appropriation Reserves	\$ 1,026,139.60	\$ 1,265,558.01	\$ 1,484,907.08	\$ 1,863,531.08	\$ 2,497,061.78
Encumbrances	1,048,152.24	1,902,047.42	2,345,999.04	3,401,464.51	2,399,945.21
	<u>2,074,291.84</u>	<u>3,167,605.43</u>	<u>3,830,906.12</u>	<u>5,264,995.59</u>	<u>4,897,006.99</u>
<b>Liabilities:</b>					
Interfunds Payable	478,329.62	451,235.34	963,597.63	1,821,711.31	1,489,640.31
Accounts Payable	109,067.79	282,946.31	116,000.00	691,765.71	540,420.98
Tax Overpayments	148,144.91	596,004.28	517,955.44	937,618.71	1,192,192.37
Prepaid Taxes	528,895.80	431,002.60	529,813.48	745,722.11	1,347,591.28
Reserve for Tax Appeals	-	300,000.00	300,000.00	200,000.00	100,000.00
Overpaid Sewer Rents	11,577.04	43,911.61	38,601.83	12,844.07	15,482.24
Tax Abatements Overpayments		95,823.02	72,349.14	47,565.39	7,083.71
Special Improvement District Payable	305,907.17	1,739.23	677,039.60	680,219.91	226,482.09
9,500,000.00					12,500,000.00
575,686.88	618,378.81	855,155.33	5,155.33	5,155.33	
1,887.00	1,887.00	1,887.00	1,887.00	1,887.00	1,887.00
520,472.00			1,040,952.00	1,040,952.00	1,561,432.00
95,823.02					
86,731.93	64,576.31	39,697.09	42,876.34	60,451.18	
	<u>12,142,051.16</u>	<u>2,887,504.51</u>	<u>4,632,568.54</u>	<u>6,228,317.88</u>	<u>19,047,818.49</u>
Sub-Total					
Reserve for Receivables	14,216,343.00	6,055,109.94	8,463,474.66	11,493,313.47	23,944,825.48
Fund Balance	20,788,835.80	25,301,209.24	24,270,380.28	25,549,046.52	21,842,878.05
	3,104,179.54	3,924,383.80	9,819,418.81	11,404,987.81	6,436,698.88
	<u>38,109,358.34</u>	<u>35,280,702.98</u>	<u>42,553,273.75</u>	<u>48,447,347.80</u>	<u>52,224,402.41</u>
<b>Federal and State Grant Fund</b>					
Interfunds Payable	2,515,999.82	4,053,716.66	4,090,637.78	2,801,798.96	2,758,993.55
Unappropriated Reserves	703,028.61	504,730.00	212,100.47	134,471.73	401,360.03
Appropriated Reserves	8,768,264.32	13,514,526.78	18,107,316.04	17,771,889.00	6,796,975.81
	<u>11,987,292.75</u>	<u>18,072,973.44</u>	<u>22,410,054.29</u>	<u>20,708,159.69</u>	<u>9,957,329.39</u>
	<u>\$ 50,096,651.09</u>	<u>\$ 53,353,676.42</u>	<u>\$ 64,963,328.04</u>	<u>\$ 69,155,507.49</u>	<u>\$ 62,181,731.80</u>

See accompanying notes to financial statements.

TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - CURRENT FUND - REGULATORY BASIS

	Unaudited	Audited			
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020
<b>Revenue and Other Income Realized</b>					
Fund Balance Utilized	\$ 4,500,000.00	\$ 7,000,000.00	\$ 4,767,977.16	\$ 1,904,875.93	\$ 1,500,000.00
Miscellaneous Revenue Anticipated	35,068,899.98	34,282,671.86	45,407,853.44	52,483,416.74	33,780,286.96
Receipts from Delinquent Taxes	898,188.84	1,458,286.49	2,177,949.87	2,388,381.90	2,290,398.67
Receipts from Current Taxes	118,869,867.38	114,819,608.65	110,778,341.48	109,007,808.66	107,079,577.73
Nonbudget Revenue	665,562.80	1,055,419.98	922,093.36	1,447,903.13	831,356.23
Other Credits to Income:					
Reserve for Grants - Cancelled				20.00	134.89
Other Accounts Receivable Realized		345,698.60	32,175.62		
Interfund Credits					
Interfunds Settled				2,322,137.12	
Tax Overpayments Cancelled		91,478.70	12,775.24	83,507.22	1,363.80
Other Items Cancelled					156.45
Accounts Payable Cancelled			113,941.30		
Appropriation Reserves Lapsed	657,000.00	1,266,543.05	2,052,936.49	1,106,110.11	1,433,636.81
	<u>160,659,519.00</u>	<u>160,319,707.33</u>	<u>166,266,043.96</u>	<u>170,744,160.81</u>	<u>146,916,911.54</u>
<b>Expenditures</b>					
Budget and Emergency Appropriations	125,485,229.24	125,309,003.31	132,606,625.78	134,880,339.16	116,325,466.46
Interfund Advances			2,448,467.41		235,702.80
Prior Year Adjustment		3,000,000.00		206.00	
Deductions Disallowed by Collector		15,915.76	16,043.15	14,954.12	
Prepaid Debt Service Cancelled			31,781.06		
Payment in Lieu of Taxes - Adjustments				18,785.73	
Reserve for Other Accounts Receivable		3,398.44			
Expenditure Without Appropriation		273,492.86			
Special Improvement District Taxes	304,167.94	452,901.11	452,712.69	453,737.82	453,375.66
Prior Year Taxes Cancelled		1,005,719.29	87,882.55	302,040.17	1,608,659.96
Refund of Prior Year Revenue		1,954.80			
Local School District Tax	17,459,529.00	17,459,529.00	17,459,529.00	17,459,529.00	17,459,529.00
County Taxes	13,730,797.08	13,128,098.89	11,933,182.67	10,741,403.95	10,175,316.08
	<u>156,979,723.26</u>	<u>160,650,013.46</u>	<u>165,036,224.31</u>	<u>163,870,995.95</u>	<u>146,258,049.96</u>
Excess (Deficit) in Revenue	3,679,795.74		1,229,819.65	6,873,164.86	658,861.58
Deficit in Revenue		(330,306.13)			
Adjustments to Income:					
Expenditures Included Above Which Are By Statute Deferred Charges to Budget of Succeeding Year	-	1,435,271.12	1,952,588.51	-	-
Statutory Excess to Fund Balance	3,679,795.74	1,104,964.99	3,182,408.16	6,873,164.86	658,861.58
<b>Fund Balance</b>					
Balance January 1	3,924,383.80	9,819,418.81	11,404,987.81	6,436,698.88	7,277,837.30
Sub-Total	7,604,179.54	10,924,383.80	14,587,395.97	13,309,863.74	7,936,698.88
Decreased by:					
Utilized as Anticipated Revenue	4,500,000.00	7,000,000.00	4,767,977.16	1,904,875.93	1,500,000.00
Balance December 31	<u>\$ 3,104,179.54</u>	<u>\$ 3,924,383.80</u>	<u>\$ 9,819,418.81</u>	<u>\$ 11,404,987.81</u>	<u>\$ 6,436,698.88</u>

See accompanying notes to financial statements.

**TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY**

**COMPARATIVE STATEMENT OF MISCELLANEOUS REVENUE - CURRENT FUND - REGULATORY BASIS**

	<u>Unaudited</u>	<u>Audited</u>	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>
Alcoholic Beverages Licenses							
Other Licenses	\$ 118,974.00	\$ 86,887.00	\$ 74,324.00	\$ 63,625.00	\$ 62,865.00	\$ 62,865.00	
Fees and Permits	255,206.45	213,299.35	258,356.35	115,377.54	115,377.54	222,539.71	
Municipal Court Fines and Costs							
Interest and Costs on Taxes	1,463,872.98	1,219,162.39	1,039,476.56	1,111,073.59	1,451,672.63	1,855,751.31	
Parking Meters	2,988,739.62	2,451,008.06	1,726,459.69	1,864,231.92	1,864,231.92	2,089,773.43	
Sewer User Charges	1,593,579.59	2,015,387.63	1,410,466.43	95,243.51	140,055.26	110,903.75	
Cablevision Franchise Fee	149,742.36	86,985.94	5,126,803.69	5,113,808.89	5,209,684.93	456,003.88	
Payment in Lieu of Taxes	6,439,117.43	4,944,314.46	369,574.08	403,515.02	443,226.76	592,762.70	
Joint Sewer Maintenance (Ch. 10, P.L. 1977)	196,938.76	688,432.15	633,922.55	538,921.40	592,762.70	755,537.73	
5 Year Old Premium	685,618.59	22,245.83	379,694.33	342,633.63	294,302.23	294,302.23	
Sale of Township-Owned Property	86,993.29	628,193.85	423,068.00	423,068.00	423,068.00	423,068.00	
State School Building Aid Allowance	1,732,037.05	2,596,525.00	2,597,482.00	2,684,278.00	2,690,633.00	2,690,633.00	
Consolidated Municipal Property Tax Relief	2,672,577.00	11,721,894.44	1,327,659.00	2,683,342.00	2,271,236.00	2,271,236.00	
Energy Receipt Tax	11,779,983.00	1,214,239.56	10,611,370.37	8,957,828.00	9,369,934.00	9,369,934.00	
Municipal Relief Fund Aid							
Uniform Construction Code Fees	932,516.60	787,646.15	656,137.86	925,284.27	544,193.88	544,193.88	
Uniform Fire Safety							
Rental Income	81,199.91	65,000.04	21,249.43	17,988.63	66,388.61	66,388.61	
Board of Education Agreement	96,000.00	96,000.00	78,513.79	198,621.16	54,167.70	54,167.70	
Assignment - Special Tax Lien Sale Auction							
General Capital Surplus							
Federal Emergency Management Agency Revenue							
State and Federal Revenues Offset with Appropriations	3,773,557.52	4,084,972.89	13,187,650.96	21,089,119.60	4,787,439.72	4,787,439.72	
American Rescue Funds							
	<b>\$ 35,068,899.98</b>	<b>\$ 34,282,671.86</b>	<b>\$ 45,407,853.44</b>	<b>\$ 52,483,416.74</b>	<b>\$ 33,780,286.96</b>	<b>\$ 33,780,286.96</b>	

See accompanying notes to financial statements.

TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENT OF BUDGET APPROPRIATIONS - CURRENT FUND

Appropriations	Unaudited		Audited		Dec. 31, 2021	Dec. 31, 2020
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021		
<b>Operations:</b>						
Office of the Mayor	\$ 2,173,476.44	\$ 2,418,919.37	\$ 1,484,088.25	\$ 1,396,163.30	\$ 1,106,024.81	
Office of the Township Clerk	1,262,817.95	1,150,271.99	1,055,606.45	993,228.98	1,090,538.38	
Office of the Tax Assessor	219,461.48	225,084.00	50,263.00	208,728.19	213,486.61	
Attorney to the Township Council	48,586.43	49,429.33	1,068,284.00	49,642.79	49,078.21	
Office of the Township Attorney	1,163,578.55	1,173,930.00	1,020,095.00	765,651.75	722,958.10	
Department of Administration	1,161,030.87	1,177,571.99	22,193,769.14	667,917.42	809,071.13	
Department of Police	25,585,624.89	23,901,877.88	22,136,489.80	22,136,489.80	22,227,945.97	
Department of Fire	13,647,210.95	12,282,556.00	12,771,270.75	12,834,503.23	11,095,531.04	
Department of Revenue and Finance	26,389,987.37	25,083,896.59	23,920,898.99	23,223,638.37	22,006,071.02	
Department of Public Works	11,349,513.28	11,480,970.84	10,270,560.67	9,811,107.41	8,684,937.29	
Department of Health and Senior Services	724,895.34	605,009.72	563,144.21	493,667.06	573,013.50	
Municipal Court	1,439,292.56	1,482,915.17	1,582,244.50	1,619,631.77	1,518,129.37	
Public Defender (P.L. 1997, c.256)	69,060.00	62,400.00	72,588.00	4,862,237.12	94,482.09	
Joint Sewer Maintenance	5,161,437.00	4,496,138.00	4,496,138.00	4,675,228.00	4,635,227.00	
Maintenance of Free Public Library	1,225,400.00	1,225,400.00	1,225,400.00	1,225,400.00	1,135,000.00	
Reserve for Tax Appeals			100,000.00	100,000.00	100,000.00	
911 Dispatch Services	187,500.00	375,000.00	225,000.00	225,000.00	225,000.00	
Department of Parks and Recreation	1,876,650.82	2,146,148.44	1,854,413.42	1,714,622.37	1,109,333.02	
Department of Housing Services	306,073.88	574,184.82	597,692.76	687,750.33	667,670.08	
Uniform Construction Code	660,427.28	545,473.36	510,855.00	530,444.58	476,967.77	
Public and Private Programs Offset by Revenue	3,773,557.52	4,084,972.89	13,188,259.96	21,093,452.60	4,797,939.72	
Capital Improvements	100,000.00	50,000.00	50,000.00	50,000.00	25,000.00	
Deferred Charges	824,362.40	726,189.23	2,921,979.74	1,693,949.22	4,283,554.23	
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	2,528,249.90	2,248,200.00	2,255,113.82	1,872,903.00	1,621,949.01	
Social Security System (OASI)	1,294,975.00	1,828,875.00	1,776,250.00	1,750,000.00	1,675,000.00	
Police and Firemen's Retirement System of N.J.	9,574,526.81	9,520,438.25	9,262,144.00	9,077,219.95	8,309,265.90	
State Unemployment Insurance Fund	50,000.00	350,000.00	314,650.00	310,000.00	265,000.00	
Defined Contribution Retirement	67,308.63	117,308.60	102,007.50	100,500.00	90,500.00	
Unclassified	2,437,500.00	4,043,553.26	4,166,518.51	3,100,000.00	3,075,000.00	
Debt Service - Municipal	4,179,642.64	6,028,194.82	6,151,171.08	6,447,192.79	7,594,253.95	
Debt Service - Type I School District	6,003,081.25	5,854,083.76	5,855,106.75	6,026,306.25	6,047,506.26	
	<b>\$ 125,485,229.24</b>	<b>\$ 125,309,003.31</b>	<b>\$ 132,606,625.78</b>	<b>\$ 134,880,339.16</b>	<b>\$ 116,325,466.46</b>	

See accompanying notes to financial statements.

TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

Sheet #1

	Unaudited		Audited		Balance Dec. 31, 2020
	Balance Dec. 31, 2024	Balance Dec. 31, 2023	Balance Dec. 31, 2022	Balance Dec. 31, 2021	
<b>ASSETS</b>					
<b>Animal Control Trust Fund</b>					
Cash	\$ 2,065.11	\$ 9,254.41	\$ 9,329.70	\$ 9,039.95	\$ 8,763.35
Interfunds Receivable	5,644.94	4,681.80	4,681.80	4,681.80	4,786.80
	<u>7,710.05</u>	<u>13,936.21</u>	<u>14,011.50</u>	<u>13,721.75</u>	<u>13,550.15</u>
<b>General Trust Fund</b>					
Cash	5,828,310.46	7,442,320.73	14,558,525.08	10,173,437.80	8,517,931.47
Interfunds Receivable	4,951,006.13	4,924,874.95	5,437,237.24	4,739,560.51	4,473,639.61
Expenditures Without Appropriations			20,465.47	1,129,760.39	1,129,760.39
Other Receivables	63,703.03	63,703.03	152,340.75	239,109.75	
	<u>10,843,019.62</u>	<u>12,430,898.71</u>	<u>20,168,568.54</u>	<u>16,281,868.45</u>	<u>14,121,331.47</u>
<b>Community Development Block Grant</b>					
Cash	1,340,112.10	1,865,400.71	2,402,282.13	1,869,882.49	1,828,381.12
Federal Grant Awards Receivable	10,252,232.86	8,431,406.00	7,639,220.83	6,831,649.13	5,698,155.03
UDAG Loans Receivable		68,325.28	68,325.28	68,325.28	68,325.28
HUD Home Loans Receivable		355,270.47	355,270.47	355,270.47	435,611.69
Other Receivables		467,612.03	467,612.03	467,612.03	467,612.03
	<u>11,592,344.96</u>	<u>11,188,014.49</u>	<u>10,932,710.74</u>	<u>9,592,739.40</u>	<u>8,498,085.15</u>
	<u><b>\$ 22,443,074.63</b></u>	<u><b>\$ 23,632,849.41</b></u>	<u><b>\$ 31,115,290.78</b></u>	<u><b>\$ 25,888,329.60</b></u>	<u><b>\$ 22,632,966.77</b></u>

TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

Sheet #2

	Unaudited		Audited		Balance Dec. 31, 2020
	Balance Dec. 31, 2024	Balance Dec. 31, 2023	Balance Dec. 31, 2022	Dec. 31, 2021	
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
<b>Animal Control Trust Fund</b>					
Due to New Jersey State Agencies	\$ 1,463.20	\$ 1,211.20	\$ 1,171.60	\$ 770.80	\$ 292.00
Reserve for Animal Control Expenditures	5,346.00	4,065.65	3,245.25	4,988.55	13,258.15
Prepaid Revenue	900.85	900.85	873.00	709.10	
Interfunds Payable	<u>7,710.05</u>	<u>13,936.21</u>	<u>8,721.65</u>	<u>7,253.30</u>	<u>13,550.15</u>
<b>General Trust Fund</b>					
Interfunds Payable	4,681.80	4,681.80	4,681.80	4,681.80	2,620,319.33
Due to New Jersey State Agencies	71,917.70	33,129.60	26,128.60	30,083.60	21,160.60
Deposits, Claims and Sundry Accounts	8,455,523.51	8,749,091.79	16,144,142.52	14,072,518.73	9,631,371.68
Payroll Deductions Payable	490,132.48	1,125,053.11	1,260,649.12	646,908.25	531,469.26
Reserve for Developer's Escrow Trust Deposits	787,519.76	737,085.18	467,169.22	85,505.76	
Reserve for Outside Employment for Off-Duty					
Police Officers	335,294.40	281,962.35	331,900.30	429,476.26	191,186.19
Reserve for Insurance Expenditures	432,552.09	1,246,217.58	1,569,514.85	787,231.45	966,789.30
Reserve for State Unemployment Insurance	265,397.88	253,677.30	364,382.13	225,462.60	159,035.11
	<u>10,843,019.62</u>	<u>12,430,898.71</u>	<u>20,168,568.54</u>	<u>16,281,868.45</u>	<u>14,121,331.47</u>
<b>Community Development Block Grant</b>					
Interfunds Payable	738,238.28	1,441,290.10	1,643,907.05	1,317,617.81	1,074,176.11
Accounts Payable	19,838.85	19,838.85	19,838.85	19,838.85	19,838.85
Reserve for UDAG Loans Receivable		68,325.28	68,325.28	68,325.28	68,325.28
Reserve for HUD Loans Receivable		355,270.47	355,270.47	355,270.47	435,611.69
Reserve for Grant Expenditures	10,834,267.83	9,026,593.71	8,568,673.01	7,554,990.91	6,703,778.36
Reserve for Program Income	<u>11,592,344.96</u>	<u>11,188,014.49</u>	<u>276,696.08</u>	<u>276,696.08</u>	<u>196,354.86</u>
	<u>\$ 22,443,074.63</u>	<u>\$ 23,632,849.41</u>	<u>\$ 31,115,290.78</u>	<u>\$ 25,888,329.60</u>	<u>\$ 22,632,966.77</u>

See accompanying notes to financial statements.

TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEET - GENERAL CAPITAL FUND - REGULATORY BASIS

	Unaudited		Audited		Balance Dec. 31, 2020
	Balance Dec. 31, 2024	Balance Dec. 31, 2023	Balance Dec. 31, 2022	Dec. 31, 2021	
<b>ASSETS AND DEFERRED CHARGES</b>					
Cash	\$ 15,371,740.12	\$ 139,534.80	\$ 374,845.51	\$ 1,398,164.35	\$ 3,218,049.87
Deferred Charges to Future Taxation:					
Funded	75,061,582.59	59,634,861.16	64,923,100.95	70,252,970.63	71,071,725.97
Unfunded	37,851,728.05	38,145,023.05	29,628,318.05	19,936,613.05	19,986,959.05
Capital Lease Program Receivable					
Interfunds Receivable	2,396,838.80	2,396,838.80	2,396,838.80	3,952,629.21	3,886,374.11
Loan Receivable					
Grants Receivable	474,905.66	474,905.66	474,905.66	474,905.66	474,905.66
<b>B</b>	<b>\$ 131,156,795.22</b>	<b>\$ 100,791,163.47</b>	<b>\$ 98,006,199.07</b>	<b>\$ 96,369,951.27</b>	<b>\$ 100,653,448.66</b>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
Serial Bonds - General	\$ 59,930,000.00	\$ 39,555,000.00	\$ 42,430,000.00	\$ 45,260,000.00	\$ 43,045,000.00
Serial Bonds - School	16,578,985.00	18,424,095.00	20,333,817.50	22,363,059.00	24,885,309.00
Bond Anticipation Notes	227,551.00	7,271,999.00	8,105,294.00	8,938,589.00	9,488,935.00
Capital Improvement Fund	269.30	400,269.30	350,269.30	300,269.30	250,269.30
Loans Payable	1,332,597.59	1,655,766.16	1,966,916.80	2,437,544.98	3,141,416.97
Capital Lease Payable					
Improvement Authorizations:					
Funded	19,791,539.88	385,151.24	822,483.04	996,252.87	799,178.39
Unfunded	27,911,712.87	28,029,255.31	18,782,335.83	11,604,746.32	12,651,119.24
Reserve for Debt Service and Lease	95,100.57	10,406.06	4,567,272.33	3,735,401.33	3,735,401.33
Interfunds Payable	3,735,401.33	4,462,074.94	501,705.95	501,705.95	606,515.42
Fund Balance	1,547,637.68	512,451.95			
<b>B</b>	<b>\$ 131,156,795.22</b>	<b>\$ 100,791,163.47</b>	<b>\$ 98,006,199.07</b>	<b>\$ 96,369,951.27</b>	<b>\$ 100,653,448.66</b>
Bonds and Notes Authorized but Not Issued	\$ 30,873,024.05	\$ 30,873,024.05	\$ 21,523,024.05	\$ 10,998,024.05	\$ 10,498,024.05

See accompanying notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS**

## TOWNSHIP OF IRVINGTON

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

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Reporting Entity**

The Township of Irvington is organized as a Council-Mayor municipality under the provisions of N.J.S. 40:69A-115 et seq. The Township is "governed by an elected Council and an elected Mayor, and by such other officers and employees as may be duly appointed. The Council shall consist of seven members, three of which are elected at large by voters of the municipality and shall serve for a term of four years beginning on the first day of July next following their election. The Mayor is also elected directly by the voters of the municipality at the regular municipal election and shall also serve a term of four years beginning the first day of July following the election".

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes certain standards for defining and reporting on the financial entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

The financial statements – regulatory basis of the Township of Irvington include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by the provisions of N.J.S. 40A:5-5. The financial statements, however, do not include the operations of the Municipal Library, which is a separate entity subject to a separate examination.

##### **B. Measurement Focus, Basis of Accounting and Basis of Presentation**

###### **Description of Funds**

The Governmental Accounting Standards Board ("GASB") is the recognized standard setting body for establishing governmental accounting and financial reporting principles. The GASB establishes three fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The accounting policies of the Township of Irvington 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. These principles are a "Modified Accrual Basis of Accounting" which differs from accounting principles generally accepted in the United States of America (GAAP) for governmental entities. 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 Township of Irvington accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

Current Fund – Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Funds – The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Animal Control Trust Fund, General Trust Fund and Community Development Block Grant Trust Fund.

General Capital Fund – The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as related long-term debt accounts.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Description of Funds (Continued)**

Capital Fixed Assets - These accounts reflect estimated valuations of land, buildings and certain movable fixed assets of the Township as discussed under the caption of "Basis of Accounting".

**Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from accounting principles generally accepted in the United States of America. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

**Property Taxes and Other Revenue**

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**Grant Revenue**

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Township of Irvington budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

**Expenditures**

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been cancelled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create separate spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**  
B. **Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Basis of Accounting (Continued)**

**Encumbrances**

As of January 1, 1986, all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31st are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

**Appropriation Reserves**

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

**Compensated Absences**

Expenditures relating to obligations for unused vested accumulated sick and vacation pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

**Property Acquired for Taxes**

Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the capital fixed assets account at market value on the date of acquisition.

**Self-Insurance Contributions**

Contributions to self-insurance funds are charged to budget appropriations. GAAP requires that payments be accounted for as an operating transfer and not as an expenditure.

**Interfunds Receivable**

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds Receivable of all other funds is recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

**Inventories of Supplies**

Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for utilities is required, by regulation, to be prepared by Township personnel for inclusion on Utility Operating Fund Balance Sheets. Annual charges in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Basis of Accounting (Continued)**

**Capital Fixed Assets**

In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Township of Irvington has developed a fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

Capital fixed assets used in governmental operations (general fixed assets) are accounted for in the Capital Fixed Assets. 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.

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Township.

**C. 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 of Irvington presents the financial statements listed in the table of contents which are required by the Division of Local Government Services and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

**D. Recent Accounting Pronouncements Not Yet Effective**

In April 2022, the Governmental Accounting Standards Board issued GASB Statement No. 99, "Summaries/Status". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement that are effective are as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging government as, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The Township does not expect this Statement to impact its financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Recent Accounting Pronouncements Not Yet Effective (Continued)

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No.101, "Compensated Absences". The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In December 2023, the Governmental Accounting Standards Board issued GASB Statement No. 102, "Certain Risk Disclosures". The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In April 2024, the Governmental Accounting Standards Board issued GASB Statement No. 103, "Financial Reporting Model Improvements". The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

## 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

### A. Cash and Cash Equivalents

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund Investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board 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.

## 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

### B. Cash and Cash Equivalents (Continued)

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

As of December 31, 2023, the Township's cash, cash equivalents and investments consisted of:

Wells Fargo	\$ 6,276,193.59
N.J. Cash Management Fund	5,134.55
Industrial Bank	3,314.82
Investors Bank	10,500,505.27
Valley National Bank	484,953.45
PNC Bank	1,227,918.01
Change Funds	272.00
	<hr/>
	<u>\$18,498,291.69</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute, which requires cash be deposited only in New Jersey based bank institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. As of December 31, 2023, of the cash balance in the bank, \$1,003,314.82 was covered by Federal Depository Insurance and \$25,817,589.95 was covered under the provisions of NJGUDPA.

Interest Rate Risk – This is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The Township's investment policy does not include limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of December 31, 2023, the Township had funds on deposit in checking accounts. The amount on deposit of the Township's cash and cash equivalents as of December 31, 2023 was \$26,815,770.22. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40.

As of December 31, 2023, the Township had investments in the State of New Jersey Cash Management Fund. The carrying amount of the investments at December 31, 2023 was \$5,134.55.

### B. Investments

New Jersey P.L. 2017, c. 310 permits the Township to purchase various investments in accordance with the Township's Cash Management Plan.

## 3. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Township, County and School (add any special districts) purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the Board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

### 3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

Taxes unpaid on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes became in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

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

#### Comparative Schedule of Tax Rates

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>\$6.073</u>	<u>\$5.961</u>	<u>\$5.979</u>	<u>\$5.976</u>	<u>\$5.814</u>
<b>Apportionment of Tax Rate:</b>					
Municipal	\$4.237	\$4.169	\$4.228	\$4.251	\$4.119
Library	0.053	0.045	0.041	0.038	0.037
County	0.665	0.616	0.563	0.535	0.526
School	1.094	1.110	1.129	1.135	1.115
County Open Space	0.024	0.021	0.018	0.017	0.017

#### Assessed Valuations

<u>Year</u>	<u>Amount</u>
2023	\$1,888,666,800.00
2022	1,860,639,700.00
2021	1,841,416,675.00
2020	1,832,298,430.00
2019	1,813,167,542.00

#### Comparison of Tax Levies

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2023	\$116,096,681.44	\$114,819,608.65	98.90 %
2022	112,150,053.97	110,177,050.90	98.19
2021	111,013,317.84	109,007,808.66	98.19
2020	110,572,399.61	107,079,577.73	96.84
2019	106,695,176.57	102,728,192.09	96.28

### 3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

#### Delinquent Taxes and Tax Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2023	\$ 8,422,535.10	\$ 878,564.82	\$ 9,301,099.92	8.01 %
2022	7,808,129.17	263,261.18	8,071,390.35	7.20
2021	9,299,264.05	1,032,208.19	10,331,472.24	9.31
2020	12,926,742.66	597,311.24	13,524,053.90	12.23
2019	13,831,161.46	868,648.82	14,699,810.28	13.77

### 4. SPECIAL IMPROVEMENT DISTRICT

Two special improvement districts, the Springfield Avenue Center Special Improvement District and the Camptown Business Improvement District were established by ordinances of the Township of Irvington adopted on November 25, 1997 and November 9, 2000, respectively. These districts were established in accordance with the provisions of N.J.S.A. 40:56-65 for the purposes of promoting the economic and general welfare of the district and the Township and to make improvements designated to increase the safety and attractiveness of the district to prospective businesses.

Tax levies were calculated on individual tax rates based on the fiscal year budgetary requirements for each district.

### 5. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens, on the basis of the last assessed valuation of such properties in the year of acquisition, was as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 10,359,100.00
2022	10,695,600.00
2021	11,581,300.00
2020	2,877,300.00
2019	2,877,300.00

### 6. SEWER CHARGE ACCOUNTS RECEIVABLE

The Township of Irvington maintains a Utility Account within the Current Fund for the billing and collection of sewer rents. The Township is divided into six sections for the purposes of billings which are done once a year.

A comparison of sewer rent billings and collections for the past five years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collections</u>
2023	\$ 5,018,816.63	\$ 4,886,045.69
2022	5,096,847.31	5,007,328.98
2021	5,273,703.55	5,035,894.96
2020	5,321,486.37	5,116,581.45
2019	5,429,176.88	5,191,851.69

The sums of billings and collections include interest penalties in undetermined amounts. Realization of prior year unpaid balances are also included in the collections above.

## 7. FUND BALANCES APPROPRIATED

	<u>Fiscal Year</u>	<u>Balance Year Ended</u>	<u>Budgets of Succeeding Year</u>
Current Fund:	2023	\$ 3,924,383.80	\$4,500,000.00
	2022	9,819,418.81	7,000,000.00
	2021	11,404,987.81	4,767,977.16
	2020	6,436,698.88	1,904,875.93
	2019	7,277,837.30	1,500,000.00

## 8. PENSION PLANS

### Description of Systems

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System are considered a cost-sharing multiple-employer plan.

The amount of the Township's contribution is certified each year by PERS and PFRS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest. In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Specific information on actuarial assumptions and rates of return can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS the employer contribution includes funding for post-retirement medical premiums.

	<u>PERS</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Covered Employee Payroll	\$14,868,157	\$13,160,854	\$12,463,326
Total Payroll	59,766,238	50,284,547	51,861,206
Actuarial Contribution Requirements	2,405,955	2,170,467	2,181,299
Total Contributions	3,522,512	3,158,580	3,117,786
Employer Share	2,405,955	2,170,467	1,512,603
Percent of Covered Payroll	16.18%	16.49%	17.50%
Employee's Share	1,116,557	988,811	936,487
Percent of Covered Payroll	7.51%	7.51%	7.51%

## 8. PENSION PLANS (Continued)

### Description of Systems (Continued)

	PFRS		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Covered Employee Payroll	\$25,086,301	\$24,213,264	\$24,533,696
Total Payroll	59,766,238	50,284,547	51,861,206
Actuarial Contribution Requirements	8,920,390	9,051,118	8,465,717
Total Contributions	11,428,833	11,472,411	10,919,087
Employer Share	8,920,390	9,051,118	7,790,857
Percent of Covered Payroll	35.56%	37.38%	34.51%
Employee's Share	2,508,443	2,421,293	2,453,370
Percent of Covered Payroll	10.00%	10.00%	10.00%

### **Assumptions**

The collective total PERS and PFRS pension liability for June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2021 using an actuarial experience study for the period July 1, 2018 to June 30, 2021 for PERS and for the period July 1, 2018 to June 30, 2021 for PFRS. The pension liability was rolled forward to June 30, 2023. The actuarial valuation used an inflation rate of 2.75% for price and 3.25% for wage, projected salary increases through 2026 of 2.75% to 6.55% for PERS and through all future years 3.25% to 16.25% for PFRS based on years of service and an investment rate of return 7.00%.

For PERS, preretirement 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.

For PFRS, 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 a 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 discount rate used to measure the total pension liability was 7.00% for PERS and 7.00% for PFRS as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the 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. More information on mortality rates and other assumptions, and investment policies can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

## 8. PENSION PLANS (Continued)

### Description of Systems (Continued)

#### **Public Employees' Retirement System:**

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 Public Employees' Retirement System 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 of local jurisdiction.

#### Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PERS operates and to the benefit provisions of that system. Provisions impacting employee pension and health benefits include:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  to 1 percent of each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2013, the member contribution rates increased in July 2013. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by law.

In addition, the method for amortizing the pension systems' unfunded accrued liability changed (from a level percent of pay method to a level dollar of pay).

The following presents the Township's proportionate share of the collective PERS net pension liability calculated using the discount rate of 7.00% and 7.00% as of June 30, 2023 and 2022, respectively, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate:

#### **Sensitivity of the Township's Proportionate Share of the Collective PERS Net Pension Liability to Changes in the Discount Rate**

		At Current		
		At 1% Decrease <u>(6.00%)</u>	Discount Rate <u>(7.00%)</u>	At 1% Increase <u>(8.00%)</u>
2023	<u>\$34,229,104</u>	<u>\$26,293,931</u>	<u>\$19,540,050</u>	
		At Current		
		At 1% Decrease <u>(6.00%)</u>	Discount Rate <u>(7.00%)</u>	At 1% Increase <u>(8.00%)</u>
2022	<u>\$33,652,480</u>	<u>\$26,194,671</u>	<u>\$19,847,776</u>	

## 8. PENSION PLANS (Continued)

### Public Employees' Retirement System: (Continued)

#### Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, is Chapter 366, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. Below is the portion of the nonemployer contribution entities' total proportionate share of the collective net pension liability that is associated with the local participating employers:

	<u>2023</u>	<u>2022</u>
Employer Net Pension Liability	\$26,074,105	\$25,974,693
Nonemployer Proportional Share of the Net Pension Liability	<u>219,826</u>	<u>219,978</u>
	<u><u>\$26,293,931</u></u>	<u><u>\$26,194,671</u></u>

#### Police and Firemen's Retirement System:

The Police and Firemen's Retirement System (PFRS) was established in July, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full-time county and municipal police and firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

Chapter 428, Public Law of 1999, effective January 18, 2000, allows a member, age 55 and older with 20 or more years of service, to retire with a benefit equaling 50% of final compensation, in lieu of the regular retirement allowance available to the member. Final compensation means the compensation received by the member in the last twelve months of creditable service preceding retirement.

In addition, a member of the system as of the effective date of this law may retire with 20 or more years of service with a retirement allowance of 50% of final compensation, regardless of age, and if required to retire because of attaining the mandatory retirement age of 65, an additional 3% of final compensation for every additional year of creditable service up to 25 years.

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PFRS operates and to the benefit provisions of that system.

This new legislation's provisions impacting employee pension and health benefits include:

The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.

## 8. PENSION PLANS (Continued)

### Police and Firemen's Retirement System: (Continued)

The following presents the Township's proportionate share of the Collective PFRS net pension liability calculated using the discount rate of 7.00% and 7.00% as of June 30, 2023 and 2022, respectively, as well as what the PFRS net pension liability would be if it were calculated using a discount rate of one percentage point lower or one percentage point higher than the assumed rate.

#### **Sensitivity of the Township's Proportionate Share of the Collective PFRS Net Pension Liability to Changes in the Discount Rate**

	At Current	At 1% Decrease <u>(6.00%)</u>	At 1% Increase <u>(8.00%)</u>
2023	<u>\$122,167,215</u>	<u>\$87,680,350</u>	<u>\$58,961,032</u>
2022	<u>\$128,754,998</u>	<u>\$93,837,364</u>	<u>\$64,768,264</u>

### Special Funding Situation

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

	<u>2023</u>	<u>2022</u>
Employer Net Pension Liability	\$74,037,989	\$79,660,186
Non-employer Proportionate Share of the Net Pension Liability	<u>13,640,361</u>	<u>14,177,178</u>
	<u>\$87,678,350</u>	<u>\$93,837,364</u>

### Consolidated Police and Firemen's Pension Fund:

The Consolidated Police and Firemen's Retirement System (CPFPF) is a closed system with no active members and was established in January 1952 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944.

## 8. PENSION PLANS (Continued)

### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension**

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amount by employer. The allocation percentages for each group as of June 30, 2023 and 2022 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2023 and 2022, respectively.

Following is the total of the Township's portion of the PERS and PFRS net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and the pension expense and expenditures for the fiscal year ended June 30, 2023:

	<u>PERS</u>	<u>PFRS</u>
Net Pension Liabilities	\$26,074,105	\$74,037,989
Deferred Outflow of Resources	3,937,428	7,319,449
Deferred Inflow of Resources	3,307,284	17,300,017
Pension Expense	1,457,760	1,509,421
Contributions Made After Measurement Date	2,405,955	9,051,118

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collected deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the PERS schedule of employer allocations and applied to amounts presented in the PERS schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the years ended June 30, 2023 and 2022. The Township's proportionate share of the collective net pension liability as of June 30, 2023 and 2022 was .1800154081% and .1721161258% for PERS and .6701008656% and .6959436268% for PFRS, respectively.

It is important to note that 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 and counties to disclose GASB 68 information in the Notes to the Financial Statements.

At June 30, 2023, the amount determined as the Township's proportionate share of the PERS net pension liability was \$26,074,105. For the year ended June 30, 2023, the Township would have recognized PERS pension expense of \$1,457,760. At June 30, 2023, deferred outflows of resources related to the PERS pension are as follows:

## 8. PENSION PLANS (Continued)

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 249,302	\$ 106,583
Change of Assumptions	57,280	1,580,203
Net Difference Between Projected and Actual Investment Earnings	120,075	
Net Change in Proportions	3,510,771	1,622,498
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>2,405,955</u>	
	<u>\$6,343,383</u>	<u>\$3,309,284</u>

At June 30, 2023, the amount determined as the Township's proportionate share of the PFRS net pension liability was \$74,037,986. For the year ended June 30, 2023, the Township would have recognized PFRS pension expense of \$1,509,421. At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to the PFRS pension are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 3,170,158	\$ 3,530,955
Change of Assumptions	159,800	4,999,338
Net Difference Between Projected and Actual Investment Earnings	3,770,615	
Net Change in Proportions	218,876	8,769,724
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>9,051,118</u>	
	<u>\$16,370,567</u>	<u>\$17,300,017</u>

#### Long-Term Expected 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. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

## 8. PENSION PLANS (Continued)

### Long-Term Expected Rate of Return (Continued)

<u>Asset 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 Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

### Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 7.50% and 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the past three years are as follows:

<u>Year</u>	<u>PERS</u>		<u>PFRS</u>	
	<u>Township</u>	<u>Employees</u>	<u>Township</u>	<u>Employees</u>
2023	\$2,528,249.90	\$1,177,041.81	\$2,248,200.30	\$2,545,404.62
2022	*	988,811.00	*	2,421,293.00
2021	*	936,487.00	*	2,453,370.00

\*Not available for audit review.

## 9. DEFINED CONTRIBUTION RETIREMENT PROGRAM

### Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the minimum base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

## 9. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

### Description of System (Continued)

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PFRS after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements other employees, who hold a professional license or certificate or meet other exceptions, are permitted to remain to join or remain in PERS.

### Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. The employer contribution is 4.05% which includes a member contribution match of 3.0%, Group Life Insurance is .74% of gross wages and Long-Term Disability is .31% of gross wages. Contributions to the plan for the past three years is as follows:

<u>Year</u>	<u>Township</u>	<u>Employees</u>
2023	\$ 55,057.73	\$ 102,158.05
2022	*	93,313.93
2021	68,443.82	104,308.51

\*Not available for audit review.

## 10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION

### Plan Description

The Township of Irvington, by contractual agreement, provides medical benefits to Township employees who retire in accordance with the Police and Firemen's Retirement System. The Township also provides medical coverage to surviving spouses and their eligible dependents of any officer retiring with 25 years or more of service. Such coverage expires when the spouse becomes eligible for Medicare at which time the Township will pay the Part B premium.

In addition, by resolution of the Township Council, the Township provides medical benefits to other retired employees with 25 years of service and to their surviving spouses and eligible dependents. The Township will also reimburse the retired employee for Medicare Part B premiums when they become eligible for Medicare.

The Township will also provide medical coverage to employees that retire on disability prior to obtaining 25 years of service at discounted rates.

## 10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

### Actuarial Valuations

The Township of Irvington has contracted with an actuary and received an actuarial certification regarding the plan in accordance with the requirements of GASB 75.

#### *Total OPEB Liability*

The Total OPEB Liability ("TOL") is the actuarial accrued liability. As of December 31, 2023, it is \$274,467,626 based upon a discount rate of 3.88% per annum and the plan provisions in effect on December 31, 2023.

#### *Net OPEB Liability*

The Net OPEB Liability ("NOL") as of December 31, 2023 is \$274,467,626 based upon a discount rate of 3.88% per annum and the plan provisions in effect on December 31, 2023. There are no plan assets to offset the liability. This liability is broken out as follows:

(1) TOL	\$274,467,626
(2) Fiduciary Net Position (Assets)	\$ 0
(3) NOL	\$274,467,626

### Actuarial Assumptions

The following assumptions were made by the actuarial in their calculations:

Discount Rate	3.88%
Retirement Benefits	Coverage for pre-65 and post-65 retirement benefits. This valuation is provided to a single employer plan.
Covered Benefits	Employees who retire from the Township may be eligible for subsidized postemployment medical and prescription drug benefits based on the number of years of service completed. Pre-65 and post-65 retiree medical and pharmacy benefits provided by the Township are through Aetna Health.
	The Township does not subsidize dental, vision or life insurance in retirement.
Insurance Coverage and Funding Basis	Pre-65 and post-65 retiree medical and pharmacy benefits provided by the Township are self-funded through Aetna Health.
Actuarial Cost Method	Entry Age Normal as a Level Percentage of Payroll
Health Care Cost Trend Assumption	The following assumptions are used for annual healthcare cost inflation (trend):

	Year	Pre-65	Post-65
Year/Trend	January 1, 2023	7.00%	7.00%
Ultimate Trend	January 1, 2003 and Later	4.50%	4.50%
Grading Per Year		0.25%	0.25%

## 10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

### Actuarial Assumptions (Continued)

Starting Claim Cost	Base plan costs for pre-65 and post-65 retirees are based on rates provided by the Township effective January 1, 2022. Plan costs are based 100% before retiree contributions and assumed to include all administrative expenses and PPACA fees. The rates are prior to the application of aging.
	The medical and prescription drug costs provided in Section VI reflect a combined active and retiree population (pre-65 and post-65), therefore adjustments were necessary to convert the base plan costs into specific pre-65 and post-65 retiree costs to appropriately reflect Medicare integration and plan morbidity.
	Plan costs effective January 1, 2023 and beyond are trended forward using the trend rates illustrated under the "Health Care Cost Trend Assumptions" section above.
Projected Benefit Costs	The Township's plan costs are experience rated and therefore adjusted for aging. Actuarial Standards of Practice No. 6 requires age adjusted costs be measured by estimating the expected costs by age whether or not a pooling or community rating applies. The current valuation contemplates an assumption for aging, which is consistent with the prior valuation.
Medicare Part B Reimbursements	Valuation reflects the reimbursement of Medicare Part B premium to retirees, spouses, and surviving spouses over age 65 that are eligible for the benefit. For valuation purposes, it is assumed the Township reimburses 100% of the standard Medicare Part B premium plus the additional premium due to income level surcharge (IRMAA) for retirees required to pay this.
Medicare Part D Reimbursements	The Township does not reimburse Medicare Part D premiums to retirees or spouses.
Implicit Subsidy	This reflects the difference between the premium rate or cost charged to a retiree for a particular benefit as compared to the estimated rate of cost to the retiree, if those benefits were calculated reflecting retirees as a separate group (rather than their costs bundled with the active population). The results in this valuation reflect an implicit subsidy in the cost projections.
Healthcare Reform Impact	The Patient Protection and Affordable Care Act (PPACA) enacted in March 2010 (Healthcare Reform) includes several fees and/or taxes levied on employer groups either directly (e.g., self-funded employer groups which calculates and pays the fees directly) or indirectly (e.g., fully insured employer groups in which the health insurer pays and passes on to the group in their premium rates.) The fees included in this valuation are 1) Comparative Effectiveness Research fee (aka PCORI), 2) Health Insurance Industry fee, and 3) High Cost Plans Excise Tax ("Cadillac tax"). The Reinsurance Assessment, also initiated with the passing of the PPACA, was a short-term fee levied on fully insured and self-funded employer groups between 2014 - 2016.

## 10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

### Actuarial Assumptions (Continued)

#### Healthcare Reform Impact (Continued)

The Comparative Effectiveness Research fee runs through 2029 and is tax deductible. The initial fee was \$1 per participant per year increasing to \$2 in the next year. Subsequent years are increased based on medical inflation. The fee applies to post-65 retirees where Medicare is the primary payer. Initially, this fee was to expire in 2019, however, legislation signed into law by President Trump on December 20, 2019 HR 1865 "Further Consolidated Appropriations Act, 2020" extended the fee 10 years.

The Health Insurance Industry fee is based on targeted fixed fees to be paid by the health insurance industry and is not tax deductible. The total fee amount to be paid by health insurers starts at \$8 billion in 2014 and increases to \$14.3 billion in 2018. After 2018, the fee increases annually based on premium growth. The fee was suspended for the 2017 plan year and resumed in 2018 with the estimated fee to be approximately 3.0% to 4.0% of premium. The fee applies to fully insured plans including Medicare Advantage plans and excludes self-funded employer sponsored group health plans. Effective with legislation passed on January 22, 2018, this fee was suspended again for the 2019 plan year and will resume in 2020, however has been repealed beginning 2021 and beyond based on 12/20/19 HR 1865 "Further Consolidated Appropriations Act, 2020".

The High Cost Plans Excise tax included a 40% tax ("Cadillac tax") on high cost plans to be levied on insurers and third party administrators (TPA) beginning in 2022 and was to be tax deductible. The calculation was to be done separately for single and family coverage and was equal to 40% of the excess of per employee plan costs, net of patient cost sharing, over the 2022 stated cost limits of:

- - \$10,200 single/\$27,500 family
- - \$11,850 single/\$30,950 family for retirees age 55-64

This valuation excludes the Cadillac tax in its entirety based on legislation signed into law by President Trump on 12/20/19, HR 1865 "Further Consolidated Appropriations Act, 2020" repealing the "Cadillac Tax".

#### COVER-19 Pandemic

No special adjustments or considerations were made to valuation results due to the COVID-19 pandemic. Since the Township is not funding this benefit in a separate OPEB trust, no special considerations were made for the impact on assets. Similarly, no special adjustments were made to the OPEB liability calculations. The impact of COVID-19 will be reviewed in future years including the potential impact on selected assumptions (e.g., mortality, morbidity, etc.).

#### Plan Design Changes

Valuation assumes no changes in future plan designs (e.g., deductibles, coinsurance, etc.) from current benefits offered for the current plan year. It is assumed that the current level of benefits will remain, with no modifications to avoid the potential excise tax imposed by the Patient Protection and Affordable Care Act (PPACA) described in detail above.

## 10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

### Actuarial Assumptions (Continued)

% Future Retirees Opting Out	It is assumed that 100% of future retirees (active employees) eligible for coverage will elect benefits in retirement. All eligible active and retiree employee records provided by the Township were valued.
Census Information	Participant data was provided by the Township in September 2023. We relied on information as being accurate and we have not conducted any data audits.
New Hires	This valuation is based on a closed group and does not reflect the impact of future new entrants (e.g., new hires after date of data collection, i.e., September 2023) into the plan.
Payroll Information	Payroll information was reflected in the valuation for the actuarial cost method. Benefit and retiree contribution rates are not based on payroll so this information was not necessary for benefit or contribution rate calculations. Average salary increase used for the Entry Age Normal (EAN) actuarial cost method is assumed to be 3.0%.
Retirement System	Valuation is based on the New Jersey Public Employees' Retirement System (PERS), and the New Jersey Police and Firemen's Retirement System (PFRS). Decrement tables used in this valuation are from the July 1, 2020 Annual Report of the Actuary for both PERS and PFRS.
Retirement Eligibility Assumptions	Eligibility for retirement is based on meeting a criteria of minimum years of service (YOS) requirement. For this valuation, retirees are eligible for subsidized healthcare benefits based on achieving twenty-five (25) YOS in the NJPERS/NJPFRS.
Retiree Contribution Rates	Contribution rates for current and future retirees are 50% for pre-65 retirees and 25% for post-65 retirees.
Mortality	Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.
Turnover Assumptions	This reflects rate of separation from the active plan and excludes retirement and disability. Turnover table varies by age and years of service with rates of turnover based on the NJ PERS and NJ PFRS.
Disability Assumptions	This reflects disability assumptions from the active plan for ordinary and accidental disability and is based on age. This is the assumption used for the NJ PERS and NJ PFRS.
Retirement Assumptions	This reflects rate of retirement from the active plan and is based on age and years of service. This is the assumption used for the NJ PERS and NJ PFRS.
Surviving Spouses and Surviving Dependents	Pre-65 surviving spouses receive the same subsidized benefits from the Township as the retiree. Post-65 surviving spouses receive reimbursement for their Medicare Part B premiums only.

## 10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

### Actuarial Assumptions (Continued)

Valuation of Spouses and Marital Status	Spouses are valued for benefits similar to retired employees. Employees with spouses are assumed to be married to those spouses at and throughout retirement. Employees that are without spouses (or not covering a spouse) are assumed to be single at and throughout retirement. Based on the contribution rates for future retirees, it is assumed that active employees with dependent coverage will elect dependent coverage in retirement 100% of the time.
Spouse Age Assumptions	It is assumed that female spouses are three years younger than male employees and male spouses are three years older than female employees unless actual spouse date of birth information was provided. Spousal dates of birth were not provided for this valuation.
Waivers and Buyouts	144 active employees currently waive coverage. For valuation purposes, it is assumed that 100% of these individuals elect coverage in the future with coverage tier similar to current retiree distribution. Costs for opt-outs are based on PPO plan available to pre-65 and post-65 retirees.
Inactive and Leave of Absence	16 individuals were listed as currently inactive or on leave. For valuation purposes, these individuals are assumed to return as active employees in the future.
COBRA and Terminated Participants	173 individuals were listed as terminated, resigned, separated, deceased, or Cobra and excluded from the valuation.
Dependents	811 individuals classified as dependents were excluded from the valuation counts.
Eligible Population	Population reflects all benefit eligible employees provided. New hires after date of data collection are not reflected herein.
Medicare Tax Subsidy	The Medicare tax subsidy is not reflected in valuation. There is no offset in premium rates charged to employer and post-65 costs are illustrated gross of subsidy.
Missing Census Information:	
• Dates of Birth	No individuals were missing date of birth, so no special adjustments were needed.
• Dates of Hire	46 active employees were missing date of hire. For valuation purposes, these individuals are assumed to have an average hire age of 35 consistent with the current active population.
• Gender	No individuals were missing gender, so no special adjustments were needed.
• Coverage Tier	For the 144 active employees waiving coverage, it is assumed that 100% of these individuals elect coverage in retirement with coverage tier based on similar distribution as current retirees.

## 10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

### Actuarial Assumptions (Continued)

#### Missing Census Information: (Continued)

- Status 10 individuals listed as active employees were modified to retiree based on age and assumed to return as part-time.
- Salary Salary information was provided by individual and reflected in the valuation for use with the actuarial cost method.

#### Rounding of Results

Results are illustrated to the nearest dollar. In using unrounded results (exact dollars), no implication is made as to the degree of precision in those results. Clients and their auditors should apply their own judgment as to the desirability of rounding when transferring results from this valuation report to the client's financial statements.

#### Employee Contracts and Collective Bargaining Agreements

Employee contracts and collective bargaining agreements specific to retiree benefits were reviewed to the extent available. Results are based on information as provided by the organization.

A summary of benefits and eligibility are provided in this report for illustrative purposes in order to understand the types of benefits reflected in the valuation. We recommend reviewing your organization's plan document for details on eligibility and covered benefits. Information in this report should not be used instead of the plan document and/or summary plan description.

#### Other Comments

Actuarial methods, considerations, and analyses used in forming this certification conform to the appropriate Standards of Practice and guidelines of the Actuarial Standards Board (ASB).

### Changes in the Net OPEB Liability

	<u>Net OPEB Liability</u>
Net OPEB Liability as of December 31, 2022	<u>\$252,077,482</u>
Changes Recognized for Fiscal Year:	
Service Cost	7,767,529
Interest on Total OPEB Liability	9,618,774
Change in Expected to Actual	
Changes in Assumptions	13,345,700
Benefit Payments	
Contributions from Employer	(8,341,859)
Contributions from Employees (1)	
	<u>22,390,144</u>
Net OPEB Liability December 31, 2023	<u>\$274,467,626</u>

(1) Employee contributions are illustrated above and zero since employer contributions are illustrated net of employee contributions.

## 10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability as of December 31, 2023, calculated using the discount rate as disclosed above as well as what the total OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	December 31, 2023		
	At Current		
	At 1% Decrease <u>(2.88%)</u>	Discount Rate <u>(3.88%)</u>	At 1% Increase <u>(4.88%)</u>
Total OPEB Liability	\$327,226,998	\$274,467,626	\$233,638,471

### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the total OPEB liability as of December 31, 2023, calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it was calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate.

	December 31, 2023		
	1% Decrease	Healthcare Trent Rate	1% Increase
Total OPEB Liability	\$226,212,405	\$274,467,626	\$338,856,558

### Summary of Deferred Outflows and Inflows

At December 31, 2023, deferred outflows or resources and deferred inflows of resources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$	\$
Net Difference between Expected and Actual Earnings on OPEB Investments		
Changes in Assumptions or Other Inputs	<u>11,578,058</u>	
Total	<u>\$11,578,058</u>	<u>\$ -</u>

### Other Information

Total Employee Census Counts for Valuation:

Active Employees	595
Retired Employees	461
	<u>1,056</u>

## 10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

### Special Funding Situation

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 nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The Township as of June 30, 2023 had two hundred fifty-five members under the Special Funding Situation. The State proportionate share of the net OPEB liability attributed to the Township is \$45,190,945.00.

## 11. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Pursuant to N.J.S.A. 40A:2-8.1, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legal requirement is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

### Summary of Municipal Debt (Excluding Operating and School Debt)

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Issued</u>			
General:	\$ 39,555,000.00	\$ 42,430,000.00	\$ 45,260,000.00
Serial Bonds			
Loans Payable	1,655,766.16	1,966,916.80	2,437,544.98
Bond Anticipation Notes	7,271,999.00	8,105,294.00	8,938,589.00
	<u>48,482,765.16</u>	<u>52,502,210.80</u>	<u>56,636,133.98</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	<u>30,873,024.05</u>	<u>21,523,024.05</u>	<u>10,998,024.05</u>
Total Debt	79,355,789.21	74,025,234.85	67,634,158.03
Less: Pension Refunding Bonds (N.J.S.A. 40A:2-52)			65,000.00
Reserve for Debt Service	<u>10,406.06</u>		
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 79,345,383.15</u>	<u>\$ 74,025,234.85</u>	<u>\$ 67,569,158.03</u>

## 11. MUNICIPAL DEBT (Continued)

### Summary of Statutory Debt Condition - Annual Debt Statement

The summary 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 2.636%:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$18,424,095.00	\$18,424,095.00	\$
General Debt	<u>79,355,789.21</u>	<u>10,406.06</u>	<u>79,345,383.15</u>
	<u>\$97,779,884.21</u>	<u>\$18,434,501.06</u>	<u>\$79,345,383.15</u>

Net Debt, \$79,345,383.15 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$3,009,650,198.33 equals 2.636%.

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

3 1/2% of Equalized Valuation Basis	\$ 105,337,756.94
Net Debt	<u>79,345,383.15</u>
Remaining Borrowing Capacity	<u>\$ 25,992,373.79</u>

The foregoing debt information is in agreement with the Revised Annual Debt Statement filed by the Chief Financial Officer.

### Long-Term Debt

Long-Term Debt at December 31, 2023 is as follows:

#### Municipal Bonds

##### General Improvement Bonds, Series 2018:

\$9,360,000, 2018 Qualified Bonds due in annual installments of \$945,000 to \$1,080,000 through June 2028, interest at 3.00% to 3.125%. \$ 5,065,000.00

##### Fiscal Year Adjustment Refunding Term Bonds, Series 2021 A-1:

\$24,240,000, 2021 Qualified Bonds due in annual installments of \$315,000 to \$4,665,000 through November 2033, interest at 1.324% to 3.028%. 23,615,000.00

##### Fiscal Year Adjustment Refunding Term Bonds, Series 2021:

\$11,165,000, 2021 Qualified Bonds due in annual installments of \$145,000 to \$2,140,000 through November 2033, interest at 1.324% to 3.028%. 10,875,000.00  
\$39,555,000.00

## 11. MUNICIPAL DEBT (Continued)

### Long-Term Debt (Continued)

#### Green Acres Trust Loan

##### Irvington Township Playground Improvements:

\$250,000.00, 2006 Loan, due in semi-annual installments of \$8,221.40 through March 2024, interest at 2.0%.

\$ 8,221.40

##### Irvington Township Orange Avenue:

\$225,000.00, 2007 Loan, due in semi-annual installments of \$6,679.54 to \$7,232.98 through March 2028, interest at 2.0%.

62,577.42

##### Irvington Township Playground Improvements:

\$250,000.00, 2008 Loan, due in semi-annual installments of \$7,178.14 to \$7,695.97 through July 2027, interest at 2.0%.

59,475.74

##### Irvington Township Orange Avenue:

\$56,921.26, 2017 Loan, due in semi-annual installments of \$1,936.65 to \$2,248.39 through November 2031, interest at 2.0%

33,422.46

##### Irvington Township Playground Improvements:

\$300,000.00, 2010 Loan, due in semi-annual installments of \$7,692.31 through April 2030, interest at 2.0%.

100,000.03

\$263,697.05

### N.J. Environmental Infrastructure Trust Loan

Loan agreements were entered into by the Township of Irvington with the New Jersey Department of Environmental Protection for various improvements with interest rates of 3.50% to 5.00%. Loans payable at December 31, 2023 in the amount of \$1,299,745.11 are detailed as follows:

	<u>Total</u>	<u>Year 2006</u>	<u>Year 2010</u>	<u>Year 2015</u>
Trust Share	\$ 491,508.71	\$ 65,508.71	\$156,000.00	\$270,000.00
Fund Share	<u>808,236.40</u>	<u>142,284.91</u>	<u>127,068.12</u>	<u>538,883.37</u>
	<u><b>\$1,299,745.11</b></u>	<u><b>\$207,793.62</b></u>	<u><b>\$283,068.12</b></u>	<u><b>\$808,883.37</b></u>

### Demolition Loan

#### Demolition of unsafe buildings:

\$923,240, 2014 Loan, Due in Installments of \$92,324 through February 2024, Interest at 4.00%.

\$92,324.00

## 11. MUNICIPAL DEBT (Continued)

### Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

<u>Notes</u>	<u>Interest Rate</u>	<u>Amount</u>
General Capital	4.75%	\$7,034,102.00
General Capital	7.00%	237,897.00
<u><b>\$7,271,999.00</b></u>		

Statutory requirements for providing sums equivalent to legally payable installments for the redemption of notes (Budget Appropriations) and permanent funding (Bond Issues) are summarized as follows:

<u>Original Notes Issued</u>	<u>Legal Installments Due</u>	<u>Funding Required as of May 1</u>
2014	2017 - 2024	2025
2016	2019 - 2026	2027
2019	2022 - 2029	2030

### Bonds and Notes Authorized but Not Issued

	<u>Balance Dec. 31, 2023</u>	<u>Balance Dec. 31, 2022</u>
General Capital Fund: General Improvements	<u>\$30,873,024.05</u>	<u>\$21,523,024.05</u>

### School Debt

School debt is deductible up to the extent of 4.0% of the Average Equalized Assessed Valuations of real property for the Local School Debt.

The Board of Education of the Township of Irvington is a Type II school district. The members of the Board of Education are elected by the voters of the school district on the third Tuesday in April. At each annual school election the Board of Education shall submit to the voters of the district the amount of money fixed and determined in its budget, excluding interest and debt redemption charges, to be voted upon for use of the public schools of the district for the ensuing school year.

### Type I School Bonds

School Refunding Capital Appreciation Bonds:

\$29,110,713.60, 2003 Series 2003C Bonds, due in annual installments of \$1,618,375.00 to \$1,815,110.00 through July 2026, interest at 5.36% to 5.40%. \$ 5,144,095.00

School Refunding Bonds:

\$15,635,000.00, 2014 Series Bonds, due in annual installments of \$30,000.00 to \$6,655,000.00 through July 2028, interest at 3.375% to 3.625%. 13,280,000.00

**\$18,424,095.00**

## 11. MUNICIPAL DEBT (Continued)

### Schedule of Annual Debt Service for Principal and Interest for Loans and Bonded Debt Issued and Outstanding

Calendar Year	Municipal Bonds		
	Total	Principal	Interest
2024	\$ 2,497,984.82	\$ 1,405,000.00	\$ 1,092,984.82
2025	3,429,063.59	1,635,000.00	1,794,063.59
2026	3,981,537.16	1,975,000.00	2,006,537.16
2027	3,471,815.90	1,530,000.00	1,941,815.90
2028	3,628,295.20	1,730,000.00	1,898,295.20
2029	10,416,483.30	8,555,000.00	1,861,483.30
2030	10,425,627.60	8,845,000.00	1,580,627.60
2031	10,385,604.80	9,105,000.00	1,280,604.80
2032	10,354,471.40	9,390,000.00	964,471.40
2033	10,301,205.40	9,670,000.00	631,205.40
2034	1,385,550.00	1,075,000.00	310,550.00
2035	1,446,800.00	1,190,000.00	256,800.00
2036	1,444,200.00	1,235,000.00	209,200.00
2037	1,439,800.00	1,280,000.00	159,800.00
2038	1,438,600.00	1,330,000.00	108,600.00
2039	1,440,400.00	1,385,000.00	55,400.00
	<u>\$77,487,439.17</u>	<u>\$61,335,000.00</u>	<u>\$16,152,439.17</u>

Calendar Year	Green Trust Loan			N.J. Environmental Infrastructure Trust Loan		
	Total	Principal	Interest	Total	Principal	Interest
2024	\$ 58,386.37	\$ 55,352.62	\$3,033.75	\$ 195,872.44	\$ 175,491.95	\$ 20,380.49
2025	50,082.80	47,769.33	2,313.47	205,989.45	188,417.41	17,572.04
2026	50,082.80	48,420.26	1,662.54	201,051.39	186,386.37	14,665.02
2027	50,082.81	49,084.30	998.51	134,927.37	123,167.37	11,760.00
2028	27,231.68	26,832.80	398.88	132,807.37	123,167.37	9,640.00
2029	19,926.38	19,684.55	241.83	130,687.55	123,167.55	7,520.00
2030	12,234.07	12,078.67	155.40	79,389.38	73,989.38	5,400.00
2031	4,541.75	4,474.52	67.23	78,389.38	73,989.38	4,400.00
2032	-			77,389.38	73,989.38	3,400.00
2033	-			81,389.38	78,989.38	2,400.00
2034	-			80,189.57	78,989.57	1,200.00
	<u>\$272,568.66</u>	<u>\$263,697.05</u>	<u>\$8,871.61</u>	<u>\$1,398,082.66</u>	<u>\$1,299,745.11</u>	<u>\$ 98,337.55</u>

The above schedule of Annual Debt Service has been adjusted for a 2024 bond issue as described in Note 23.

The interest reflected above is on the cash basis.

## 11. MUNICIPAL DEBT (Continued)

Calendar Year	Urban and Rural Centers Unsafe Building Demolition Bond Loan		
	Total	Principal	Interest
2024	\$ 96,016.96	\$ 92,324.00	\$ 3,692.96
Calendar Year			
Year	Type 1 School Bonds		
	Total	Principal	Interest
2024	\$ 6,003,081.25	\$ 1,845,110.00	\$ 4,157,971.25
2025	6,002,068.75	1,740,610.00	4,261,458.75
2026	6,001,018.75	1,648,375.00	4,352,643.75
2027	7,004,968.75	6,535,000.00	469,968.75
2028	6,896,243.75	6,655,000.00	241,243.75
	<u>\$31,907,381.25</u>	<u>\$18,424,095.00</u>	<u>\$13,483,286.25</u>

The above Schedule of Type I School District Debt is a direct liability of the Township.

## 12. LEASES

### Operating Lease

In June 2017, the Governmental Accounting Standards Board issued GASB 87, Leases.

On June 30, 2023, the Township extended its twelve (12) month operating lease agreement to rent office space. The lease commenced on July 1, 2023 with monthly payments of \$4,000.00.

The Township is the lessee to a lease agreement with the Essex County Improvement Authority. In 2020, the Township entered into a lease agreement for various equipment. The principal is included below under Financing Leases.

The Township is lessee to several lease agreements involving office space and various equipment. The Township also has interlocal agreements for recreational land use, resurfacing surfaces, attorney services and QPA services under operating leases. Future minimum lease receivables are as follows:

Year	Total Leases	Financing Leases	Operating Leases
2024	\$ 593,250.00	\$ 569,250.00	\$24,000.00
2025	363,900.00	363,900.00	
2026	364,650.00	364,650.00	
2027	364,650.00	364,650.00	
2028	364,900.00	364,900.00	
2029	364,350.00	364,350.00	
 Total Future Minimum Lease Receivables	 <u>\$2,415,700.00</u>	 <u>\$2,391,700.00</u>	 <u>\$24,000.00</u>

The Township is the lessor to several lease agreements involving ATM machines and buildings. The total lease revenue for Bank of America ATM-use cannot be determined in entirety, due to a portion of the rent being variable, based on the volume of transactions.

### 13. SUBSCRIPTION LEASES

In June 2022, GASB Statement No. 96, Subscription-Based Information Technology Arrangements was implemented providing municipalities guidance on the accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) for government end users. Under this new guidance, the Township must disclose and report any SBITAs in excess of one year. The Township of Irvington has reviewed all their SBITAs and determined that they are all considered short-term and require no disclosure under GASB Statement No. 96.

### 14. CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2023 and 2022 was as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Land	\$13,369,500.00	\$589,000.00	\$	\$13,958,500.00
Buildings and Improvements	23,291,600.00		272,200.00	23,019,400.00
Vehicles and Equipment	18,040,264.00		86,616.39	17,953,647.61
	<u>\$54,701,364.00</u>	<u>\$589,000.00</u>	<u>\$358,816.39</u>	<u>\$54,931,547.61</u>
<u>Governmental Activities</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Land	\$13,463,400.00	\$264,700.00	\$358,600.00	\$13,369,500.00
Buildings and Improvements	23,291,600.00			23,291,600.00
Vehicles and Equipment	18,368,130.74		327,866.74	18,040,264.00
	<u>\$55,123,130.74</u>	<u>\$264,700.00</u>	<u>\$686,466.74</u>	<u>\$54,701,364.00</u>

### 15. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2023, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due from</u> <u>Other Funds</u>	<u>Due to</u> <u>Other Funds</u>
Current Fund	\$ 3,094,361.80	\$ 451,235.34
Federal and State Grant Fund		4,053,716.66
Animal Control Trust Fund	4,681.80	7,758.51
General Trust Fund	4,924,874.95	4,681.80
Community Development Block Grant Trust Fund		1,441,290.10
General Capital Fund	<u>2,396,838.80</u>	<u>4,462,074.94</u>
	<u>\$10,420,757.35</u>	<u>\$10,420,757.35</u>

## **16. DEFERRED COMPENSATION PLAN**

The Township of Irvington offers its employees a deferred compensation plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until terminations, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries. The Township of Irvington authorized such modifications to their plan by resolution of the Township Council.

The Deferred Compensation Plan is administered by AXA Equitable, Copeland Insurance and Nationwide and City Street Incorporated.

The Plan was subject to a review only as defined by the New Jersey Division of Local Government Services and the American Institute of Certified Public Accountants. A review consists principally of inquiries of Township officials and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards. The audit of the program lies within the scope of the audit of the independent accountants of the AXA Equitable, Copeland Insurance and Nationwide and City Street Incorporated.

## **17. RISK MANAGEMENT**

Self-insurance funds for Workers' Compensation and Health Benefits were established by resolutions of the Township Council on December 31, 1981 and July 12, 1983, respectively. The Township of Irvington is self-insured to the extent of deductibles for excess insurance coverage.

During the year ended December 31, 2023, activity of these funds are shown on Exhibit B-17.

Excess insurance coverage currently in force is carried for Workers' Compensation and Health Benefits with specified limits detailed as follows:

Workers' Compensation:

1. Specific Loss:\*

Health Benefits:

1. Specific Loss:\*
2. Aggregate Loss:\*

There have been no provisions included in the financial statements for claims incurred but not reported as of December 31, 2023.

\*The data was not made available for audit by the Township.

## **18. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, the following deferred charges are shown on the Current Fund balance sheet:

	<u>Balance Dec. 31, 2023</u>	<u>2024 Budget Appropriation</u>	<u>To be Raised in Budgets of Succeeding Years</u>
Current Fund:			
Special Emergency Authorization (N.J.S. 40A:4-53)	\$ 2,723,849.07	\$ 622,873.35	\$ 2,100,975.72
Overexpenditure of Appropriation			
Reserves	187,237.01	187,237.01	
Expenditure without Appropriation	273,492.86		273,492.86
	<u>\$ 3,184,578.94</u>	<u>\$ 810,110.36</u>	<u>\$ 2,374,468.58</u>

## **19. CASH HELD BY STATE OF NEW JERSEY**

The amount of \$2,952,722.68 represents the Township's share for debt service for the period January 1, 2024 to June 30, 2024 that was allocated under the Qualified Bond Act by the State of New Jersey for the Calendar Year 2024.

## **20. RELATED PARTY TRANSACTION**

The Township leases office space from an employee utilizing the approved bid process and awarded the contract to the sole bidder. (See Note 12)

## **21. CONTINGENT LIABILITIES**

### **a. Compensated Absences**

The policy of the Township of Irvington concerning unused sick and vacation days, as well as compensating time, is summarized as follows:

- 1) Civilian and Fire Department Employees are due the following:
  - a) Upon separation (not retirement) an employee would be compensated for any unused vacation days and any compensatory time accumulated but nothing for unused sick days.
  - b) In cases of prolonged illness, an employee would be paid up to the number of sick days accumulated.
  - c) Upon retirement, an employee, (except for police) would be paid for one-half of his accumulated sick days, limited to \$8,500.00, plus payment, in full, for unused vacation days and compensatory time.

## **21. CONTINGENT LIABILITIES (Continued)**

### **a. Compensated Absences (Continued)**

2) Upon separation/retirement, the Police Department is due the following:

- a) One (1) day's pay equivalent to each unutilized vacation day earned.
- b) Following twenty-five (25) years of service, if applicable, the retiree is due up to eight (8) biweekly current pay amounts as "Terminal Leave".
- c) The Police Department is not due any compensation for unused sick time at the time of separation or retirement.

It is estimated that the sum of \$11,948,607.13, computed internally at the 2023 salary rates, would be payable to various officials and employees of the Township of Irvington as of December 31, 2023 for accumulated sick and vacation days and unused holidays. The figures have been calculated by management and are unaudited.

Benefits paid in any future years will be charged to that year's budget.

Provision for the above are not reflected on the Financial Statements of the Township.

### **b. Tax Appeals**

As of April 4, 2025, there were one hundred seven (107) appeals pending before the New Jersey Tax Court with an assessed valuation of \$70,181,000.00. Potential liability was undeterminable.

Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the Township to a liability for statutory interest on the amount of taxes refunded from the date of payment to the date of refund (R.S. 54:3-27.2).

County taxes paid on the reductions in assessed valuations are subject to credits against the County tax levy of the year subsequent to the year in which the appeals are adjudicated.

### **c. Federal and State Awards**

The Township participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore to the extent that the Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2023, may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

### **d. Due to State of New Jersey**

A restructuring of Irvington Township's school bonds occurred in 2002 and 2003. The Township received debt service aid for these school bonds between 2002 and 2007 based on the pre-refinancing principal and interest payments. A state aid overpayment in the amount of \$8,156,849.86, which is to be refunded to the State, was the result of the pre-financing payment schedule being utilized. The repayment method will consist of annual payments in the amount of \$407,842.00 over a period of twenty years which began in fiscal year 2009 which was deducted from the Township's debt service aid.

## **21. CONTINGENT LIABILITIES (Continued)**

### **e. Arbitrage Rebate Calculation**

In 1985, under the Tax Reform Act, the Arbitrage Rebate Law went into effect requiring issuers of tax-exempt debt obligations to rebate to the Federal Government all of the earnings in excess of the yield on investments or proceeds of such debt issuances (the "Rebate Arbitrage"). The Rebate Regulations apply to obligations issued after August 31, 1986. The arbitrage rebate liability must be calculated every installment computation date (last day of the fifth bond year) or earlier if the bonds are retired, defeased or refunded and pay at least 90% of the rebatable arbitrage (plus any earnings thereon) within 60 days from such date.

### **f. Payments in Lieu of Taxes (PILOT)**

Under N.J.S.A. 40A:20-12, each municipality is required to annually remit to the County five percent (5%) of the annual service charge for each long-term PILOT financial agreement entered into by the municipality.

### **g. Litigation**

There is no significant litigation or any contingent liabilities, unasserted claims or assessments or statutory violations which would materially affect the financial position or results of operations of the Township.

## **22. SECONDARY MARKET DISCLOSURE**

Solely for purposes of complying with Rule 1602-12 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 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 municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

## **23. SUBSEQUENT EVENT**

The Township of Irvington has evaluated subsequent events that occurred after the balance sheet date, but before May 1, 2025, and it was determined that the following item requires disclosure:

On November 19, 2024, the Township of Irvington issued General Improvement Bonds in the sum of \$21,780,000.00 at variable interest rates.

**APPENDIX C**

**FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL**

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\_\_\_\_\_, 2026

Municipal Council of the  
Township of Irvington, in the  
County of Essex, New Jersey

Dear Council Members:

We have acted as bond counsel to the Township of Irvington, in the County of Essex, New Jersey (the "Township"), in connection with the issuance by the Township of its \$2,600,000 Bond Anticipation Notes (the "Notes"), dated the date hereof. In order to render the opinions herein, we have examined such laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to our satisfaction and have undertaken such research and analyses as we have deemed necessary.

The Notes are issued pursuant to the Local Bond Law of the State of New Jersey and the bond ordinance of the Township listed in the Certificate of Determination and Award prepared in connection with this issue, in all respects duly approved and published as required by law. The Notes are temporary obligations issued in anticipation of the issuance of bonds.

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 Notes are valid and legally binding obligations of the Township, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Township 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 Notes in order to preserve the tax-exempt status of the Notes 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 Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Notes. Further, in our opinion, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

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,