

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH 26, 2026**

New Issue  
Book-Entry-Only

Rating: See "RATING" herein

*In the opinion of Rogut McCarthy LLC, Bond Counsel to the Township, assuming compliance by the Township with its Tax Certificate, under existing law, interest on the Note 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"). In addition, under existing law, interest on the Note is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Note that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, Bond Counsel is further of the opinion that, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Note and any gain from the sale of the Note are not includable in gross income of the holders thereof. See "TAX MATTERS" herein.*

**TOWNSHIP OF NORTH BERGEN,  
IN THE COUNTY OF HUDSON, NEW JERSEY**

**\$43,138,741 BOND ANTICIPATION NOTE**

**(NON-CALLABLE)**

**Interest Rate: \_\_\_%**

**Reoffer Yield: \_\_\_%**

**CUSIP No.: \_\_\_\_\_**

Dated: April 17, 2026

Maturing: April 16, 2027

The \$43,138,741 Bond Anticipation Note (the "Note") of the Township of North Bergen, in the County of Hudson, New Jersey (the "Township"), will be issued in the form of one certificate for the principal amount of the Note and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"), which will act as securities depository (the "Securities Depository"). Interest will be credited to the participants of DTC as listed on its records as of the close of business on April 13, 2027. See "Book-Entry-Only System" herein. Interest on the Note shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months.

The principal of and interest on the Note will be paid on the maturity date to the Securities Depository by the Township.

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

The Note is 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 Rogut McCarthy LLC, Cranford, New Jersey, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Township General Counsel, Chasan Lamparello Mallon & Cappuzzo, PC, Secaucus, New Jersey. NW Financial Group, LLC, Bloomfield, New Jersey, has served as municipal advisor in connection with the issuance of the Note. The Note is expected to be available for delivery in definitive form to the Securities Depository in Jersey City, New Jersey on or about April 17, 2026.

**E-MAILED AND PARITY PROPOSALS  
WILL BE RECEIVED ON THURSDAY, APRIL 2, 2026  
IN ACCORDANCE WITH THE NOTICE OF SALE**

**TOWNSHIP OF NORTH BERGEN,  
IN THE COUNTY OF HUDSON, NEW JERSEY**

**MAYOR**

Nicholas Sacco

**COMMISSIONERS**

Nicholas Sacco - Public Affairs  
Hugo Cabrera - Parks and Public Property  
Allen Pascual - Public Safety  
Claudia Rodriguez – Revenue and Finance  
Anthony P. Vainieri Jr. – Public Works

**MUNICIPAL OFFICIALS**

Janet Castro - Township Administrator  
Robert J. Pittfield - Chief Financial Officer  
Erin Barillas -Township Clerk  
Raquel Cemelli - Tax Collector

**AUDITOR**

PKF O'Connor Davies, LLP  
Cranford, New Jersey

**BOND COUNSEL**

Rogut McCarthy LLC  
Cranford, New Jersey

**MUNICIPAL ADVISOR**

NW Financial Group, LLC  
Bloomfield, New Jersey

**TOWNSHIP GENERAL COUNSEL**

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

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

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (the "SEC"), 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 Note described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Township.

"CUSIP" is a registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by Standard & Poor's Capital IQ. The CUSIP number listed on the cover page hereof is being provided solely for the convenience of Noteholders only at the time of issuance of the Note and the Township does not make any representations with respect to such number or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for the Note is subject to being changed after the issuance of the Note as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Note or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Note.

**IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NO REGISTRATION STATEMENTS RELATING TO THE NOTE HAS BEEN FILED WITH THE SEC OR ANY STATE SECURITIES AGENCY. THE NOTE HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY, NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE**

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 Note in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

Rogut McCarthy LLC has not participated in the preparation of the financial or statistical information contained in this Official Statement nor have they verified the accuracy or completeness thereof, and, accordingly, they express no opinion with respect thereto.

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**OFFICIAL STATEMENT**

**Relating to**

**\$43,138,741 BOND ANTICIPATION NOTE**

**(NON-CALLABLE)**

**Interest Rate: \_\_\_%**

**Reoffer Yield: \_\_\_%**

**CUSIP No.: \_\_\_\_\_**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of North Bergen, in the County of Hudson, New Jersey (the "*Township*") in connection with the sale and the issuance of the \$43,138,741 Bond Anticipation Note (the "*Note*") dated the date of delivery as shown on the cover hereof.

**THE NOTE**

**General Description**

The Note may be purchased in book-entry-only form in the amount of \$5,000 or any integral multiple of \$1,000 in excess thereof (except for any necessary odd denomination) through book entries made on the books and records of The Depository Trust Company and its participants. The Note will be dated April 17, 2026, will mature on April 16, 2027 and will be numbered 2026-1R. So long as DTC or its nominee, Cede & Co. (or any successor or assignee) is the registered owner of the Note, payment of the principal of and interest on the Note will be made by the Township (or its designated paying agent) directly to Cede & Co., (or any successor or assign) as nominee of DTC. Interest on the Note will be credited to the participants of DTC as listed on the records of DTC as of the close of business on April 13, 2027.

The Note is not subject to redemption prior to maturity.

**BOOK-ENTRY-ONLY SYSTEM**

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Note, payment of principal and interest and other payments on the Note to Direct and Indirect Participants (each as defined below) or Beneficial Owners (defined below), confirmation and transfer of beneficial ownership interests in the Note and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations as to the completeness or accuracy of such information.

DTC will act as securities depository for the Note. The Note will be issued as a fully-registered security 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. The Note will be issued in the form of one certificate for the aggregate principal amount of the Note 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).

Purchases of the Note under the DTC system must be made by or through Direct Participants, which will receive a credit for the Note on DTC's records. The ownership interest of each actual purchaser of the Note ("*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 Note 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 Note, except in the event that use of the book-entry system for the Note is discontinued.

To facilitate subsequent transfers, all notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Note with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Note; DTC's records reflect only the identity of the Direct Participants to whose accounts such Note 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 Note 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 Note are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Note 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 detailed 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 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 Note 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 PAYING AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

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

### **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 Note 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.

## AUTHORIZATION AND PURPOSE

The Note is authorized by and is issued pursuant to: (i) the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., and (ii) the various bond ordinances of the Township set forth below.

BOND ORDINANCE NUMBER	DESCRIPTION OF IMPROVEMENT AND DATE OF ADOPTION OF BOND ORDINANCE	AMOUNT TO BE ISSUED
470-20	Various street improvements, finally adopted September 9, 2020.	\$746,488
492-21	Acquisition of real property, the making of various public improvements and the acquisition of additional and replacement equipment, finally adopted February 10, 2021.	\$3,900,167
534-22	Acquisition of real property, the making of various public improvements and the acquisition of additional and replacement equipment, finally adopted February 23, 2022.	\$7,987,657
582-23	Acquisition of real property, the making of various public improvements and the acquisition of additional and replacement equipment, finally adopted February 22, 2023.	\$7,872,688
635-24	Acquisition of real property, the making of various public improvements and the acquisition of additional and replacement equipment, finally adopted March 20, 2024	\$9,880,000
636-24	Renovations to Stan Newman Memorial Ballfield, finally adopted March 20, 2024.	\$5,671,500
646-24	Improvements to various streets, finally adopted June 5, 2024.	\$671,655
647-24	The Bergenline Avenue Pedestrian Safety Enhancement Project, finally adopted June 5, 2024.	\$948,000
648-24	The 70 <sup>th</sup> Street, Anpesil Drive and Granton Avenue Pavement Preservation and Resurfacing Project, finally adopted June 5, 2024.	\$1,500,000
676-25	Improvements to various streets, finally adopted June 11, 2025.	\$660,586
677-25	Mazzoni Place sewer improvements, finally adopted June 11, 2025.	\$1,700,000
695-25	Planning and design of the Durham Ave Drainage Improvement Project (Phase 1), finally adopted November 25, 2025.	\$500,000
696-25	Improvements to 85 <sup>th</sup> Street and Mazzoni Place, finally adopted November 25, 2025.	\$1,100,000

The proceeds of the Note will be used to provide funds to (i) currently refund \$41,538,741 of the Township's \$42,263,741 Bond Anticipation Notes maturing on April 20, 2026 consisting of the \$39,903,155 Bond Anticipation Note dated April 21, 2025 and the \$2,360,586 Bond Anticipation Note dated December 23, 2025, together with a \$725,000 principal reductions payment from the 2026 budget, (ii) provide \$1,600,000 in new money to fund various capital projects described above, and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Note.

### INFECTIOUS DISEASE OUTBREAK – COVID-19

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

of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

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

The Plan, signed into law on March 12, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Township received \$16,736,740 from the Plan. The deadline to obligate the funds was December 31, 2024 and to spend them is December 31, 2026. Such funds can only be spent on certain allowable uses as set forth in the Plan.

### **SECURITY AND SOURCE OF PAYMENT**

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

### **MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES**

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

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. 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 real property and improvements and certain Class II railroad property within the boundaries of Township, as annually determined by the State Director of Taxation, is \$10,600,896,178.

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 1.007%. 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.

### **The 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 local unit is authorized to issue Emergency Notes and Special Emergency Notes pursuant to the Local Budget Law.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

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

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

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

No budget or budget amendment may be adopted unless the Director shall have previously certified his 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, re-evaluation programs, revision and codification of ordinances, master plan preparation, drainage map preparation for flood control purposes and other contractually required severance liability, 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.

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 (3) 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 Law" appropriations to within "CAP" appropriations nor can transfers be made between excluded from "Cap Law" 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". 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. 2007, c.62, effective April 3, 2007, imposed a 4% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for debt service and certain lease payments to county improvement authorities, increases to replace certain lost state aid, increases in certain pension contributions, increases in the reserve for

uncollected taxes required for municipalities, and certain increases in health care costs over 4%. The Local Finance Board may approve waivers for certain extraordinary costs identified by the statute, and voters may approve increases above 4% not otherwise permitted by a vote of 60% of the voters voting on a public question.

This legislation has now been amended by P.L. 2010, c. 44, approved July 13, 2010 and applicable to the next local budget year following enactment to limit 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. Chapter 44 eliminates the process for obtaining waivers for additional spending under the tax levy limitation.

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

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 which 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 results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. But it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values. A re-evaluation of all property in the Township was completed in March, 2022. On March 14, 2022, the Hudson County Board of Taxation certified a total net valuation taxable of \$9,837,480,154 and an equalization rate of 112.52%.

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 mailed annually in June by the Township. 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 \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00. 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. The Township has \$6,587,000 in liens as of December 31, 2025.

## **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 Tax Board 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.

## **The 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 report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2024 for the Township is on file with the Clerk and is available for review during business hours.

## **LITIGATION**

To the knowledge of the general counsel to the Township, there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Note, or the levy or the collection of any taxes to pay the principal of or the interest on the Note, or in any manner questioning the authority or the proceedings for the issuance of the Note or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Currently, the Township and, in some instances, its officers and/or employees, in their official capacity, are defendants in certain lawsuits brought against the Township. While neither the outcome of pending litigation, nor the scope of financial liability can be predicted with any reasonable degree of legal certainty, in the opinion of general counsel to the Township, based on plaintiffs' claims to date, the legal and factual defenses available to the Township and the existing insurance coverage held by the Township, there is no litigation presently pending or threatened that, in the opinion of general counsel, would have a material adverse impact on the ability of the Township to meet its financial obligations if adversely decided. A certificate to such effect will be executed by general counsel to the Township and delivered to the Underwriter (as herein defined) at the closing.

## **TAX MATTERS**

### **Federal Income Taxes**

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Note in order that interest on the Note be

and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Note and other amounts and rebate of certain arbitrage earnings to the United States. Noncompliance by the Township with such requirements may cause interest on the Note to be included in gross income of the owners thereof retroactive to the date of issuance of the Note, regardless of when such noncompliance occurs.

The Township has covenanted, to the extent permitted by the Constitution and the laws of the State, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Note be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. The Township's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Note, will contain provisions and procedures regarding compliance with the requirements of the Code. The Township, in executing the Tax Certificate, will certify to the effect that the Township expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinion described below with respect to the Note, Bond Counsel has relied upon the covenant and has assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate.

### **Tax Opinions**

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Township, assuming compliance by the Township with the Tax Certificate, under existing law, interest on the Note is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Note is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Note that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. For other Federal tax information, see "Tax Matters - Additional Federal Income Tax Consequences" herein.

In the opinion of Bond Counsel, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Note and any gain from the sale of the Note are not includable in gross income of the holders thereof.

### **Additional Federal Income Tax Consequences**

Prospective purchasers of the Note should be aware that ownership of governmental obligations, such as the Note, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from the ownership of the Note. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

### **Proposals for Tax Changes**

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Note or otherwise prevent holders of the Note from realizing the full benefit of the tax exemption of interest on the Note. Further, such proposals may impact the marketability or market value of the Note simply by being

proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Note. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Note would be impacted thereby.

Purchasers of the Note should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Note, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE NOTE ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE BONDS, AND 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 NOTE SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

## **SECONDARY MARKET DISCLOSURE**

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

- (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 Note, or other material events affecting the tax status of the Note;
- (7) Modifications to rights of holders of the Note, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Note, 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, any of which affect holders of the Note, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of the Financial Obligation of the Township, any of which reflect financial difficulties.

The term "*Financial Obligation*" as used in subparagraphs (15) and (16) above means a (i) debt obligation, (ii) derivative instrument entered into 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 MSRB 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 Note being specifically limited in the undertaking to specific performance of the covenants.

The continuing disclosure undertaking may be amended by the Township from time to time, without the consent of the Noteholders or the beneficial owners of the Note, 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 continuing disclosure undertakings for certain outstanding issuances of debt by the Township, and issuances of debt by conduit issuers in which the Township is an obligated borrower. In connection with such undertakings, the Township has implemented practices and procedures to ensure that all required filings are made on a timely basis. The Township was late posting material event notices for the following financial obligations: (1) \$2,800,000 Taxable Special Emergency Note and \$720,000 Special Emergency Note dated December 28, 2021, (2) \$4,300,000 New Jersey Infrastructure Bank Note dated May 24, 2023, (3) \$3,119,655 Bond Anticipation Note dated July 25, 2024, and (4) \$1,200,000 guaranty of the North Hudson Regional Fire and Rescue payment obligation on the Hudson County Improvement Authority's County-Guaranteed Pooled Notes, dated March 2, 2026. In addition, the Township did not link its timely filed annual information and operating data for the year ended December 31, 2020 to CUSIP numbers associated with two series of bonds issued by the Hudson County Improvement Authority on October 18, 2011 for the benefit of the North Hudson Regional Fire and Rescue Project. The Township's year-ended December 31, 2023 operating data was posted on time; however, the incorrect file was posted inadvertently and has now been fixed. The Township failed to timely file its operating data for the year-ended December 31, 2024. Failure to File and material event notices for all items have since been posted.

### **CLOSING CERTIFICATES**

The Underwriter will be furnished, at the time the Note are delivered, certificates in form satisfactory to Bond Counsel evidencing: (a) the proper execution and delivery of the Note, (b) receipt and payment therefor, and (c) the absence of litigation now pending, or to the knowledge of the officers signing the Note, threatened to restrain or enjoin the issuance or delivery of the Note.

### **MUNICIPAL BANKRUPTCY**

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 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 any political subdivision of the State, public agency or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under said chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

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

### **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Note are subject to the approval of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel to the Township, whose approving legal opinion will be delivered with the Note substantially in the form set forth as Appendix C. Certain legal matters will be passed on for the Township by its General Counsel, Chasan Lamparello Mallon & Cappuzzo, PC, Secaucus, New Jersey.

### **UNDERWRITING**

The Note has been purchased from the Township by \_\_\_\_\_, \_\_\_\_\_ (the "*Underwriter*") at a price of \$ \_\_\_\_\_ (consisting of the par amount of the plus an original issue premium of \$ \_\_\_\_\_). The Underwriter has purchased the Note in accordance with the Notice of Sale and the Proposal for the Note. The Note is being offered for sale at the yield or price set forth on the cover page of this Official Statement.

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

### **RATING**

Moody's Investors Service, Inc. ("*Moody's*") has assigned a rating of "MIG 1" to the Note based on the creditworthiness of the Township.

An explanation of the significance of such credit rating may be obtained from Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. There is no assurance that such credit rating will continue for any period of time or that such rating will not be revised or withdrawn. Any such revision or withdrawal of such credit rating may have an adverse effect on the market price or marketability

of the Note. Neither the Township nor the Underwriter have undertaken or will undertake any responsibility to bring to the attention of the owners of the Note any proposed change or withdrawal of such credit rating or to oppose any such proposed revision.

### **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 certificates signed by the Chief Financial Officer of the Township, that to his 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.

NW Financial Group, LLC, municipal advisor to the Township, assisted with the preparation of certain financial and statistical information contained in this Official Statement and Appendix A, but have not independently verified the accuracy, completeness or fairness thereof. Accordingly, they express no opinion with respect thereto. PKF O'Connor Davies, LLP, takes responsibility for the audited financial statements to the extent specified in their Independent Auditor's Report contained in Appendix B.

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

Rogut McCarthy LLC has not participated in the preparation of the financial or statistical information contained in this official statement, nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

### **MUNICIPAL ADVISOR**

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

### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including requests for information additional to that contained herein, may be directed to Janet Castro, Township Administrator, (201) 330-7283, or Robert J. Pittfield, Chief Financial Officer, (201) 330-2629, at Town Hall, 4233 Kennedy Boulevard, North Bergen, New Jersey 07047, or NW Financial Group, LLC, Bloomfield, New Jersey 07003, (201) 656-0115.

**MISCELLANEOUS**

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or holders of the Note. 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 Note made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs (financial or otherwise) of the Township since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

**THE TOWNSHIP OF NORTH BERGEN**

**By:** /s/  
**Claudia Rodriguez**  
**Director of Revenue and Finance**

**By:** /s/  
**Janet Castro**  
**Township Administrator**

**By:** /s/  
**Robert J. Pittfield**  
**Chief Financial Officer**

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

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**APPENDIX A**

**CERTAIN ECONOMIC AND STATISTICAL INFORMATION  
ABOUT THE TOWNSHIP OF NORTH BERGEN**

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**APPENDIX A**  
**CERTAIN ECONOMIC AND STATISTICAL**  
**INFORMATION CONCERNING THE**  
**TOWNSHIP OF NORTH BERGEN**

**TOWNSHIP OF NORTH BERGEN**

**General Overview**

The Township of North Bergen is situated on the Palisades Ridge, opposite the Island of Manhattan. The northern portion of the Township occupies the entire area between the Hudson and Hackensack Rivers, while the southern portion extends from the Palisades Ridge line westward into the New Jersey Meadowlands. The Township lies within the inner core of the New York City Metropolitan Area and has within its boundaries a portion of the developing Hackensack Meadowlands. Thus, the Township is located between two major centers of commerce and industry.

**Transportation**

Transportation is provided by several major highways, including the New Jersey Turnpike, U.S. Routes 1 and 9 and State Route 3. The main local roads are oriented generally in a north-south direction running the length of the Township, a configuration resulting primarily from the topography of the municipality. The Lincoln Tunnel approach, recessed into the Palisades, passes directly through the Township.

The Township is situated to provide easy motor access to all points within the New York-New Jersey metropolitan area and its network of roads make Newark International Airport and Teterboro Airport easily accessible to air travelers from all parts of the world. John F. Kennedy and La Guardia airports also serve the transportation needs of the Township. Passenger bus service is provided by the New Jersey Transit Corporation.

Recent transportation improvements to Tonnelle Avenue/US Routes 1 and 9 include the construction of Secaucus Road and Paterson Plank Road overpasses, and the opening of the New Jersey Transit Tonnelle Avenue Light Rail Station at 51<sup>st</sup> Street. This station is the most recent opening within the Hudson-Bergen Light Rail system, which now stretches through Jersey City, Hoboken, Weehawken, Union City and North Bergen. The North Bergen station includes a 600-space park-and-ride lot that makes it easier for commuters to travel to Manhattan. These improvements have drastically improved the flow of vehicular traffic and have eliminated the once-long delays at various train tracks along this route.

To further enhance the flow of traffic along this route, construction on an overpass at 69<sup>th</sup> Street has recently opened. The overpass links Tonnelle Avenue to Westside Avenue and eliminate traffic snarls caused by rail interruptions. The New Jersey Department of Transportation has completed its \$51 million Tonnelle Avenue Reconstruction Project. The entire 3 mile roadway from 43<sup>rd</sup> Street all the way north to 91<sup>st</sup> Street at the Fairview border. Lanes are wider and safer, left hand turning lanes are available, new sidewalks and curbing have been installed, and new lighting and signalization are in place.

#### Governmental Structure

The Township is governed under the commission form of government and operates under the Walsh Act, with five Commissioners elected at large for four-year terms. Each elected Commissioner is assigned to one of five departments. The current commissioners, their departments, and the year they first took office are shown below.

<u>Director</u>	<u>Department</u>	<u>Month and Year First In Office</u>
Nicholas Sacco	Public Affairs	May 1985
Hugo Cabrera	Parks and Public Property	May 1999
Anthony Vainieri	Public Works	May 2023
Claudia Rodriguez	Revenue and Finance	May 2023
Allen Pascual	Public Safety	November 2002

The Mayor is elected for a four-year term at the organization meeting of the Board of Commissioners, and the Township Administrator oversees the day-to-day operations of the Township.

#### Department of Public Affairs

The Department of Public Affairs includes the Office of the Township Administrator, Chief Financial Officer, Hispanic Affairs, Department of Law, Township Clerk, Youth and Senior Citizen Services, Licensing, Public Assistance, Health & Welfare Department, Registrar of Vital Statistics, Municipal Court, Consumer Affairs, Residential and Retail Development, Purchasing Department, Insurance, Animal Control, Bureau of Housing and all assigned employees. The Department is also responsible: for the administration of cultural, recreational, and educational activities for senior citizens, including the use of Township vehicles for the transportation of senior citizens for shopping, medical treatment, and entertainment; and for the supervision of the Municipal Emergency Medical Services Unit. This paid unit currently operates 5 ambulances. Two twelve hour shifts provide 24 hour coverage seven days per week.

#### Department of Parks and Public Property

The Department of Parks and Public Property is responsible for recreational and cultural activities within the Township as well as for the maintenance of parks and public buildings. The Township's park and recreational system is one of the finest in the County and consists of 18 recreational facilities on 280 acres of land. There are 20 various

recreation programs that approximately 5,000 children participate in annually. Construction of a new Recreation Center and Library is complete and fully operational.

Additionally, the construction of a new Paterson Plank Road Park has been completed. The Township and the Town of Guttenberg share a waterfront park that opened in 2019, which allows for unobstructed views of New York City.

The Township operates and maintains the following parks:

- 10<sup>th</sup> Street Park – 10<sup>th</sup> and Columbia Avenue
- 28<sup>th</sup> Street Park -28<sup>th</sup> and Grand Avenue
- Policeman Memorial Park – 37<sup>th</sup> Union Turnpike
- 43<sup>rd</sup> Street Park – 43<sup>rd</sup> and Tonnelle Avenue
- 46<sup>th</sup> Street Park – Between Kennedy and Grand Avenue
- 50<sup>th</sup> Street Park – Between Kennedy and Grand Avenue
- 64<sup>th</sup> Street Park – Between Durham and Grand Avenue
- 70<sup>th</sup> Street and Columbia Park – 70<sup>th</sup> Columbia Avenue (vacant lot at the moment)
- 82<sup>nd</sup> Street Park – Between Kennedy and Grand Avenue
- 88<sup>th</sup> Street Park – Between Durham and Grand Avenue
- 74<sup>th</sup> Street Pocket Park – 74<sup>th</sup> and Boulevard East
- Fredman Park – 75<sup>th</sup> and Boulevard East
- Riverview Park – 79<sup>th</sup> and Boulevard East
- Waterfront Park – 7200 River Road
- Bruin Stadium – North Hudson Park – 9100 Kennedy Boulevard (West)
- Stan Neuman Field – 1312 64<sup>th</sup> Street
- 76<sup>th</sup> Street Little League Field – 1212 76<sup>th</sup> Street
- 64<sup>th</sup> Street Girls Softball Field – 64<sup>th</sup> and Meadowview Avenue
- Paterson Plank Road Park – 1812 Paterson Plank Road

In addition to the municipal recreational facilities, James J. Braddock Park, owned and operated by the County, is located within the Township and is a major landmark in the area. The park occupies approximately half of the land area east of Kennedy Boulevard within the Township and includes such recreational facilities as tennis courts, a track, and a lake for fishing.

The Township owns and operates the following properties:

- Town Hall
- Various Municipal Garages
- Police Headquarters
- Health & Welfare Building
- Municipal Pool Complex
- CCTV Surveillance Center
- Municipal Libraries
- Municipal Court Complex
- Senior Center
- Emergency Medical Services Building
- Youth Recreation Center
- DPW Complex
- Other Buildings
- Downtown Recreation Center/ Library

## Department of Public Works

The Department of Public Works provides for the maintenance of roads, maintenance of sewage and storm system, and administrative services. The Department also includes the Office of Construction Code Enforcement, Construction Department, and Board of Adjustment and Planning.

## Department of Revenue and Finance

The Department of Revenue and Finance is headed by its designated Commissioner and includes the Finance Director, a full-time Tax Assessor, Tax Collector and other employees. The Department recently completed an administrative and procedural revision, which integrated financial controls, accounting functions and established a fiscal accountability system using in-house computers. Recently, the Township provided for a total software upgrade of its finance and tax systems. The upgrade allows for full integration with other Township functional systems thereby streamlining total online payment capability for Township residents.

## Department of Public Safety

The Department of Public Safety is responsible for police protection. The Department is also responsible for the overall planning and coordination of programs related to the protection of the public, including, but not limited to the various educational programs and the administration of grants relating to law enforcement.

The Police Department in maintaining a compliment of 145 officers, including special police officers that are assigned to every public school in the Township. The Department operates one mobile command unit, 44 fully-equipped marked patrol vehicles, 21 unmarked vehicles and 4 motorcycles, which are used for a variety of functions within the Detective Bureau and other specialized services. Within the Department, there are separate bureaus for the specialties needed to provide the Township with a complete, up-to-date and fully-effective police department. An integrated communications system, covering both police and fire departments, is housed in the Police Headquarters.

In the late 2016, the North Bergen Police Department (the ‘NBPD’) received the New Jersey State Association of Chiefs of Police (the ‘NJSACOP’) accreditation. The NJSACOP has pursued the concept and development of a voluntary statewide law enforcement accreditation program for New Jersey which has resulted in the formation of the NJSACOP Law Enforcement Accreditation Commission, consisting of commissioners with the overall responsibility of adoption of program standards, as well as review of all assessment reports and approval of all recommendations for the granting of accredited status of applicant agencies. Accredited status represents a significant professional achievement. The attitudes, training, and actions of the NBPD reflect their dedication to compliance with the standards contained in this program. Accreditation acknowledges the implementation of policies and procedures that are conceptually sound and operationally effective reflecting a commitment to advancement of the law enforcement profession. In 2023 the NBPD was once again re-accredited by the NJSACOP.

The NBPD operates a crime prevention and intelligence center (‘CPIC’) which provides command staff with intelligence and other crime information with the goal of maximizing the police department’s ability to detect, prevent,

investigate, and respond to criminal activity, as well as to improve the quality of life within the community. Intelligence is the process through which information is collected, evaluated, analyzed, and disseminated to all relevant divisions. CPIC is also designed to facilitate the exchange of information from different sources including other law enforcement agencies, public safety, municipal government, and the private sector. The dissemination of intelligence must be timely. The NBPB utilizes the COMPSTAT process which offers a dynamic approach to the reduction and prevention of crime, quality of life improvement, and personnel and resource management.

The NBPB has completed efforts to provide the framework and criteria for the strategic upgrade and development, implementation, and ongoing management of its CCTV system. NBPB has completely replaced the Township's older 135 CCTV cameras with the latest generation of cameras that have better resolution, higher frame rates and efficiency, industry standard video compression, better night viewing capacity, "smart-monitoring" analytics and more responsive and robust control features.

The Township has completed the construction of a Fiber Optic Network Project that will feature several new public wi-fi networks at high traffic areas as well as faster and more reliable service for first responders. The new network will also enhance the capabilities of the Township's CCTV system. This American Rescue Plan funded project allows for free broadband connectivity for the public in numerous places such as parks, the Housing Authority, Town Hall, as well as many other neighborhood locations.

#### Municipal Pool Complex

The North Bergen Municipal Pool Complex provides a state-of-the-art, ADA compliant pool complex consisting of 3 pools, including: one competition pool with an ADA hydraulic lift; one activity pool with an ADA hydraulic lift and a water slide; and one kiddie pool with zero entry. The complex includes ADA-compliant bath houses, a volleyball and basketball court, a concession stand, picnic tables, and a 155-space parking lot.

#### Municipal Utilities Authority

The treatment of sanitary sewerage, and the collection of residential solid waste are services performed by the North Bergen Municipal Utilities Authority (the "MUA"). Major facilities consist of one sewage treatment plant, four pumping stations, a sanitation garage, a recycling center and an Administration building. The MUA has its own equipment and staff to handle garbage collection and recycling. The Township makes an annual appropriation to the MUA for garbage collection services, which is financed as part of the municipal tax levy in each fiscal year.

Due to the Township topography, wastewater and stormwater flow to (2) two separate and distinct watersheds. The northeastern-most portion of the Township and the Town drains through the Woodcliff Treatment Plant and discharges to the Hudson River. The western portion of the Township drains west, to what was formerly the Central Treatment Plant that discharged to the Cromakill Creek, a tributary of the Hackensack River. The Central Treatment Plant was replaced in 2010 with an interconnection (through Jersey City) to the Passaic Valley Sewerage Commission plant.

The Woodcliff Treatment Plant, upgraded in 1991 to secondary treatment, treats approximately 3 million gallons of sewage per day and services the Town of Guttenberg and the northeast portion of North Bergen. The remainder of North Bergen's and a portion of Union City's sewage was, until 2010, treated at the Central Plant which averaged 7 million gallons per day. The Central Treatment Plant has been replaced with a pump station that, together with infrastructure built over the past several years, sends sewage through Jersey City and on to the Passaic Valley Sewerage Commission's plant.

The MUA currently operates under an extensive 5 year Capital Improvement Plan that allows it to keep pace with increasingly stringent State and Federal Regulations. Most of the Capital Projects are funded by existing Revenue Bonds. The MUA's current operation includes 10 Combined Sewer Overflow ("CSO") screening chambers. The chambers trap 30 to 40 tons of solid and floatable material that wash off of streets and out of the sewer system during heavy rain storms; material that would otherwise reach the Hudson River and Hackensack River tributaries. Funding for the chambers was provided through a low interest loan obtained from the State's Infrastructure Trust.

The MUA is in the process of completing a major upgrade of its Woodcliff Treatment Plant, the first significant renovation at the facility in over 25 years. Once completed, the \$28 million project will place the Woodcliff plant on the cutting edge of wastewater treatment, allowing more wastewater to be treated in a more efficient manner. The upgrade will make the plant more environmentally friendly, meeting the MUA's goal of providing for a more sustainable future for North Bergen, and is expected to be completed in mid-2024.

As part of the upgrade, new membrane filtration units will replace the plant's current system which will allow for significant improvements during both dry and wet weather days. This new state-of-the-art equipment will increase the plant's water treatment capacity by 20%, which will allow for future smart residential and commercial development within the sewer service area. Additionally, the project will allow millions of gallons of combined wastewater to be treated before being discharged into the Hudson River on heavy rainy days, helping to protect the waterway.

Sewer user charges are directly imposed on users through quarterly bills based on water consumption. Commercial and Industrial users are charged on the basis of water consumption, and content of the sewage treated. Major industrial users are administered Discharge Permits; the MUA monitors their discharge through the implementation of a State required Industrial Pretreatment Program.

There are a total of 63 employees of which 39 are unionized - currently employed by the MUA.

#### North Hudson Regional Fire and Rescue

The culmination of the largest merger of municipal services in New Jersey history is the North Hudson Regional Fire and Rescue Agency ("NHRFR"). The purpose of NHRFR is to improve safety while reducing property taxes in the five participating municipalities: North Bergen, Union City, Weehawken, West New York, and Guttenburg. With a current budget of \$70 million and a compliment of approximately 300 paid firefighters, it is the fifth largest fire agency in the State, and the first in New Jersey to cover multiple towns. Through attrition, restrictions in overtime, consolidation

of administrative personnel, and other economies, the participating towns have saved money while maintaining or improving fire safety.

In June 1999, the NHRHR merged the participating municipalities' fire unions into two new bargaining units representing firefighters and officers. The NHRFR and the bargaining units appealed a decision rendered by an arbitrator in January 2003; however, the merged contract was ultimately settled. A contract was executed for an agreement for both the Firefighters and the Officers through June, 2027.

#### Utilities

Electricity and gas are supplied to the Township by Public Service Electric & Gas, an investor-owned utility. Water is supplied to the Township by United Water Company, an investor-owned utility company.

#### Public Library

The Township's Free Public Library now operates two branches with a staff of 41 employees, including 6 professional librarians. The Main Library is located at 8411 Bergenline Avenue. The main branch houses about 150,000 volumes. In addition to the substantial print collection, the main branch also circulates magazines, DVD's, CD's, video games, audio books and e-books. The Library is a member of the Bergen County Cooperative Library System, which gives patrons access to the materials of the 77 member libraries in Bergen, Hudson, Essex and Passaic counties. Computers equipped with Internet access and Microsoft Office are available in both the adult and children's departments. There are over one-hundred desktop/ laptop computers available to the public between both library locations. There is also a wide array of online databases available to residents that are accessible at home too by using their library card. The North Bergen Free Public Library offers a wide array of programming and services to people of all ages at both library locations. Adults can take advantage of programs such as ESL, conversational ESL, Citizenship, Spanish, and one-on-one reading enrichment. The Library currently offers job and career assistance through the implementation of one-on-one assistance with resumes, cover letters, interviewing skills and more. Technology instruction includes computer training at all levels in both English and Spanish, including one-on-one instruction on using your electronic devices. Recreational programming for adults includes movies, knitting, coloring, Zumba, Tai-Chi and yoga along with an adult book club. Young adult offerings include homework help, reading enrichment, Minecraft and Makers club, which includes the usage of a 3D printer. Early childhood program offerings include babytime, playtime, music, movement, Pre-K preparation and story-time sessions for both toddlers and infants. Construction of the new 70,000 square foot Recreation Center/ Kennedy Branch Library is complete and fully operational. The grand opening occurred in November, 2022.

#### Health Care Facilities

Hackensack Meridian Health Palisades Medical Center is located at 7600 River Road in North Bergen, New Jersey, and it serves a population of 450,000 in Hudson and southern Bergen counties. The not-for-profit medical center is part of the Hackensack Meridian Health System, and it features a 206-bed hospital and The Harborage, a 245-bed nursing home and rehabilitation center.

Palisades Medical Center is ranked the # 4 hospital of its size in New Jersey by *Inside Jersey* magazine and Castle Connolly Medical Ltd. The New Jersey Hospital Association (NJHA) has honored Palisades Medical Center with its prestigious *Community Outreach* Award for its year-round commitment to educate residents, improve access to care, and reduce health disparities.

#### Economic Development/ Ratable Base Growth

The Township was granted Urban Enterprise Zone (UEZ) status, which enables businesses within the UEZ to charge one-half (3.3125%) of the State sales tax that would normally be charged.

The use of UEZ funds enabled the commercial rebirth of the Tonnelle Avenue corridor from 69<sup>th</sup> Street to 91<sup>st</sup> Street. In 2022 the UEZ began to once again provide financial assistance to UEZ designated municipalities from the distribution of sales tax collected from the zones. Such funding is available for projects that improve, enhance and stimulate economic and commercial activity within the Township's UEZ. A total of \$4,658,000 has been allocated to the Township for such projects, and the Township is currently planning for various projects in its UEZ.

Developments and existing retail properties along this corridor include: Target, Home Depot and Lowes. Completed commercial projects include the Vornado retail shopping center project, which includes Walmart, BJ's, Staples, Applebee's and Wendy's. This commercial revitalization has added at least \$100 million to the Township's ratable base. A major development project of a WAWA store, gas station, and another restaurant is complete and operational on the east side of this commercial property between 74<sup>th</sup> and 75<sup>th</sup> streets.

Other completed retail developments include the River Road Retail Project. This 20,000 square foot of retail space is designed to compliment the residential area along River Road. The project includes a completed Bank of America and Starbucks, that increased ratables by \$3-4 million.

The redevelopment and revitalization of the Paterson Plank Road Corridor continues to thrive as a recently completed Best Western Hotel and Wyndam Hotel have opened. Additionally, the Hudson Mews Residential Community is opening in phases and is complete and experiencing an extremely high occupancy rate.

The Township also continues to increase its ratable base through residential projects. The following tables illustrate such growth.

*[Remainder of Page Left Intentionally Blank]*

## Completed Developments

<u>Development</u>	<u>Units</u>	<u>Total Value</u>
Church Hill Estates-Townhouses	9	\$9,000,000
Avalon Bay Communities	164	\$50,000,000
LWH, LL - Post Brothers	300	\$200,000,000
Skyline Development Group	70	\$40,000,000
Century Land Group	128	\$8,400,000
4700 Tonelle Avenue, LLC	24	\$7,200,000
67 <sup>th</sup> Street & Kennedy Boulevard, West, LLC	51	\$15,300,000
Hudson Mews Urban Renewal	290	\$90,000,000
Appleview Rentals	59	\$30,000,000
MTC Urban Renewal	240	\$75,000,000
8619 Bergen Line	190	\$57,000,000
8500 Kennedy Boulevard	33	\$6,600,000

## Approved Developments

<u>Development</u>	<u>Units</u>	<u>Total Value</u>
Teresheran Land Company	190	\$18,000,000
7711-7809 River Road	130	\$32,500,000
803 Kennedy, LLC	32	\$6,400,000
86 <sup>th</sup> Street Bergenwood	32	\$6,400,000
28 <sup>th</sup> Street Associates 2801 Kennedy Boulevard	90	\$27,000,000
Riverview 8200 River Road	300	\$200,000,000
Tonnelle Avenue Light Rail/ 51 <sup>st</sup> Street to 55 <sup>th</sup> Street – 5501 Tonnelle Portion	195	\$61,000,000
3167 Kennedy Boulevard	305	\$120,000,000

## Planned Developments

<u>Development</u>	<u>Units</u>	<u>Total Value</u>
Tonnelle Avenue Light Rail/ 51 <sup>st</sup> Street to 55 <sup>th</sup> Street – 5501 Tonnelle Other Portions	605	\$189,000,000

Largest Employers

The major employers in the Township include the following:

- Mack Associates
- Hartz Mountain
- Lowe’s Home Improvement Center
- Home Depot
- Target
- Presitige Bread
- G.E.C. Alsthorn Electric Fuse Gear
- Meer Corp.
- Hackensack UMC Palisades
- Western Carriers
- Walmart
- Verizon
- Hudson View Health Care Center

New Construction Based on Building Permits

<u>Year</u>	<u>Construction Permits</u>	<u>Value*</u>
2025	2,127	\$71,864,622
2024	2,297	80,913,534
2023	2,582	118,608,636
2022	2,667	101,567,476
2021	2,623	177,637,077
2020	1,917	87,927,249
2019	1,805	74,741,848
2018	1,884	71,044,910
2017	1,771	51,031,431

*[Remainder of Page Left Intentionally Blank]*

Source: Township of North Bergen, Building Department

\*Includes cost of construction, alteration and demolition.

Unemployment Rate

According to the State of New Jersey, Department of Labor and Workforce Development, the non-seasonally adjusted labor force estimates as of April 29, 2025 for the years 2024 and 2023 are as follows:

	Total Labor <u>Force</u>	Employment <u>Labor Force</u>	Total <u>Unemployed</u>	Unemployment <u>Rate</u>
Township of North Bergen				
2024.....	32,763	31,255	1,389	4.6%
2023.....	32,412	31,023	1,242	4.3%
County of Hudson				
2024.....	419,415	401,602	17,813	4.2%
2023.....	415,801	398,616	16,465	4.0%
State of New Jersey				
2024 .....	4,898,008	4,676,064	221,944	4.5%
2023.....	4,867,113	4,659,779	207,344	4.3%

THE SCHOOL DISTRICT

The Board of Education is a Type II School District whose boundaries are coterminous with the Township and in which the Board adopts proposals, and the legally registered voters at a school election approve, for the issuance of school debt and annual school budgets.

Board of Education

Administration is by a 9-member Board with members elected for 3-year overlapping terms. The Board is organized annually on any day of the first or second week following the annual school election.

All board meetings are public and the Board holds a meeting at least once a month during the period in which school is in session.

The general mandatory powers and duties of the Board are:

1. To adopt an official seal;
2. To enforce the rules of the State Board of Education (The "State Board");

3. To make, amend and repeal rules, not inconsistent with applicable law or with the rules of the State Board, for its own governance and the transaction of its business and for the governance and management of the public schools and public school property, and for the employment, regulation of conduct and discharge of its employees, subject, where applicable, to the provisions of Title II, Civil Service, of the Revised Statutes;
4. To perform all acts and do all things, consistent with law and the rules of the State Board, necessary for the lawful and proper conduct, equipment and maintenance of the public schools of the district.

Each member of the Board is a resident of the district.

#### School Facilities

The School District operates one (1) pre-school, six (6) elementary schools (K-8) and one (1) high school (9-12).

<u>School Name</u>	<u>Estimated Years of Construction</u>	<u>Grades</u>	<u>Total Classrooms</u>
North Bergen High School	1961	9-12	74
John F. Kennedy	1965/ 2001	K-8	24
William McKinley	1919/ 2000	Pre-K-8	17
Benjamin Franklin	1919/ 1999	K-8	36
Robert Fulton	1926	K-8	47
Abraham Lincoln	1915/ 2004	Pre-K-8	26
Horace Mann	1928	K-8	57

Source: North Bergen Board of Education

#### School Enrollment

<u>Fiscal year</u>	<u>Student Enrollment</u>	<u>Enrollment Change</u>
2025/ 2026	6,865	<139>
2024/ 2025	7,004	<218>
2023/ 2024	7,222	15
2022/ 2023	7,207	<5>
2021/ 2022	7,212	<102>
2020/ 2021	7,314	<141>
2019/ 2020	7,488	<31>
2017/ 2018	7,519	<147>

It should be noted that a \$65 million referendum recently passed by the Township's voters allowed for a planned restructuring. The district purchased the former High Tech High School Building off of Tonnelle Avenue and has converted the existing high school into a middle school for grades 7-9.

Source: North Bergen Board of Education

## TOWNSHIP FINANCIAL PROCEDURES

### Township Budget Requirements

State law imposes specific budgetary procedures upon local government units. Pursuant to the Local Budget Law, the Township is required to have an operating budget which provides sufficient cash collections to pay all debt service and operating costs during the fiscal year and, in addition, provide for any mandatory payments required to be met during the fiscal year.

The Township's operating budget must be in the form required by the Division of Local Government Services. Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division (the "Director") prior to final adoption of the budget. The Local Budget Law requires the Township to appropriate sufficient funds for payment of current debt service. The Director is required to review the adequacy of such appropriations for certification. The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review, which focuses on anticipated revenues, serves to protect the solvency of the Township.

The Municipal Budget of the Township is prepared for the Mayor by the Director of Revenue and Finance. During the Fall of each year, all department heads submit requests for appropriations for the next budget year and appear before the Director of Revenue and Finance. The Mayor then submits his recommended budget to the Board of Commissioners. The Board of Commissioners may reduce any item or items in the budget by a majority vote but may increase any item or items only upon an affirmative vote of two-thirds of the members of the Board of Commissioners. After the budget is introduced, it is approved on first reading by majority vote of the Board of Commissioners. The budget is then submitted to the Director of the Division of Local Government Services for approval, is advertised, then a public hearing is held. The budget is then adopted by the Board of Commissioners and submitted to the Division for certification.

The Township's fiscal year begins January 1. Under State law, the Township is required to have a budget adopted by March 20 unless otherwise extended by the Division of Local Government. For calendar years 2012-2022, the budget was adopted in accordance with the statutory deadline. For calendar years 2023-2025, the budget was adopted after the statutory deadline.

### Limitation on Expenditures

Section 40A:4-45.3 of the Local Budget Law, commonly known as the "Cap Law," provides that a municipality shall limit any increase in its operating budget to 2.5 percent or the calculated Index Rate, whichever is less, over the

previous year's final appropriations, subject to certain exceptions. The Local Finance Board has the authority, under Section 40A:4-45.3 of the Local Budget Law, to grant additional exceptions to the Cap Law under certain circumstances. The Index Rate is defined as the annual percentage increase in the Implicit Price Deflator for State and Local Government Purchasers of Goods and Services produced by the United States Department of Commerce as announced by the Director. Municipalities may elect, upon adoption of an ordinance, to approve an increase in appropriations that is greater than the Index Rate, not to exceed five percent, when the Index Rate is less than five percent. Major exceptions not subject to the spending limitation include capital expenditures and debt service; State and Federal appropriations; expenditures mandated as a consequence of certain public emergencies; certain expenditures mandated by law; cash deficits of the preceding year approved by the Local Finance Board; amounts required to be paid pursuant to any contract with respect to use, services or provision of any project, facility or public improvement for water, sewer, solid waste, parking, senior citizen housing or similar purpose, or payments on account of debt service therefor or lease payments as made with respect to a facility owned by a county improvement authority where such lease payments are a necessity to amortize debt of the authority; amounts expended to meet the standards established by the New Jersey Public Employees' Occupational Safety and Health Act; amounts appropriated for expenditures resulting from impact of a hazardous waste facility; any expenditure mandated as a result of a natural disaster, civil disturbance or other emergency that is specifically authorized pursuant to a declaration of an emergency by the President of the United States or by the Governor; expenditures for the cost of services mandated by any order of court, statute or administrative rule issued by a State agency which has identified such cost as mandated expenditures on certification to the Local Finance Board by the State agency; and amounts reserved for uncollected taxes. The "Cap Law" does not limit the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service on the bonds.

#### Anticipation of Real Estate Taxes

With regard to current taxes, Section 40A:4-41 of the Local Budget Law provides that "receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

This provision requires that the Township establish, as an item of expense, a reserve for uncollected taxes in the current year as a percentage of the current levy equal to the percent uncollected of the prior year's levy. This additional amount must be added to the tax levy required in order to balance the budget. The reserve requirement is calculated as follows:

#### Levy Required to Balance Budget

$$\text{Prior Year's Percentage of Current} = \frac{\text{Total Taxes to be Levied}}{\text{Tax Collections (or lesser \%)}}$$

Section 40A:4-29 of the Local Budget Law sets limits on the anticipation of delinquent tax collections: “The maximum which may be anticipated is the sum produced by the multiplications of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year.”

The Township school district and the County receive 100% of their tax levies, which are collected and paid to them by the Township. As a result of the structure of the State's system of taxation, the Township, along with other similarly situated municipalities, must bear the full burden of the uncollected taxes.

#### Anticipation of Miscellaneous Revenues

Section 40A:4-26 of the Local Budget Law provides that “No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director of the Division of Local Government Services shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit.”

#### Deferral of Current Expenses

Supplemental emergency appropriations may be authorized by the governing body of the Township after the adoption of the budget and determination of the tax rate. However, with minor exceptions, such appropriations must be included in full in the following year's budget. Under Sections 40A:4-48 and 40A:4-49 of the Local Budget Law, any emergency appropriation must be declared by resolution according to the definition provided in Section 40A:4-46 of the Local Budget Law, approved by at least two-thirds of the governing body and must also be approved by the Director if all emergency appropriations made during the year exceeds 3% of the total current and utility operating appropriations in the budget for that year.

#### Protection of Municipal Funds and Investment Policy

The Township complies with the State statutory and regulatory requirements for the deposit and investment of public monies. The Township on a daily basis deposits cash receipts in institutions located in New Jersey which are approved by the State and are insured by the Federal Deposit Insurance Corporation or by other agencies of the United States (although the amount of the Township's deposit may exceed the insurance coverage limits) or in the State of New Jersey Cash Management Fund. The Cash Management Fund, which was established in 1977, is a short-term investment pool for the State and its cities, towns and school districts. The investments held by the Cash Management fund must have average maturities not exceeding one year. The types of investments are regulated by the State Investment Council. The regulations allow investment in repurchase agreements with the purchased securities held by a custodian. The regulations also permit reverse repurchase agreements; however, the proceeds are invested in the

Cash Management Fund. As of June 30, 2025, the audited fair value<sup>(1)</sup> of units in the Cash Management Fund was \$37.8 billion.

In addition to making deposits with the above described financial institutions, pursuant to N.J.S.A. 40A:5-15.1, the Township is permitted to purchase the following types of securities as investments:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. (Treasury Bills, Notes and Bonds.)
2. Government money market funds.
3. Any obligation that a Federal agency or a Federal instrumentality has issued in accordance with an Act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependable on any index or other external factor.
4. Bonds or other obligations of the local unit or Bonds or other obligations of School Districts of which the local unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Department of Treasury, Division of Investments.
6. Local government investment pools, such as New Jersey Class, and the New Jersey Arbitrage Rebate Management Program.
7. Deposits with the State of New Jersey Cash Management Fund.
8. Repurchase agreements of fully collateralized securities, if:
  - a) The underlying securities are permitted investments pursuant to N.J.S.A. 40A:5-15.1;
  - b) The custody of the collateral is transferred to a third party;
  - c) The maturity of the agreement is not more than 30 days;
  - d) The underlying securities are purchased through banks approved by the Department of Banking and Insurance under the Government Unit Depository Protection Act. (GUDPA).
  - e) A master repurchase agreement providing for the custody and security of the collateral is executed.

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<sup>(1)</sup>Changed from book value to fair value as to comply with GASB Statement Number 31.

Compliance with the State statutes may not assure that the Township's investments will have the liquidity, security or adequate deposit insurance to protect the Township against all losses. For example, the relevant deposit statute, N.J.S.A. 17:9-44, only requires public depository banks to maintain collateral for deposits of public funds exceeding insurance limits (\$100,000) generally equal to five percent of the average daily balance of public funds. Additionally the State has the power to require that all banks holding public funds contribute amounts sufficient to reimburse an eligible municipality if any bank holding public funds becomes insolvent. However, it is unclear how quickly other state-qualified depositories could act to reimburse an exposed municipality through the State supervised program which may result in limited liquidity and a shortage of cash for the Township and other municipalities of the State. Furthermore, it is currently unclear whether the State of New Jersey Cash Management Fund could maintain sufficient liquidity during a period of economic stress if many municipalities including the Township sought the immediate return of cash.

#### Audit Requirement

State law requires that every municipality have an annual audit of its books and accounts to be completed within five months after the close of its fiscal year. The audit must be conducted by a registered municipal accountant and the audit report must be filed with the municipal clerk and with the Director of the Division of Local Government Services.

Every Board of Education is required by State statute to provide an annual audit of the school district's accounts and financial transactions. The audit must be performed by a licensed public school accountant within four months of the end of the school fiscal year. This audit, in conformity with statutory requirements, must be filed with the Commissioner. Additionally, the audit must be summarized and discussed at a regular public meeting of the local board of education within 30 days of its completion.

#### Accounting Principles and Fund Structure

*Accounting Principles.* The Township does not prepare its financial statements in accordance with Generally Accepted Accounting Principles ("GAAP"). The Township prepares its financial statements in accordance with the accounting policies prescribed by the Division, which differ from those prescribed under GAAP. The accounting policies prescribed by the Division 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. See "FINANCIAL STATEMENTS OF THE TOWNSHIP OF NORTH BERGEN" in Appendix B for a description of the Township's accounting policies.

*Fund Structure.* Under the method of accounting prescribed by the Division, the Township accounts for its financial transactions through separate funds which differ from the fund structure required by GAAP. See "FINANCIAL STATEMENTS OF THE TOWNSHIP OF NORTH BERGEN" in Appendix B herein for a description of the fund structure utilized by the Township.

*Basic Financial Statements.* The Township presents the financial statements which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

*Reporting Entity.* The Division requires the financial statements of component units of the Township to be reported separately unlike GAAP pursuant to which there are criteria to be used to determine which component units should be included in the financial statements of the oversight entity. Inasmuch as their activities are administered by separate boards, the financial statements of the North Bergen Board of Education, North Bergen Public Library, North Bergen Municipal Utilities Authority and the North Bergen Parking Authority are reported separately.

#### Uniform Chart of Accounts

In an attempt to instill uniformity in financial reporting among the numerous municipal and county entities in New Jersey, the Division of Local Government Services required the implementation of a Flexible Chart of Accounts ('FCOA') and Other Comprehensive Basis of Accounting — Comprehensive Annual Financial Report by all New Jersey local and governmental entities by Fiscal Year 2001.

An important goal of the FCOA is to enable a comparison of local unit expenditures and revenues. Because municipalities and counties have different approaches to budgeting, common budget activity categories have been developed to facilitate comparison. These categories are necessary to prepare the Comprehensive Annual Financial Report and comply with budget regulations.

In order for each municipality and county to maintain the same minimum number of financial records and classify financial transactions in similar account classification structure, a uniform, yet flexible chart of accounts must be in place. This standardized chart of accounts, ('FCOA'), facilitates the electronic filing of budgets and other financial documents.

The Township of North Bergen volunteered to be part of the State of New Jersey's 'Pilot Program' for the statewide implementation of the Uniform Chart of Accounts. The Township is completely converted and is currently utilizing FCOA and Comprehensive Annual Financial Report.

#### Board of Education Spending Limits

The Public School Education Act of 1975 (Chapter 212) (the 'School Act') places statutory limits on annual expenditure increases in local school budgets ('CAPs'). The Commissioner may exercise discretion to waive the budget CAP for an individual school district and allow greater expenditures.

The budget CAP formula permits low spending districts to increase their expenditures more rapidly than other districts. In determining the annual spending limitation, consideration is given to the local district's cost per pupil compared to the State average, and the percentages of increase in State equalized valuations and State expenditures per pupil in the district.

## Fiscal Year Adjustment Law (1991 N.J. Laws c 75)

The Fiscal Year Adjustment Law, in addition to authorizing municipalities to change their fiscal years and to issue bonds and notes to finance deficits in their transition year budgets (January 1 to June 30 of the calendar year prior to the first State fiscal year) made several additions to and revisions of State laws governing municipalities. Changes were made in statutes governing the following: budget process, tax rate determination, tax collection, tax appeal process, maturity of tax anticipation notes and the filing of financial statements. Most changes were made to provide alternative procedures and dates for actions to occur, depending upon whether a municipality's fiscal year is the calendar year or the State fiscal year.

## State Supervision

State law authorizes State officials to supervise fiscal administration in any municipality which is in default on its obligations; which experiences severe tax collection problems for two successive years; which has a deficit greater than 4 percent of its tax levy for two successive years; which has failed to make payments due and owing to the State, county, school district or special district for two consecutive years; which has an appropriation in its annual budget for the liquidation of debt which exceeds 25 percent of its total operating appropriations (except dedicated revenue appropriations) for the previous budget year; or which has been subject to a judicial determination of gross failure to comply with the Local Bond Law, the Local Budget Law or the Local Fiscal Affairs Law which substantially jeopardizes its fiscal integrity. State officials are authorized to continue such supervision for as long as any of the conditions exist and until the municipality operates for a fiscal year without incurring a cash deficit.

## Tax Appeals

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Beginning in 1992, prior to February 1 in each year, a municipality 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 Tax Board 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.

## STATE AID PROGRAMS

The State of New Jersey provides financial support to local governments and school systems through various programs aimed at reducing reliance on the local property tax base. At this time the financing is complete and no longer appears in the Township's net debt outstanding.

## Education Aid

In June 1990, the State enacted a new general school aid law, creating a "Foundation Program" for State aid and replacing the "power equalization" aid structure in effect since 1975. The law establishes a foundation amount which each school district should spend annually per pupil. The State shares in funding the resulting school budgets according to a formula by which State participation is greater in districts of lower property and income wealth. The State also pays according to a similar formula, for a share of special education, school transportation, and school debt service. The program took effect July 1, 1991. On November 21, 1995, the State Commissioner of Education submitted a report to the State Legislature, which recommends that the State Legislature, instead of local voters, set the basic school budget for all school districts, by establishing the curriculum and setting school spending levels. It is presently unclear whether this proposal will be adopted, and, if adopted, what effect it would have on per pupil spending within the Township's school district and current levels of property tax based support for its school district.

### Summary of State/Federal Aid to School Districts

In 1973, the Supreme Court of the State ruled in Robinson v. Cahill that the existing method of financing school costs principally through property taxation was unconstitutional. Pursuant to the Supreme Court's ruling, the State Legislature enacted the Public School Education Act of 1975 (P.L.1975, Ch. 212) which required funding of the State's School Aid through the New Jersey Gross Income Tax Act (P.L. 1975, Ch. 47), enacted for the purpose of providing property tax relief.

On June 5, 1990 the Supreme Court ruled in Abbott v. Burke, that the school aid formula enacted under the Public School Education Act was unconstitutional as applied. The court found that poorer urban districts were significantly disadvantaged under that school funding formula because school revenues were derived primarily from property taxes. The court found that wealthy districts were able to spend more, yet tax less for educational purposes.

***The Quality Education Act of 1990.*** The Legislative response to Abbott v. Burke was the passage of the Quality Education Act of 1990 (the "Quality Education Act"), (P.L. 1990, c. 52), which was signed into law on July 3, 1990. This law established a new formula for the distribution of state aid for public education commencing with the 1991-92 fiscal year. The law provided a formula that took into account property value and personal income to determine a district's capacity to raise money for public education. A budgetary limitation or "CAP" on expenditures was also provided in the law. The "CAP" was intended to control the growth in local property taxes. The Quality Education Act was amended and revised by Chapter 62 of the Pamphlet Laws of 1991 of New Jersey, effective March 14, 1991 and further amended by Chapter 7 of the Pamphlet Laws of 1993 effective July 14, 1993.

On July 12, 1994, the Supreme Court of New Jersey declared the school aid formula under the Quality of Education Act of 1990, as amended, unconstitutional on several grounds as it is applied to the 30 special needs districts designated by the State in ongoing litigation commonly known as Abbott v. Burke II. No specific remediation was ordered, but the Supreme Court ultimately held that the Legislature and the Governor were required to have a new funding formula in effect by December 31, 1996 so that the new formula would be implemented in the 1997-98 fiscal year.

***Comprehensive Educational Improvement and Financing Act of 1996.*** In keeping with the Supreme Court's deadline, Governor Christine Todd Whitman signed into law on December 20, 1996 the Comprehensive Educational Improvement and Financing Act of 1996 (the "Comprehensive Plan"). The Comprehensive Plan affects how public schools are funded by the State, beginning in the 1997-98 fiscal year.

The Comprehensive Plan departs from other funding formulas adopted in New Jersey by defining what constitutes a "thorough and efficient" education, which is what the New Jersey Constitution requires every public school student to receive. The Comprehensive Plan further establishes the costs to provide each student with a "thorough and efficient" education.

In defining what constitutes a "thorough" education, the New Jersey State Board of Education adopted a set of Core Curriculum Content Standards. The purpose of these standards is to provide all students with the knowledge and skills that will enable them to be productive citizens when they graduate from any New Jersey high school, regardless of the school's location or socioeconomic condition. The Comprehensive Plan provides state aid assistance in the form of Core Curriculum Standards Aid based on a school district's financial ability to raise sufficient tax revenue for its students to achieve the Core Curriculum Contents Standards.

The definition of an "efficient" education under the Comprehensive Plan determines the cost to provide each student with an education that fulfills the requirements for the Core Curriculum Content Standards. The efficiency standard defines such things as optimal class size, administrators/ teachers per student, schools per district, and the types and amount of classroom supplies, services, and materials. The Comprehensive Plan establishes an approximate amount per student to educate each student at various grade levels in the Core Curriculum Content Standards. This amount will be adjusted biennially for inflation by the consumer price index.

In determining how much Core Curriculum Content Standards Aid a school district will receive, the Comprehensive Plan considers each school district's financial ability to fund such a level of education. This component of the Comprehensive Plan is referred to as the local share requirement, namely, the amount of taxes that a school district can raise relative to other school districts based on property wealth and income levels. The purpose of the Core Curriculum Standards Aid is to provide school districts with adequate State assistance that is proportionate to their ability to pay. The purpose of this type of aid is to ensure that all school districts have the economic ability to provide their students with the ability to achieve the Core Curriculum Content Standards. In addition to the Core Curriculum Content Standards Aid, the Comprehensive Plan also provides per pupil assistance from the State for special education, early childhood programs, demonstrably effective programs, instructional supplement, bilingual education, county vocational schools, and distance learning network.

Another form of aid that is provided by the Comprehensive Plan is school facilities aid. During the 1997-1998 fiscal year, this type of aid is provided to those school districts that previously qualified for aid under the QEA. The amount of school facilities aid that the State will provide during the 1998-1999 fiscal year will be determined by the amount budgeted in the approved State budget. Currently, the Comprehensive Plan does not provide any facilities aid to offset the financing associated with school facility leases during the 1997-98 fiscal year.

Beginning in the 1998-99 fiscal year, State aid for school facilities was supposed to consist of a ratio that divides (i) the amount of debt service or the amount of facilities rent for lease terms that exceed five years required to be budgeted for a fiscal period into (ii) the costs that are approved by the New Jersey Department of Education for a proposed building or renovation project. The approved facility costs under Comprehensive Plan have not yet been determined. Comprehensive Plan required the governor to submit to the legislature 60 days prior to the 1998 budget address, criteria for determining approved facilities costs, State support levels, and maintenance incentives applicable to the 1998-99 fiscal period. The Legislature recently enacted and the Governor signed into law the Educational Facilities Construction and Financing Act, constituting Chapter 72 of the Pamphlet Laws of 2000, effective July 18, 2000. That law provides full funding for qualified costs of facilities required for Abbott Districts and funding for qualified costs of facilities for all other districts in an amount equal to the ratio between their core curriculum facilities aid and their T&E budget times 115% or 40% of the qualified costs, whichever is greater. In lieu of debt service aid, school districts may receive grants for the State share of the project and authorize bonds only for the local share of the project. School districts may receive debt service aid under that formula for certain projects begun prior to the effective date of the law. On December 28, 2000, a Complaint was filed in the Superior Court of New Jersey challenging the authority of the Economic Development Authority under the State Constitution's Debt Limitation clause to issue bonds secured by a contract with the State treasurer, the funding of which is subject to annual appropriation, and requesting that the Court grant an injunction restraining the State and the New Jersey Economic Development Authority from issuing bonds to fund the State's financial obligation under the Educational Facilities Construction and Financing Act. On January 24, 2001, the Superior Court of New Jersey granted the State's motion to dismiss the case as a matter of law. The Plaintiff filed a notice of appeal on February 5, 2001.

Comprehensive Plan also limits the amount school districts can increase their annual current expenses and capital outlay budgets. Generally, these budgets can increase by either 3% or the consumer price index, whichever is greater. Budgets can also increase because of certain adjustments for enrollment increases, certain capital outlay expenditures, pupil transportation costs, and special education costs that exceed \$40,000 per pupil. Waivers are available from the Commissioner based on increasing enrollments and other fairly narrow grounds or by approval of the voters at the annual school election.

Under Comprehensive Plan, rent payments made pursuant to a facilities lease purchase agreement for a term that exceeds five years are treated as debt service. Such rent payments are not included in the spending limits and receive aid at the same level as debt service. Rent payments under a facilities lease with a term of five years or less are budgeted in the general fund and are subject to a school district's spending growth limitation amounts under Comprehensive Plan.

On May 14, 1997, the New Jersey Supreme Court held that Comprehensive Plan is unconstitutional as applied to the 28 special needs districts because (1) its funding provisions fail to assure that students in such districts will receive a thorough and efficient education and (2) supplemental programs to increase student performance in such districts have neither been adequately identified nor funded. The Court recognized the Core Curriculum Standards as a valid means of identifying what is a "thorough and efficient" education under the State Constitution, but found that the State did not adequately determine or provide the adequate funding level to allow those standards to be met in the

special needs districts. Comprehensive Plan was not held unconstitutional as applied to the non-special needs districts. The School District is not a special needs district.

The Court ordered the State (1) to increase State aid to the special needs districts for the 1997-98 school year to a level such that the per-pupil expenditure in such districts is equivalent to the average per-pupil expenditure in wealthy suburban districts, (2) through the Commissioner, to manage the additional spending to assure that it will be used to allow the students to meet the educational content standards and (3) under the supervision of the Superior Court, Chancery Division, to determine a plan to provide supplemental educational and facilities programs in the special needs districts.

Provisions for the additional amounts of money were appropriated in the 1998-99 State budget. The Court has ruled that the Commissioner and the State Department of Education will be responsible for maintaining the educational system in accordance with the orders of the Court.

In response to the Court's order and in an attempt to remedy inadequacies that exist in the safety, the quality and the utility of state-wide school facilities, the New Jersey Legislature enacted the Educational Facilities Construction and Financing Act, 2000 N.J. Laws c. 72 ("EFCFA"), which became law on July 18, 2000. See "Summary of Educational Facilities Construction and Financing Act" herein. The EFCFA provides certain levels of funding for facilities' improvements for both special needs and non-special needs districts. Under EFCFA, special needs districts will receive State funding of 100% of the eligible costs of a school facilities project. The State will provide non-special needs districts with facilities aid of at least 40% of the eligible costs of a school facilities project. A non-special needs district must elect to receive its level of facilities aid in either the form of a grant or ongoing annual debt service aid.

On June 27, 2001, the Superior Court of New Jersey, Appellate Division, affirmed the trial court's decision that no public referendum is required for the State's bonds under the EFCFA. By a 2-to-1 majority, the Appellate Division held that the Debt Limitation Clause of the State Constitution is not violated by the EFCFA. Plaintiff filed an appeal and on August 21, 2002, the judgment of the Appellate Division upholding the EFCFA was affirmed.

#### Summary of the Educational Facilities Construction and Financing Act

On July 18, 2000, Governor Whitman signed the EFCFA, S-200, into law, thereby initiating the largest, most comprehensive school construction program in the nation.

Major provisions of the school construction law include:

- State Bonding Caps - The State is authorized to borrow \$6 billion for projects in the 30 special needs, or Abbott districts, and \$100 million for county vocational schools.
- Abbott Districts - The law provides for 100 percent state funding of eligible school construction costs in the Abbott districts.

- Non-Abbott Districts - School construction projects in non-Abbott districts will be funded at their state aid percentage multiplied by 1.15, or a minimum of 40 percent, whichever is greater. In addition, certain school districts may apply for 100 percent state support of its project. If the application is approved, the commissioner would seek legislative approval.
  
- Facilities Efficiency Standards - The commissioner of education will develop facilities efficiency standards for elementary, middle and high schools. These standards will determine the extent to which a district's construction project qualifies for state aid.
  
- Project Costs - Projects eligible for state aid include:
  - a. Building renovation is required for Uniform Construction Code, health and safety, and/or educational adequacy compliance as determined by facilities efficiency standards. The district is entitled to state aid on the estimated actual costs of the renovation project.
  
  - b. New construction to accommodate increased enrollment. The law provides a cost allowance of \$138 per square foot. This figure covers construction and "soft costs," such as site acquisition and site development; services of design professionals, including architects, engineers and construction managers; legal fees; and the costs associated with financing the project.
  
  - c. Building space necessary to comply with state or federal law concerning students with disabilities.
  
  - d. Such other items the commissioner of education determines are necessary to meet the educational needs of the district.

Square Footage Allowance - The square foot allowance per pupil for new construction is as follows:

Preschool - grade 5	125 sq. ft.
Grades 6-8	134 sq. ft.
Grades 9-12	151 sq. ft.

- Construction Oversight/Coordination - For Abbott districts and non-Abbott districts eligible for 55 percent or more state aid, the New Jersey Economic Development Authority will be responsible for construction and financing. All other districts have the option of using the authority's services.

- Retroactivity - The legislation provides benefits retroactively to school districts as follows:
  1. *For districts that **have** issued debt*, the state will provide debt service at a minimum of 40 percent for all qualified project costs (a) if the district has obtained approval from the commissioner of education for the school facilities project since September 1, 1998, or (b) if the district has obtained approval from the State department of Community Affairs (or the appropriately licensed municipal code official) of the final construction plans and specifications since September 1, 1998.
  2. *For districts that **have not** issued debt*, other than short-term notes, the state will provide a cash grant at a minimum of 40 percent for projects that received approval from the commissioner at any time prior to the law's effective date.
- Appeal of Eligible Costs - The district may apply for additional state aid if detailed plans and specifications completed by a design professional indicate that the cost of the project will exceed eligible costs, as determined by the commissioner, by at least 10 percent. However, the amount of additional state aid will be capped at 10 percent of eligible costs.
- Early Childhood Education - A district that receives early childhood program aid may include, as part of its facilities plan, a community early childhood education facilities project, owned and operated by a nonprofit daycare provider that is licensed by the Department of Human Services.
- Community Development - The treasurer is authorized to designate six school facilities projects as community development projects.
- Failed Referendum - If a district fails to obtain voter approval for a particular project after two attempts, it may ask the commissioner to authorize funding for that project. Such an appeal is restricted by the following criteria: (a) the project is consistent with the facilities efficiency standards; (b) the first attempt at voter approval took place during the previous three years; and (c) the first referendum addressed the same project. If the commissioner determines that the project is necessary for a thorough and efficient education, he will approve the project and authorize the issuance of bonds to cover the local share of the project. The New Jersey Economic Development Authority must construct any project approved in this manner.

The following represents the four stage process by which financing occurs:

#### 1) Long-Range Facilities Plan

All school districts must prepare and submit a long-range facilities plan to the commissioner of education. The document must detail the district's school facilities needs and how it will address those needs over the next five years. A district must have its long-range facilities plan approved by the commissioner before approval can be given under the EFCFA. The plan must comply with the "Facilities Efficiency Standards."

#### 2) Project Approval

Any district seeking to initiate a school facilities project must submit a project application to the commissioner. The commissioner will review a district's proposed project to determine whether it complies with the facilities efficiency standards and the district's long-range plan. The commissioner must also approve additional space that exceeds the state standards, if the district demonstrates the additional space is necessary for required programs.

Time-lines - The commissioner must make a decision on a district's application within 90 days (plus one 60-day extension) from the date on which he determines the application is complete. The commissioner must make a decision on the application or it will be deemed automatically approved.

Approved projects - If the commissioner approves a district's school facilities project, he will calculate eligible costs of the project on which the district will be entitled to receive state aid.

Disapproved projects - If the commissioner does not approve additional space beyond that provided in the facilities efficiency standards, the district may either modify its plan or pay for the excess costs.

#### 3) Eligible Costs

New construction - Eligible costs for construction of new facilities and additions to existing facilities are calculated by determining the amount of allowable square footage (as per the facilities efficiency standards) and multiplying that square footage by \$138 (the per square foot cost allowance).

Renovation - Eligible costs for renovation projects equal the estimated actual costs. The estimated costs of a renovation project may contain only those costs necessary for compliance with the Uniform Construction Code, for health and safety, and/ or for educational adequacy as determined by the facilities efficiency standards.

#### 4) Financing and Construction

With the exception of the Abbott districts, school boards must obtain voter or board of school estimate approval for the local share of the construction project. State funding for the project is available once the district secures financing for the local share of the project.

Referendum language - The referendum must identify the final eligible costs of the project, as determined by the commissioner, as well as those amounts that are in addition to eligible costs.

School districts with a state aid percentage of less than 55 percent - A school district with a state funding percentage of less than 55 percent can opt to receive state aid for the project as debt service aid or as an up-front cash grant. It also has the option of constructing the project on its own or using the New Jersey EDA.

Abbott districts, school districts with a state aid percentage of 55 percent or greater, and Level II districts - Abbott districts are required to use the EDA for construction and will have 100 percent of approved costs paid by the state through EDA financing. Districts in Level II monitoring and districts that have a state aid eligibility of 55 percent or greater must also use the EDA for construction of their projects. However, when the eligible costs of a school facilities project are \$500,000 or less, the EDA may authorize the district to undertake the project on its own and enter into a grant agreement with the district for the state's share of the financing.

***Summary of Federal Aid to School Districts.*** Federal funds are available for certain programs approved by the federal government with allocation decided by the State, which assigns a proportion to each local school district. The Elementary and Secondary Education Act, as amended by the Improving America's Schools Act of 1994 is a federal assistance program for which a school district qualifies to receive aid. A remedial enrichment program for children of low income families is available under Title I Aid. Federal aid is generally received in the form of block grants.

#### Distributed Taxes

The State collects various taxes for distribution to local governments. Since 1980, the Public Utilities Franchise and Gross Receipts Taxes have been collected by the State. Previously these taxes had been apportioned by the State for collection by local governments. The proceeds are appropriated and distributed each year, in part through the Municipal Purposes Tax Assistance Fund, according to municipal tax rates and per capita equalized valuations, but mainly according to a formula based upon the value of utility property and sales. The State also collects certain taxes on financial businesses, banking corporations, and insurance companies for appropriation and distribution to the municipalities in which such entities operate.

#### State Aid

The Township received \$2.9 million of Gross Receipts and Franchise taxes in fiscal year 1998. Beginning with fiscal year 1999, the State replaced Franchise and Gross Receipts Taxes with Energy Receipts Taxes. In calendar year 2025, the Township received \$7,271,281 of Energy Receipts Taxes.

The following table depicts the categorical amounts of State Aid received by the Township over the past five fiscal years:

	December 31, 2025	December 31, 2024	December 31, 2023 <sup>*1</sup>	December 31, 2022	December 31, 2021
Consolidated Municipal Property Tax Relief Aid	---	---	---	\$142,796	\$481,191
Energy Receipts Tax	\$7,271,281	\$7,271,281	\$7,235,266	\$7,042,801	\$6,704,406
Municipal Relief Aid	--	--	\$749,657	\$374,829	--
<b>TOTALS:</b>	<u>\$7,271,281</u>	<u>\$7,271,281</u>	<u>\$7,984,923</u>	<u>\$7,560,426</u>	<u>\$7,185,597</u>

Source: Derived from the 2021-2024 Audited Financial Statements

\*1\$1,280,000 was allocated to the Regional Efficiency Aid Program in the CY 2022 Budget.

### Urban Enterprise Zone Funds

To encourage businesses to locate in urban enterprise zones, the State exempts certified urban enterprise zone businesses from State sales taxes on equipment and supplies utilized in daily operations, as well as building materials.

### Tax Exemption Reimbursement

The State reimburses municipalities for the full cost of mandated property tax deductions and exemptions for certain categories of taxpayers (\$250 a year for veterans and \$250 a year for senior or disabled citizens).

### Welfare

The State pays the entire nonfederal share of Medicaid. As of July 1, 1991, the State also assumed one hundred percent of the costs of the nonfederal share of federal welfare programs managed by County governments and one hundred percent of the costs of General Assistance, the program of financial aid to needy people who are not otherwise provided for under New Jersey Laws, that was managed by municipalities. Thus, New Jersey municipalities have no financial obligation for these programs.

### Transit

The subsidization of public mass transit is the responsibility of the State. Municipalities are not required to make financial contributions.

## Higher Education

The State subsidizes the system of State colleges and universities, with no municipal financial obligation. County colleges are supported by county governments with State assistance. Municipalities have no financial responsibility for the county college system.

## Other

The State maintains a variety of smaller programs of grants-in-aid to municipalities in such fields as housing, neighborhood preservation, health, and social services, and has assumed funding of other programs previously financed by the Township, thereby relieving the Township from funding such costly programs.

## TOWNSHIP FINANCIAL SCHEDULES

### Current Fund—Revenues and Expenditures

The Current Fund is used to account for the resources and expenditures for governmental operations of a general nature, including debt service on general improvement and school bonds and notes. The fund balance in the Current Fund at the end of each fiscal year is comprised of cash, investments and certain receivables. Under State law, only the amount of Current Fund balance held in cash or quick assets may be included as anticipated surplus in the succeeding fiscal year's budget, unless the Director of the Division of Local Government Services gives written consent to an exception.

The information presented in the following tables has been derived from the Township's audited financial Statements for the years 2021 through 2024, and unaudited 2025 Financial Statement.

The audited fund balances from 2021-2024 and unaudited 2025 financial statements, and the amounts included in the budget for each succeeding Fiscal Year, are shown below:

<u>Year</u>	<u>Current Fund Fund Balance</u>	<u>Anticipated Surplus Used In Succeeding Year Budget</u>
CY 2025	\$5,681,959	-
CY 2024	\$5,971,529	\$5,450,000
CY 2023	\$3,912,186	\$3,400,000
CY 2022	\$14,188,816	\$11,959,017
CY 2021	\$16,779,571	\$10,867,337

Emergency Appropriations

Years 2021-2025

CY 2025	-0-
CY 2024	\$2,995,000
CY 2023	-0-
CY 2022	-0-
CY 2021	-0-

In addition to emergency appropriations there are other classes of expenditures not contemplated in the adopted budget which are treated in the same manner as emergency appropriations. This category consists largely of over-expenditures of appropriations and expenditures without appropriations arising primarily in the area of salaries and wages.

Overexpenditures Deferred to Subsequent Years

Years 2021-2025

	<u>Deferred to Following Year</u>
CY 2025	-0-
CY 2024	-0-
CY 2023	-0-
CY 2022	-0-
CY 2021	-0-

*[Remainder of Page Left Intentionally Blank]*

The following schedules of Current Fund revenues and expenditures have been prepared by the Township in conformity with accounting principles and practices prescribed by the Division of Local Government Services, in the Department of Community Affairs, State of New Jersey (the “Division”), which principles and practices differ in certain respects, which in some instances may be material, from generally accepted accounting principles applicable to local government units.

	<u>Calendar Year Ended December 31, 2025</u>		<u>Calendar Year Ended December 31, 2024</u>		<u>Calendar Year Ended December 31, 2023</u>		<u>Calendar Year Ended December 31, 2022</u>		<u>Calendar Year Ended December 31, 2021</u>	
	<u>Budgeted</u>	<u>Realized</u>								
Fund Balance Utilized .....	\$5,450	\$5,450	\$3,400	\$3,400	\$11,959	\$11,959	\$10,867	\$10,867	\$4,400	\$4,400
Amount to be Raised by										
Taxation .....	81,744	82,173	74,242	74,613	67,689	68,739	67,080	65,462	70,087	70,747
Delinquent Taxes .....	1,950	1,912	2,000	1,972	2,600	2,284	1,600	1,754	1,750	1,897
Energy Receipts Tax.....	7,271	7,271	7,271	7,271	7,235	7,235	5,763	5,763	6,704	6,704
Consolidated Municipal Property Tax Relief Aid .....	-0-	-0-	-0-	-0-	-0-	-0-	143	143	481	481
State Aid Municipal Relief Fund Tax .....	-0-	-0-	749	749	375	375	-0-	-0-	-0-	-0-
Miscellaneous.....	<u>23,633</u>	<u>26,244</u>	<u>33,954</u>	<u>37,160</u>	<u>24,906</u>	<u>28,104</u>	<u>23,911</u>	<u>25,088</u>	<u>17,945</u>	<u>16,874</u>
TOTAL BUDGETED REVENUES:.....	<u>\$120,048</u>	<u>\$123,050</u>	<u>\$121,616</u>	<u>\$125,165</u>	<u>\$114,764</u>	<u>\$118,695</u>	<u>\$109,364</u>	<u>\$109,077</u>	<u>\$101,367</u>	<u>\$101,103</u>

Source: Derived from the 2021-2024 Audited Financial Statements and 2025 Unaudited Financial Statement.

CURRENT FUND EXPENDITURES AND APPROPRIATIONS (In Thousands)

	DECEMBER 31, 2025		DECEMBER 31, 2024		DECEMBER 31, 2023		DECEMBER 31, 2022		DECEMBER 31, 2021	
	<u>Appropriations</u>	<u>Expenditures</u>								
Public Affairs	\$28,728	\$27,973	\$30,191	\$27,887	\$26,572	\$25,764	\$27,351	\$24,338	\$23,915	\$23,141
Revenue and Finance	1,584	1,532	1,641	1,577	1,641	1,575	1,631	1,551	1,744	1,523
Public Safety	21,785	21,609	21,555	21,350	21,471	21,395	19,648	19,561	18,662	17,824
Public Works	4,325	4,264	5,207	4,652	4,721	4,513	4,493	4,320	4,728	4,134
Parks and Public Property	5,856	5,707	5,743	5,653	5,355	5,334	4,263	4,133	3,799	3,527
State Uniform Construction Code	712	710	758	740	781	779	792	782	828	766
Unclassified	11,667	11,482	11,081	10,067	10,702	10,509	10,917	10,609	9,874	9,599
Contingent	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>25</u>	<u>-0-</u>	<u>25</u>	<u>-0-</u>	<u>25</u>	<u>-0-</u>
SUB TOTAL	\$74,657	\$73,277	\$76,176	\$71,926	\$71,269	\$69,869	\$69,120	\$65,294	\$64,754	\$61,653
Total Deferred Charges & Statutory Expenditures Within "CAPS"	9,249	9,127	9,026	8,858	7,834	7,816	7,486	7,473	6,981	6,904
Judgments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Operations Excluded From "CAPS"	21,143	20,046	27,403	23,306	22,851	22,751	22,763	22,465	19,972	19,254
Capital Improvement Fund Debt Service:	250	-0-	795	795	428	428	200	200	500	500
Municipal	8,788	8,783	8,294	8,286	8,519	8,509	7,299	7,299	6,734	6,724
Total Deferred Charges Excluded From "CAPS"	3,735	3,735	740	740	740	740	740	740	180	180
Reserve For Uncollected Taxes	<u>2,163</u>	<u>2,163</u>	<u>2,180</u>	<u>2,180</u>	<u>3,123</u>	<u>3,123</u>	<u>1,724</u>	<u>1,724</u>	<u>2,246</u>	<u>2,246</u>
TOTAL	<u>\$119,985</u>	<u>\$117,131</u>	<u>\$124,614</u>	<u>\$116,091</u>	<u>\$114,763</u>	<u>\$113,056</u>	<u>\$109,332</u>	<u>\$105,195</u>	<u>\$101,367</u>	<u>\$97,461</u>

Source: Derived from the 2021-2024 Audited Financial Statements and 2025 Unaudited Financial Statement.

RECENT FINANCIAL RESULTS AND CY 2026 FINANCIAL OUTLOOK

Calendar Year 2025 Financial Results/Calendar Year 2026 Budget

The Township’s CY2012 budget was the first to operate on a calendar year since reverting back to such a basis after the six month transition year 2011 budget that ended on December 31, 2011. The Township now operates more efficiently by avoiding the duplicate and costly generation of additional tax bills that a fiscal year operation causes.

The calendar year 2025 budget was adopted on August 13, 2025. The budget included a municipal tax levy of \$81,743,929, which represented an increase of \$7,502,217 or a 9.64% increase. Use of surplus was \$5,450,000 and the Township ended the year with an addition of \$5,160,430. The Township 2025 realized revenues were \$123,050,027.

The calendar year 2026 budget preparation process is underway. It is expected that revenues will once again exceed what will be anticipated in the budget, and appropriations will not be fully expended. It is expected that in 2026, the Township will use less surplus than in 2025, and that the municipal tax levy will increase over 2025.

Calendar year 2025 results

Unaudited results of operations for the calendar year ending December 31, 2025 are as follows:

Excess Revenue Realized

Miscellaneous Revenue Not Anticipated.....	\$1,177,815
Unexpended Balances of CY 2024 Appropriation Reserves.....	888,957
Unexpended Balances of CY 2025 Budget Appropriations.....	5,188
Miscellaneous Revenues Anticipated.....	1,432,936
Required Collection of Current Taxes.....	428,885
Prior Year Interfunds Returned in 2025.....	<u>1,329,068</u>
	\$5,262,849

Charges to Operations

Interfunded Advances in 2025 .....	\$64,728
Receipts From Delinquent Taxes.....	37,691
Total Charges	102,419
Net Excess Addition to Fund Balance	\$5,160,430

## ASSESSMENT AND COLLECTION OF TAXES

### Tax Collection Procedure

Real Property taxes are assessed locally based upon an assessment at true value. The tax bill includes a levy for Township, County and School purposes; County taxes are paid quarterly on February 15, May 15, August 15 and November 15. The Fiscal Year Adjustment Law (Ch. 175, P.L. 1991) enacted changes in the procedures by which municipalities determine tax rates and collect taxes. Two tax bills will be mailed each year after certification of the tax rate by the County Tax Board as a result of the varied timing for adoption of school, county and municipal budgets. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquent amount in excess of \$1,500. All unpaid taxes for the previous year are annually placed in a tax sale in accordance with the New Jersey Statutes. In rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township.

	CY 2025	CY 2024	CY 2023	CY 2022	CY 2021
Current Levy:					
Municipal	\$82,513,622	\$74,579,845	\$67,778,727	\$66,918,355	\$70,169,680
School	58,711,182	57,273,644	56,043,426	54,717,706	53,495,914
County	36,919,035	37,140,406	34,893,612	33,495,139	26,691,141
Total Levy	\$178,143,839	\$168,993,895	\$158,715,765	\$155,131,200	\$150,356,735
Current Levy Collected	\$175,835,834	\$166,945,627	\$156,682,116	\$152,088,493	\$148,688,139
Percent Collected	98.70%	98.78%	98.72%	98.03%	98.89%
Delinquent Taxes Collected	1,912,309	1,972,222	2,283,571	1,753,879	1,897,485
Total Current & Delinquent Collected	\$177,748,143	\$168,917,849	\$158,965,687	\$153,842,372	\$150,585,624

Source: Township of North Bergen, Finance Department

Annual Foreclosure/Land Sale

In an effort to efficiently manage the Township Tax Title Lien register, an annual review has been implemented. Upon review, the Township forecloses on such property and conducts public sales. As of December 31, 2025 the value of properties acquired by Tax Title Lien Liquidation was \$6,587,000.

Margin Against Delinquent Taxes

New Jersey municipalities are required to provide a reserve for current tax delinquencies based on the percentage of the last preceding year's current tax collection. Furthermore, delinquent taxes can be anticipated only to the extent of the last preceding year's delinquent tax collection percentage. The Township regularly reviews the status of real property with outstanding delinquent taxes in order to more rapidly dispose of property through foreclosure and sale.

CURRENT TAXES

Reserve for Uncollected Taxes

<u>YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>RESERVE AMOUNT</u>
CY 2025	\$178,143,839	\$2,163,255
CY 2024	\$166,945,627	\$2,179,957
CY 2023	\$158,715,765	3,122,984
CY 2022	\$155,131,200	\$1,723,750
CY 2021	\$150,356,735	\$2,246,358

DELINQUENT TAXES AND TAX TITLE LIENS  
ANTICIPATED VERSUS ACTUAL COLLECTIONS

<u>YEAR ENDED</u>	<u>DELINQUENT TAXES</u>	<u>TAX TITLE LIENS</u>	<u>TOTAL</u>	<u>ANTICIPATED COLLECTIONS (BUDGET)</u>	<u>% OF TOTAL</u>	<u>ACTUAL COLLECTIONS</u>	<u>% OF TOTAL</u>
CY 2025	\$2,041,222	\$814,435	\$2,855,657	\$1,950,000	68.29%	\$1,912,309	66.97%
CY 2024	\$2,019,735	\$458,252	\$2,477,987	\$2,000,000	80.71%	\$1,972,222	79.59%
CY 2023	\$2,036,314	\$415,121	\$2,451,238	\$2,600,000	106.064%	\$2,283,571	93.16%
CY 2022	\$2,711,314	\$381,689	\$3,093,003	\$1,600,000	51.72%	\$1,758,880	56.87%
CY 2021	\$1,548,915	\$500,275	\$2,049,190	\$1,750,000	85.40%	\$1,897,485	92.60%

Source: Township of North Bergen, Finance Department

ASSESSED VALUATION LAND AND IMPROVEMENTS BY CLASS

<u>Year</u>	<u>Total</u> <sup>*1</sup>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Utilities</u>
2026	\$9,746,584,164	\$132,139,800	\$5,322,109,900	\$1,786,097,202	\$1,737,554,695	\$759,442,500	\$9,240,067
2025	\$9,703,818,664	\$154,391,400	\$5,304,478,100	\$1,758,977,502	\$1,749,976,095	\$726,755,500	\$9,240,067
2024	\$9,655,024,923	\$158,702,200	\$5,281,134,800	\$1,767,428,402	\$1,748,646,395	\$689,394,800	\$9,728,326
2023	\$9,745,882,743	\$161,432,700	\$5,261,063,300	\$1,847,883,802	\$1,774,284,895	\$691,354,400	\$9,863,546
2022 <sup>2</sup>	\$9,837,480,154	\$173,412,800	\$5,254,501,100	\$1,943,695,502	\$1,810,298,695	\$646,300,300	\$9,271,757
2021	\$2,566,387,073	\$50,615,400	\$1,493,139,400	\$468,034,467	\$364,514,200	\$186,704,00	\$3,378,806

Source: Township of North Bergen, Division of Tax Assessments.

<sup>1</sup> Includes Assessed Valuation of Utilities.

<sup>2</sup> Revaluation certified by County on March 14, 2022

LINE ITEMS

<u>Year</u>	<u>Total</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Utilities</u>
2026	12,194	231	10,810	793	186	174	N/ A
2025	12,240	237	10,851	796	187	169	N/ A
2024	12,238	237	10,848	794	190	169	N/ A
2023	12,272	238	10,877	797	181	169	N/ A
2022	12,275	240	10,877	800	192	166	N/ A
2021	12,220	308	10,835	729	190	158	N/ A
1992	11,106	450	9,485	746	257	168	N/ A
Diff Since 1992	1,088	<219>	1,325	47	<71>	6	N/ A
Diff One Year	<46>	<6>	<41>	<3>	<1>	5	N/ A

Source: Township of North Bergen, Division of Tax Assessments.

CURRENT PILOT REVENUES

	<u>2026</u> <u>(Anticipated)</u>	<u>2025</u>
Hudson Mews	\$807,000	\$719,431
MTC Urban Renewal	\$618,000	\$620,241
Avalon Bay	\$579,000	\$582,232
Post Brothers/ River Road	\$1,351,500	\$1,351,500
1122 53 <sup>rd</sup> Urban Renewal	\$423,000	\$454,856
NB Housing Authority	\$410,000	\$424,272
Spectrum	0	\$317,921
67 <sup>th</sup> Street and Kennedy Blvd West	0	\$180,000
JFK NB Urban Renewal	\$353,000	\$428,134
7711-7815 River Road Urban Renewal	\$660,000	\$345,931
8619 Holding Urban Renewal	\$235,000	<u>\$237,856</u>
8200 River Road	<u>\$673,000</u>	<u>\$504,054</u>
	<u>\$6,109,500</u>	<u>\$6,156,428</u>

TREND IN TAX RATES

<u>Year</u>	<u>General Rate Per \$100 of Assessment</u>	<u>Equalization Rate</u>
CY 2025	\$1.828	\$86.99
CY 2024	\$1.747	96.29
CY 2023	\$1.628	100.51
CY 2022*	\$1,578	112.52
CY 2021	\$5,853	36.97

ANALYSIS OF TAX RATES AND PERCENT DISTRIBUTION RATE  
PER \$100 ASSESSED VALUATION

<u>Year</u>	<u>Total</u>	<u>Municipal</u>	<u>Percent</u>	<u>County<sup>(1)</sup></u>	<u>Percent</u>	<u>School</u>	<u>Percent</u>
CY 2025	1.828	.842	46.06%	.381	20.84%	.605	33.09%
CY 2024	1.747	.768	43.96%	.386	22.09%	.593	33.94%
CY 2023	1.628	.694	42.63%	.359	22.05%	.575	35.32%
CY2022 <sup>(2)</sup>	1.578	.682	43.22%	.340	21.55%	.556	35.23%
CY 2021	5.853	2.730	46.64%	1.038	17.73%	2,085	35.62%

Source: Township of North Bergen, Finance Department

\* Revaluation certified by County on March 14, 2022

<sup>(1)</sup> Includes County Open Space Tax.

<sup>(2)</sup> Hudson County Board of Taxation certified 2022 revaluation of Township properties on March 14, 2022.

LARGEST TAXPAYERS IN THE TOWNSHIP

2026 Assessed Valuations

Owners	Property Location	Total	Class
Hartz Mountain	13 Properties	446,114,600	1, 4
5851 West Side Avenue	1 Property	201,578,895	4A
8100 River Road	208 Properties	152,947,300	4C
Urban Edge	1 Property	150,000,000	4B
Mack Associates	9 Properties	144,543,800	2
7855 Blvd East	308 Properties	143,615,000	2
5903 West Side Avenue	1 Property	85,000,000	4A
2701 Rt 3 East	1 Property	83,237,300	4A
Woodcliff Gardens	1 Property	72,438,500	4A
8101 Tonnelle Ave	2 Properties	70,122,500	4A

TAX EXEMPT PROPERTIES IN THE TOWNSHIP

2026<sup>(1)</sup> Assessed Valuations

Public Schools .....	\$ 201,272,400
Schools Other Than Public .....	-0-
Public Property .....	197,816,400
Church and Charities .....	79,461,400
Cemeteries.....	152,027,200
Miscellaneous .....	1,255,361,100
Total.....	\$1,885,938,500

<sup>(1)</sup> Source: Township of North Bergen, Division of Tax Assessments.

Tax Abatement of Real Property

There are currently ten properties in the Township which are under tax abatement. The Township receives payments in-lieu-of taxes on such properties. The properties are: (1) Avalon Bay Communities; (2) LWH Urban Renewal (Post Brothers); (3) 53<sup>rd</sup> Urban Renewal; (4) North Bergen Housing Authority; (5) Hudson Mews; (6) MTC Urban Renewal; (7) JFK Urban Renewal; (8) 7711-7815 River Road Urban Renewal; (9) 8619 Holding Urban Renewal; and (10) 8200 River Road.

STATEMENT OF BONDED INDEBTEDNESS  
AS OF DECEMBER 31, 2025

Gross Debt:

School Purposes:

    Issued and Outstanding:

Bonds	\$56,270,000	
Notes	-0-	
Authorized But Not Issued	0-	
		\$ 56,270,000

Municipal Purposes:

    Issued and Outstanding:

Bonds	\$58,340,000	
Notes	42,263,741	
Authorized But Not Issued	5,857,596	
Miscellaneous Bonds, Notes, and Loans	<u>335,025</u>	
		\$ 106,796,362

Bonds Issued by Public Bodies Supported by the Municipality:

North Bergen M.U.A.		\$ <u>53,597,550</u>
Total Gross Debt		\$216,663,912

Statutory Deductions

For School Purpose	\$ 56,270,000	
For Bonds Issued by Public Bodies		
Supported by the Municipality	<u>53,597,550</u>	
		<u>\$ 109,867,550</u>

Statutory Deductions		\$ 106,796,362
Statutory Net Debt		1.007%
Statutory Net Debt Percentage		

*[Remainder of Page Left Intentionally Blank]*

The following table summarizes the information included in the preceding table, and shows, among other things, the gross debt outstanding for each purpose, and the amount of such debt allowed under State law to be excluded from the calculation of the debt limitation and the statutory net debt.

STATUTORY DEBT AS OF DECEMBER 31, 2025

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$56,270,000	\$56,270,000	None
Municipal Purposes	106,796,362	-0-	\$106,796,362
Other Public Bodies, Supported by Township	53,597,550	56,597,550	None
TOTAL:	\$216,665,912	\$109,865,550	\$106,796,362
Average Equalized Valuation of Real Property (Fiscal Years 2023 - 2025)			\$10,600,896,178
Statutory Net Debt Percentage			1.007%

Source: Derived from the Calendar Year 2025 Annual Debt Statement.

The table below outlines the total municipal purpose debt of the Township on a per capita basis for the years 2021 through 2025.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Net Debt Statutory	\$106,796,362	\$109,187,227	\$95,106,138	\$87,005,325	\$81,838,397
Population <sup>(2)</sup>	63,361	63,361	63,361	63,361	63,361
Net Debt per Capita	\$1,685	\$1,723	\$1,501	\$1,373	\$1,291
Net Debt – Statutory Percentages	1.007%	%1.076%	1.073%	1.037%	1.159%

<sup>(1)</sup> The figures representing Gross Debt and Net Debt Statutory are derived from the 2021-2024 Audited Financial Statements and the 2025 Annual Debt Statement.

<sup>(2)</sup> Source: U.S. Department of Commerce, Bureau of the Census, 2020.

The following table shows the amount of debt subject to the debt limitation that the Township is permitted to incur under State law. As the table demonstrates, the Township may incur more than \$264 million of additional debt for Municipal purposes and more than \$367 million of additional debt for school purposes. The Township may also incur debt that is excluded from the limitation, including refunding debt. In addition, the Township may issue Tax Refunding Notes. For further information regarding the North Bergen Municipal Utilities Authority's future borrowing plans, see "THE TOWNSHIP OF NORTH BERGEN — Municipal Utilities Authority" herein.

DEBT INCURRING CAPACITY AS OF DECEMBER 31, 2025

Municipal

1. Average Equalized Valuation of Real Property (Years 2023 – 2025):		\$10,600,896,178
2. 3 1/2% Borrowing Margin (Three year average of Equalized Valuations):		\$371,031,366
3. Net Debt Issued and Outstanding and Authorized and Unissued	\$106,796,362	
4. Excess School Borrowing	—	
5. Excess Utility Borrowing	—	
6. Total Charges to Borrowing Margin		<u>\$106,796,362</u>
7. Available Borrowing (Line 2 minus Line 6)		<u>\$264,235,004</u>

School

8. 4% Borrowing Margin (Three year average of Equalized Valuations)		\$424,035,847
9. Debt Issued and Outstanding and Authorized and Unissued	\$56,270,000	
10. Less Debt Issued Pursuant to Chapter 177, Laws of 1968, Chapter 10, Laws of 1971, and Chapter 74, Laws of 1978	—	
11. Total Charges to Borrowing Margin		<u>\$56,270,000</u>
12. Available Borrowing Margin - School:		<u>\$367,765,847</u>

Source: 2025 Annual Debt Statement.

SCHEDULE OF COMPARATIVE BONDED DEBT AS OF DECEMBER 31

	CY 2025	CY 2024	CY 2023	CY 2022	CY 2021
<b>BONDS:</b>					
General	\$58,340,000	\$62,460,000	\$66,575,000	\$70,660,000	\$42,685,000
School	\$56,270,000	\$58,075,000	\$59,890,000	\$60,635,000	\$21,400,000
Total Issued	\$114,610,000	\$120,535,000	\$126,465,000	\$131,295,000	\$64,085,000
<b>NOTES:</b>					
General	\$42,263,741	\$40,366,155	\$21,895,000	\$13,813,000	\$36,482,653
School	-0-	-0-	-0-	-0-	-0-
Total Issued	\$42,263,741	\$40,366,155	\$21,895,000	\$13,813,000	\$36,482,653
Total Bonds and Notes Issued & Outstanding:	\$156,873,741	\$160,901,155	\$148,360,000	\$145,108,000	\$100,567,653
General	5,857,596	\$5,949,127	\$6,092,772	\$1,848,040	\$1,848,040
School	-0-	-0-	-0-	-0-	\$40,000,000
Total Bonds and Notes Authorized But Not Issued	\$5,857,596	\$5,949,127	\$6,092,772	\$1,848,040	\$41,848,040
Other Bonds, Notes and Loans:	\$335,025	\$411,945	\$434,365	\$684,285	\$822,704
Total Issued and Outstanding; Authorized But Not Issued; and Other Bonds, Notes and Loans:	\$163,066,362	\$167,262,227	\$154,887,137	\$147,640,235	\$143,238,397

Source: Derived from the Annual Debt Statement

The Table below sets forth the total overlapping debt of the Township for the last five years. The Hudson County debt overlap was 8.01 in 2025, 8.49 in 2024, 8.18 in 2023, 7.62 in 2022, and 7.04 in 2021 and the overlap for all other debt was 100%. The Township’s percentage of overlap for Hudson County debt is determined by the State, based on (i) the assessed value of Class II Railroad Property in the Township and (ii) the true value of real property in the Township. The sum of these two figures is used to calculate a percentage of the sum of the assessed value of Class II Railroad Property in Hudson County, plus the true value of real property in Hudson County.

**SCHEDULE OF OVERLAPPING DEBT**  
Township of North Bergen Overlap

	<u>Dec 31</u> <u>2025</u>	<u>Dec 31</u> <u>2024</u>	<u>Dec 31</u> <u>2023</u>	<u>Dec 31</u> <u>2022</u>	<u>Dec 31</u> <u>2021</u>
North Bergen Municipal Utilities Authority	\$53,597,550	\$95,480,066	\$36,270,918	\$42,247,910	\$47,904,187
Hudson County	<u>54,426,450<sup>(1)</sup></u>	<u>54,158,123<sup>(2)</sup></u>	<u>51,564,643<sup>(3)</sup></u>	<u>43,915,834<sup>(4)</sup></u>	<u>39,908,632<sup>(5)</sup></u>
	\$108,024,000	\$149,638,189	\$87,835,561	\$86,163,744	\$87,812,819

Source: Derived from the County Annual Debt Statements and the North Bergen Department of Revenue and Finance.

<sup>(1)</sup> This figure represents 8.01% of the total Gross County debt of \$679,481,272.

<sup>(2)</sup> This figure represents 8.49% of the total Gross County debt of \$637,904,870.

<sup>(3)</sup> This figure represents 8.18% of the total Gross County debt of \$632,695,003

<sup>(4)</sup> This figure represents 7.62% of the total Gross County debt of \$575,967,844.

<sup>(5)</sup> This figure represents 7.04% of the total Gross County debt of \$566,883,979.

The Schedule of Annual Debt Service for Principal and Interest for Bonded Debt of the Township starting with the Calendar Year 2026 as follows:

ANNUAL PRINCIPAL MATURITY SCHEDULE AND INTEREST REQUIREMENTS FOR OUTSTANDING BONDS OF THE TOWNSHIP			
YEAR	PRINCIPAL	GENERAL INTEREST	TOTAL
2026	\$4,130,000.00	\$1,966,737.50	6,096,737.50
2027	4,145,000.00	1,803,437.50	5,948,437.50
2028	4,145,000.00	1,647,212.50	5,792,212.50
2029-2033	20,110,000.00	6,179,506.25	26,289,506.25
Thereafter	<u>25,810,000.00</u>	<u>6,402,575.39</u>	<u>32,212,575.39</u>
	<u>\$58,340,000.00</u>	<u>\$17,999,468.14</u>	<u>\$76,339,469.14</u>

Source: Derived from the 2025 Unaudited Financial Statements.

#### OTHER TOWNSHIP-RELATED OBLIGATIONS

The County of Hudson

The Township is located in the County of Hudson (the “County”) and, in accordance with the regulations governing financial reporting for New Jersey Municipalities, a pro rata share of certain direct debt of the County is treated as “Overlapping Debt” of the Township for financial reporting purposes. Please see the “Schedule of Overlapping Debt” within this Official Statement.

The County issues its bonds and notes for financing of capital projects of the County, including the County roads, buildings, parks and education facilities. Major facilities of the County which were financed in recent years include a County Correctional Facility. In addition, the County guarantees certain debt of the Hudson County Improvement Authority. The gross debt of the County as to December 31, 2025 was \$679,481,272 and its net statutory debt was \$608,127,727.

#### TOWNSHIP EMPLOYEES

As of January 1, 2026, the Township has 580 full-time employees and part time employees combined. Approximately 200 of the Township’s employees are represented by one of the 5 different bargaining units. The New Jersey Public Employee Relations Act, as amended, specifies a negotiation and advisory fact-finding process in the event of a negotiations impasse. The public employee unions of the Township are set forth below, with a description of each:

THE POLICE OFFICERS' BENEVOLENT ASSOCIATION, LOCAL 18, which represents Police Officers and Detectives, are currently employed under a contract that covers the period January 1, 2024 through December 31, 2027.

THE POLICE SUPERIOR OFFICERS' ASSOCIATION, LOCAL 18A, which represents Police Officers holding the rank of Sergeant and above, are currently employed under a contract that covers the period January 1, 2024 through December 31, 2027.

NORTH BERGEN DEPT. OF PUBLIC WORKS, LOCAL 11 AFFILIATED WITH INTERNATIONAL BROTHERHOOD OF TEAMSTERS, represents the laborers in the Department of Public Works, and they are currently employed under a contract that covers the period January 1, 2024 through December 31, 2027.

NORTH BERGEN DEPT. OF PUBLIC SAFETY VEHICLE MAINTENANCE DEPARTMENT, LOCAL 11 AFFILIATED WITH INTERNATIONAL BROTHERHOOD OF TEAMSTERS, represents the mechanics, welder and laborer in the Department of Public Safety, Vehicle Maintenance Department, and they are currently employed under a contract that covers the period January 1, 2024 through December 31, 2027.

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL 945, which represents full time, permanently employed blue collar employees in the Department of Parks and Recreation, are currently employed under a contract that covers the period January 1, 2024 through December 31, 2027.

In January 1999, the North Bergen Fire Department became part of the North Hudson Regional Fire and Rescue Agency. As a result, the formation of one Fire Fighter's bargaining unit and one Fire Superiors bargaining unit occurred in June 2002.

#### PENSION FINANCING

All Township employees who are eligible for pension coverage are enrolled in a State administered retirement plan.

The three State-administered plans are the Public Employees' Retirement System, the Consolidated Police and Firemen's Pension Fund and the Police and Firemen's Retirement System. The Consolidated Police and Firemen's Pension Fund includes uniformed employees who were employees before 1944, while the Police and Firemen's Retirement System enrolls all uniformed employees who began employment after 1944.

P.L. 2007, c92 was enacted and created a new retirement program called the Defined Contribution Retirement Program (DCRP). The plan mandates that on or after July 1, 2007, newly elected officials must enroll in DCRP and not PERS. If the official is already enrolled in PERS, that official can continue. However, if there is a break of service or that official is elected to a different elected office, the official must enroll in the DCRP. The law also requires certain

governing body appointed titles to also be enrolled into this plan. The Township does not have any employees currently under this plan.

The Division of Pensions in the State Department of Treasury administers the plans and charges municipalities annually for their respective contributions. The charges are based on actuarial valuations.

#### TOWNSHIP PAYMENTS TO EMPLOYEE PENSIONS

State of New Jersey	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Public Employees' Retirement System	\$2,411,071	\$2,326,980	\$2,266,614	\$2,180,285	\$1,963,607
Police and Firemen's Retirement System	\$5,015,506	\$4,739,882	\$4,736,076	\$4,568,916	\$3,915,439

#### OTHER POSTRETIREMENT BENEFIT OBLIGATIONS

In addition to the pension benefits described in the above referenced section entitled "Pension Financing" the Township provides postretirement health care benefits to employees that meet certain age and length of service requirements. The Township is insured through Horizon Blue Cross Blue Shield of New Jersey, with a fully insured experience rated health and prescription program. For Fiscal Year 2025 expenditures of \$8,900,000 are recognized for post-retirement health care with prescription rebates from Medicare Part D of \$971,500. The projected costs for Calendar Year 2026 are \$9,500,000 for postretirement healthcare and \$995,000 of rebates for prescriptions from Medicare Part D.

#### INSURANCE COVERAGE

The Township maintains worker's compensation, liability and casualty insurance coverage. These policies have deductible provisions. Generally, the Township maintains a self-insured retention limit of \$100,000 per claim. The Township is participating in a joint insurance fund with other municipalities.

#### LITIGATION

##### General Litigation

The Township and its employees are defendants in a number of lawsuits involving personal injury, property damages, civil rights violations, and employment actions. The Township is also subject to various workers' compensation actions and tort claims. The Township has been and is a member of joint insurance funds, which provide coverage for these claims after the Township's self-insured retention limit has been exhausted. Generally, the Township maintains a self-insured retention limit of \$100,000 per claim. The Township currently maintains

the following limits of coverage for the following lines of coverage: General Liability - \$15,000,000; Automobile Liability - \$15,000,000; Law Enforcement Liability \$15,000,000; Workers' Compensation - \$13,000,000; and Public Officials and Employment Practices Liability - \$15,000,000. Some existing cases involving accidents or incidents prior to January 1, 2016 are subject to lower limits of coverage as follows: General Liability and Automobile Liability - \$5,000,000; Public Officials and Employment Liability - \$2,000,000; Workers' Compensation - \$5,000,000.

To the knowledge of the counsel to the Township there is no litigation pending or threatened, restraining or enjoining the issuance of the Note offered for sale or the levy or collection of any taxes to pay principal of or interest on the Note, or in any matter questioning the authority of the proceedings for the issuance of the Note or for the levy or collection of said taxes. Further, there is no litigation presently pending or threatened that, if adversely decided, would have a material adverse impact on the financial condition of the Township, such that the Township's ability to repay the Note would be jeopardized.

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**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS  
OF THE TOWNSHIP OF NORTH BERGEN**

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**TOWNSHIP OF NORTH BERGEN**  
**HUDSON COUNTY, NEW JERSEY**  
**REPORT ON**  
**EXAMINATION OF ACCOUNTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

**TOWNSHIP OF NORTH BERGEN  
COUNTY OF HUDSON, NEW JERSEY**

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## Independent Auditors' Report

**The Honorable Mayor and Commissioners  
Township of North Bergen  
North Bergen, New Jersey**

### **Report on the Audit of the Regulatory Basis Financial Statements**

#### ***Opinions on Regulatory Basis Financial Statements***

We have audited the regulatory basis financial statements of the various funds and the governmental fixed assets of the Township of North Bergen, New Jersey, ("Township") which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and changes in fund balance for the years then ended, the statements of changes in fund balance, the statement of revenues and statement of expenditures for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

In our opinion, the accompanying regulatory basis financial statements present fairly, in all material respects, the regulatory basis balance sheets of the Township as of December 31, 2024 and 2023, and the regulatory basis revenues, expenditures, and changes in fund balances for the years then ended, the statements of changes in fund balance, the statement of revenue, and statement of expenditures, for the year ended December 31, 2024 and the related notes to the financial statements, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") described in Note 2.

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

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2024 and 2023, or its revenues, expenditures and changes in fund balance thereof for the years then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the requirements prescribed by the Division. Our responsibilities under those standards and requirements are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

PKF O'CONNOR DAVIES, LLP  
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | [www.pkfod.com](http://www.pkfod.com)

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

**The Honorable Mayor and Commissioners  
Township of North Bergen  
North Bergen, New Jersey**

*Page 3*

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

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
November 11, 2025

*David J. Gannon*

David J. Gannon, CPA  
Registered Municipal Accountant, No. 520

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023

A  
Sheet # 1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>2024</u>	<u>2023</u>
<u>Regular Fund</u>		
Cash - Treasurer	\$ 22,299,802.02	\$ 22,576,317.03
Cash - Change Fund	500.00	500.00
	<u>22,300,302.02</u>	<u>22,576,817.03</u>
Due from State of New Jersey	<u>137,327.49</u>	<u>138,577.49</u>
Receivables and Other Assets with Offsetting Reserves:		
Delinquent Property Taxes	1,944,287.18	2,036,116.95
Tax Title Liens	734,113.28	415,120.86
Property Acquired for Taxes	6,587,000.00	6,587,000.00
Other Accounts Receivable	7,201.08	7,201.08
Other Municipal Liens	1,345.13	1,345.13
Interfunds Receivable	1,329,068.12	3,655,330.11
	<u>10,603,014.79</u>	<u>12,702,114.13</u>
Deferred Charges:		
Emergency Authorization (N.J.S.A. 40A:4-47)	2,995,000.00	
Special Emergency Authorizations: (N.J.S.A. 40A: 4-53)	1,300,000.00	2,040,000.00
	<u>4,295,000.00</u>	<u>2,040,000.00</u>
	<u>37,335,644.30</u>	<u>37,457,508.65</u>
<u>Federal and State Grant Fund</u>		
Cash	1,895,623.46	53,763.84
Interfunds Receivable	147,050.23	
Federal and State Grants Receivable	4,285,385.15	4,533,413.72
Deferred Charge:		
Expenditure without an Appropriation		107,831.50
	<u>6,328,058.84</u>	<u>4,695,009.06</u>
	<u>\$ 43,663,703.14</u>	<u>\$ 42,152,517.71</u>

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023

A  
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2024</u>	<u>2023</u>
<u>Regular Fund</u>		
Appropriation Reserves:		
Encumbered	\$ 527,365.52	\$ 1,983,499.11
Unencumbered	8,516,779.61	1,697,480.07
Accounts Payable	403,184.20	134,862.12
County Taxes Payable	99,019.25	92,241.91
School Taxes Payable	2,508,090.50	2,502,137.00
Interfunds Payable	115,382.94	
Special Emergency Notes Payable	1,300,000.00	2,040,000.00
Emergency Notes Payable	2,995,000.00	
Tax Overpayments	659,309.54	375,495.59
Prepaid Taxes	1,136,609.91	1,267,635.45
Other Reserve Accounts	<u>2,500,358.63</u>	<u>10,749,856.72</u>
	<u>20,761,100.10</u>	<u>20,843,207.97</u>
Reserve for Receivables and Other		
Assets	10,603,014.79	12,702,114.13
Fund Balance	<u>5,971,529.41</u>	<u>3,912,186.55</u>
	<u>37,335,644.30</u>	<u>37,457,508.65</u>
<u>Federal and State Grant Fund</u>		
Interfunds Payable	634,321.16	1,504,643.24
Due to State of New Jersey	14,221.65	14,221.65
Appropriated Reserves	5,669,132.72	2,248,948.05
Unappropriated Reserves	<u>10,383.31</u>	<u>927,196.12</u>
	<u>6,328,058.84</u>	<u>4,695,009.06</u>
	<u>\$ 43,663,703.14</u>	<u>\$ 42,152,517.71</u>

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

A-1

	2024	2023
<u>Revenues and Other Income Realized</u>		
Fund Balance Utilized	\$ 3,400,000.00	\$ 11,959,017.77
Miscellaneous Revenue Anticipated	43,262,778.63	33,841,074.82
Receipts from Delinquent Taxes	1,972,221.74	2,283,571.49
Receipts from Current Taxes	166,945,627.22	156,644,922.72
Nonbudget Revenue	1,921,722.11	1,874,067.98
Other Credits to Income:		
Interfunds Liquidated	2,326,261.99	
Appropriation Reserves Lapsed	34,038.88	453,382.77
	219,862,650.57	207,056,037.55
<u>Expenditures and Other Charges</u>		
Budget Appropriations	122,426,134.63	111,631,110.45
County Taxes	37,239,425.94	34,985,853.74
Local School District Taxes	57,273,644.00	56,043,426.00
Excess Payment to Payroll		15,679.98
Other Accounts Receivable Established		4,608.93
State Tax Court Judgements	448,813.64	
Revenue Refunds	10,289.50	
Interfunds Advanced		2,692,970.10
	217,398,307.71	205,373,649.20
Excess in Revenues	2,464,342.86	1,682,388.35
Adjustment to Income before Fund Balance:		
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	2,995,000.00	
Statutory Excess in Revenues to Fund Balance	5,459,342.86	1,682,388.35
<u>Fund Balance</u>		
Balance, Beginning of Year	3,912,186.55	14,188,815.97
	9,371,529.41	15,871,204.32
Decreased by:		
Utilized as Anticipated Revenue	3,400,000.00	11,959,017.77
Balance, End of Year	\$ 5,971,529.41	\$ 3,912,186.55

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

STATEMENT OF REVENUES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

A-2  
Sheet #1

	<u>Budget</u>	<u>Chapter 159 Budget Amendments</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Appropriated	\$ 3,400,000.00		\$ 3,400,000.00	
<u>Miscellaneous Revenues</u>				
Licenses:				
Alcoholic Beverages	84,000.00		104,900.00	\$ 20,900.00
Other	254,000.00		301,299.00	47,299.00
Fees and Permits	936,500.00		1,026,080.27	89,580.27
Fines and Costs:				
Municipal Court	1,490,000.00		1,577,309.78	87,309.78
Interest and Cost on Taxes	519,000.00		494,017.48	(24,982.52)
Interest on Investments and Deposits	1,301,154.64		1,706,386.78	405,232.14
Pool Membership Fees	243,000.00		275,754.00	32,754.00
North Bergen Cable Television - Franchise Fees	381,373.33		381,373.33	
Payment in Lieu of Taxes - Floral Park, Inc.	562,000.00			(562,000.00)
Payment in Lieu of Taxes - North Bergen Housing Auth.	360,000.00		411,709.40	51,709.40
Payment in Lieu of Taxes - Hudson Mews	587,000.00		1,061,184.01	474,184.01
Payment in Lieu of Taxes - MTC Urban Renewal	385,000.00		550,802.59	165,802.59
Payment in Lieu of Taxes - Avalon Bay	537,000.00		640,076.46	103,076.46
Payment in Lieu of Taxes - 67th St. & Kennedy Blvd.	1,351,500.00		1,351,500.00	
Payment in Lieu of Taxes - 1122 53rd Urban Renewal	408,000.00		383,215.99	(24,784.01)
Payment in Lieu of Taxes - Spectrum Capital	227,500.00		306,701.88	79,201.88
Payment in Lieu of Taxes - JFK Urban Renewal	180,000.00		180,000.00	
Payment in Lieu of Taxes - 7711-7815 River Road	64,000.00		64,480.00	480.00
Payment in Lieu of Taxes - 8619 Holding Company	100,000.00		102,135.42	2,135.42
Payment in Lieu of Taxes - 8619 Holding Company	75,000.00		76,781.66	1,781.66
Palisades Hospital Settlement	550,000.00		550,000.00	
Ambulance Fees	1,380,000.00		1,520,415.77	140,415.77
Hotel Tax	790,000.00		952,475.54	162,475.54
Energy Receipts Tax (P.L. 1997, Chapters 162 and 167)	7,271,281.00		7,271,280.56	(0.44)
Uniform Construction Code Fees	1,754,000.00		1,711,307.00	(42,693.00)
Grants:				
Alcohol Education and Rehabilitation		\$ 6,374.36	6,374.36	
National Opioid Settlement		109,474.92	109,474.92	
Body Armor		18,059.97	18,059.97	
Strengthening Local Public Health 2024		495,411.00	495,411.00	
ARP COVID19 Related Eligible Expenses		26,755.75	26,755.75	
ARP Dell Ave. Sewer Infrastructure		72,334.35	72,334.35	
ARP Technology Infrastructure Improv		251,986.75	251,986.75	
ARP 75th Street Sewer Improvement		447,486.12	447,486.12	
ARP 91st Street Culvert Sewer Improv		1,248,358.00	1,248,358.00	
ARP West Side Ave. Sewer and Drainage		791,570.37	791,570.37	
ARP 88th Street & Tonnelle Ave. Sewer Improv		41,214.74	41,214.74	
CY 24 Summer Food Program		86,184.00	86,184.00	
NB Prevention Coalition 24/25 NJ4S Grant		118,460.00	118,460.00	
NB Prevention DFC 2020 Year 5		125,000.00	125,000.00	
FY 2023 EMMA Grant		10,000.00	10,000.00	
FY 2023 Assistance to Firefighters		181,818.18	181,818.18	
NJACCHO Sustaining Local Public Health		168,049.00	168,049.00	
FY 2025 Pedestrian Safety Grant		35,000.00	35,000.00	
Clean Communities		116,881.20	116,881.20	
FY 24 LRIG Stan Newman Courts		68,000.00	68,000.00	
2024 Justice Assistance Grant		10,958.00	10,958.00	
Drive Sober or Get Pulled Over		17,500.00	17,500.00	
UEZ 2024 Holiday Décor Project		155,539.00	155,539.00	
UEZ 2024 Bergenline Ave Streetscape		560,201.00	560,201.00	
NJ4S Partners in Prevention	13,716.00		13,716.00	

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

STATEMENT OF REVENUES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

A-2  
Sheet #2

	Budget	Chapter 159 Budget Amendments	Realized	Excess (Deficit)
<u>Grants:(Continued)</u>				
COPS Hiring	\$ 1,250,000.00		\$ 1,250,000.00	
Strengthening Local Public Health Capacity	74,664.00		74,664.00	
Local Recreational Improv - Stan Newman Scoreboard	80,440.00		80,440.00	
Recreation for Individuals with Disabilities	2,500.00		2,500.00	
Distracted Driving	14,000.00		14,000.00	
Drug Alliance	19,209.00		19,209.00	
UEZ FY 2025 Administrative Budget		\$ 45,571.00	45,571.00	
UEZ FY 2025 CCTV Camera Project		175,000.00	175,000.00	
UEZ FY 2025 Patrol Vehicle Project		139,034.00	139,034.00	
<u>Miscellaneous Revenues</u>				
Uniform Fire Safety Act	166,500.00		215,243.69	\$ 48,743.69
NJ Meadowlands Lease	260,000.00		262,028.51	2,028.51
General Capital Surplus	312,000.00		312,000.00	
Parking Authority Building Lease	114,000.00		117,441.60	3,441.60
NJ Transit Tax	173,000.00		189,482.00	16,482.00
MUA - 5% of Annual Costs of Operation (per. NJSA 40A:5A-12.1)	570,000.00		570,000.00	
Host Fee	814,000.00		819,147.07	5,147.07
Parking Authority Surplus	50,000.00		50,000.04	0.04
DCA Operating Grant	10,000,000.00		10,000,000.00	
State Aid Municipal Relief Fund Aid	749,498.09		749,498.09	
<b>Total Miscellaneous Revenue</b>	<b>36,454,836.06</b>	<b>5,522,221.71</b>	<b>43,262,778.63</b>	<b>1,285,720.86</b>
Receipts from Delinquent Taxes	2,000,000.00		1,972,221.74	(27,778.26)
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	70,868,046.96		71,238,849.42	370,802.46
Minimum Library Tax	3,373,665.34		3,373,665.34	
<b>Total Amount to be Raised by Taxes for Support of Municipal Budget</b>	<b>74,241,712.30</b>		<b>74,612,514.76</b>	<b>370,802.46</b>
	116,096,548.36	5,522,221.71	123,247,515.13	7,150,966.77
Nonbudget Revenue			1,921,722.11	1,921,722.11
	<b>\$ 116,096,548.36</b>	<b>\$ 5,522,221.71</b>	<b>\$ 125,169,237.24</b>	<b>\$ 9,072,688.88</b>

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

STATEMENT OF REVENUES  
ANALYSIS OF MISCELLANEOUS REVENUES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

A-2a

Other Fees and Permits:

Tax Collector	\$ 7,800.11
Tax Assessor	1,360.00
Rent Control	48,810.00
Township Clerk - Ordinance	387.41
Health/Vital Statistics	84,531.15
Police Detail Fee	529,897.50
Returned Check	1,000.00
Board of Adjustment Application Fees	35,900.00
Planning Board Application Fees	37,360.00
Nutrition Center	27,165.00
Recreation	154,006.00
Scrap Metal	24,908.70
Record Room	68,654.40
Purchasing	<u>4,300.00</u>

\$ 1,026,080.27

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

STATEMENT OF REVENUES  
ANALYSIS OF TAXES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

A-2b

	<u>Amount to be Raised by Taxation</u>	<u>Receipts from Delinquent Taxes</u>	<u>Total</u>
<u>Allocation of Tax Collection</u>			
Due from State of New Jersey	\$ 68,750.00		\$ 68,750.00
Collections	165,379,223.71	\$ 1,951,289.76	167,330,513.47
Tax Title Liens		20,931.98	20,931.98
Overpayments Applied	230,018.06		230,018.06
Prepaid Taxes Applied	1,267,635.45		1,267,635.45
	<hr/>	<hr/>	<hr/>
Total Revenue	166,945,627.22	1,972,221.74	168,917,848.96
Allocated to:			
County Levy and Added Taxes	(37,239,425.94)		(37,239,425.94)
Local School District Taxes	(57,273,644.00)		(57,273,644.00)
Plus: Reserve for Uncollected Taxes	2,179,957.48		2,179,957.48
	<hr/>	<hr/>	<hr/>
Realized Revenue	<u>\$ 74,612,514.76</u>	<u>\$ 1,972,221.74</u>	<u>\$ 76,584,736.50</u>

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

STATEMENT OF REVENUES  
ANALYSIS OF NONBUDGET REVENUES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

A-2c

Nonbudget Revenue

Prior Year Insurance Reimbursements	\$	233,317.00	
Administrative Fee - State of N.J.			
Senior Citizens and Veterans		1,400.00	
Board of Education Reimbursements for 64st Park		163,602.50	
Abandoned Property		54,000.00	
Board of Education Reimbursements		100,000.00	
Parking Authority Reimbursements		71,943.35	
Reimbursement of PR. Year Grant Expenditures		44,446.65	
Void Checks		29,690.14	
PSE&G Parking Agreement		135,000.00	
NB Court/ NJ Tax Court Judgement		18,216.91	
Escheated Funds		57,500.00	
Unclaimed Bail and Subpoena Fees		24,060.92	
Fuel Reimbursements for Prior Year Charges		414,533.61	
State of New Jersey FEMA		102,551.40	
Guttenberg Recreation Services		40,000.00	
Refunds, Overpayments		19,018.24	
Sale of Township Property		43,845.00	
Cannabis Cultivation		257,527.00	
Other		<u>42,255.73</u>	
	\$		1,852,908.45
 Interfunds Receivable			 <u>68,813.66</u>
	\$		<u><u>1,921,722.11</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

Appropriation	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>DEPARTMENT OF PUBLIC AFFAIRS</u>						
Director's Office:						
Salaries and Wages	\$ 265,000.00	\$ 266,530.00	\$ 266,530.00			
Other Expenses	15,000.00	15,000.00	5,085.66	\$ 103.86	\$ 9,810.48	
Purchasing:						
Salaries and Wages	268,265.00	266,625.00	266,620.13		4.87	
Other Expenses	6,000.00	6,000.00	5,953.14		46.86	
Central Purchasing	340,000.00	340,000.00	317,701.78	8,447.29	13,850.93	
Township Administrator:						
Salaries and Wages	805,135.00	758,895.00	756,951.16		1,943.84	
Other Expenses	14,000.00	2,692.00	2,641.23	50.00	0.77	
North Hudson Council of Mayors:						
Other Expenses	127,000.00	126,058.00	126,058.00			
Township Clerk's Office:						
Salaries and Wages	186,735.00	189,080.00	189,079.38		0.62	
Other Expenses	18,000.00	8,000.00	6,497.66		1,502.34	
Elections:						
Other Expenses	50,000.00	50,000.00	32,255.01	1,300.67	16,444.32	
Public Information:						
Other Expenses	255,580.00	255,580.00	142,795.40	3,125.00	109,659.60	
Printing and Legal Advertising:						
Other Expenses	40,000.00	35,000.00	27,911.89		7,088.11	
Consulting Services:						
Other Expenses	190,000.00	194,195.00	187,140.33	7,050.00	4.67	
Community Services:						
Salaries and Wages	1,015,670.00	944,570.00	944,421.32		148.68	
Other Expenses	300,000.00	300,000.00	159,147.53	109,422.73	31,429.74	
License Officer:						
Salaries and Wages	35,390.00	22,100.00	22,089.90		10.10	
Other Expenses	6,000.00	6,000.00	841.16	675.00	4,483.84	
Legal Services and Costs:						
Salaries and Wages	151,850.00	151,850.00	151,844.94		5.06	
Miscellaneous Other Expenses	15,000.00	5,000.00		35.07	4,964.93	
Special Litigation:						
Other Expenses	1,000,000.00	1,000,000.00	727,425.69	59,709.48	212,864.83	
Rent Control:						
Salaries and Wages	169,040.00	171,425.00	171,421.04		3.96	
Other Expenses	25,000.00	26,730.00	24,548.04	2,178.00	3.96	
Other Insurance:						
Other Expenses	1,387,626.00	1,588,886.00	1,588,886.00			
Group Insurance:						
Other Expenses	17,000,000.00	19,995,000.00	18,242,522.99	60.57	1,752,416.44	
Health Benefits Waivers						
Other Expenses	300,000.00	302,080.00	301,242.00		838.00	

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

Appropriation	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>DEPARTMENT OF PUBLIC AFFAIRS</u>						
Ambulance:						
Salaries and Wages	\$ 1,492,580.00	\$ 1,429,730.00	\$ 1,428,730.88		\$ 999.12	
Other Expenses	150,000.00	163,005.00	158,488.31	\$ 4,514.67	2.02	
Health Dept.						
Salaries and Wages	492,225.00	326,395.00	238,115.00		88,280.00	
Other Expenses	50,000.00	50,000.00	34,206.88	154.40	15,638.72	
Vital Statistics:						
Salaries and Wages	47,660.00	47,695.00	47,693.35		1.65	
Other Expenses	4,500.00	2,230.00	1,527.50		702.50	
Animal Control:						
Other Expenses	185,000.00	190,000.00	157,830.63	18,419.37	13,750.00	
Municipal Court:						
Salaries and Wages	922,475.00	849,475.00	849,374.09		100.91	
Other Expenses	120,000.00	105,000.00	72,323.77	16,028.00	16,648.23	
Unemployment Insurance	125,000.00					
Total Department of Public Affairs	<u>27,575,731.00</u>	<u>30,190,826.00</u>	<u>27,655,901.79</u>	<u>231,274.11</u>	<u>2,303,650.10</u>	
<u>DEPARTMENT OF REVENUE AND FINANCE</u>						
Director's Office:						
Salaries and Wages	140,900.00	131,405.00	131,324.19		80.81	
Other Expenses	20,000.00	20,000.00	7,423.12	373.98	12,202.90	
Financial Administration:						
Salaries and Wages	307,165.00	388,310.00	387,945.92		364.08	
Other Expenses	185,150.00	115,150.00	109,139.15		6,010.85	
Special Services	185,000.00	141,000.00	115,670.00		25,330.00	
Annual Audit	112,000.00	123,598.00	123,597.50		0.50	
Postage:						
Other Expenses	63,000.00	63,000.00	53,968.19		9,031.81	
Tax Collector:						
Salaries and Wages	248,785.00	231,145.00	231,138.68		6.32	
Other Expenses	25,000.00	25,000.00	18,390.78	6,570.00	39.22	
Tax Assessor:						
Salaries and Wages	195,650.00	188,810.00	188,631.08		178.92	
Other Expenses	50,000.00	27,731.00	12,834.95	9,634.54	5,261.51	
Tax Assessor Consultant:						
Other Expenses	100,000.00	40,000.00	34,785.00		5,215.00	
Housing Inspections:						
Salaries and Wages	194,410.00	142,210.00	142,202.96		7.04	
Other Expenses	5,000.00	3,151.00	3,150.52		0.48	
Total Department of Revenue and Finance	<u>1,832,060.00</u>	<u>1,640,510.00</u>	<u>1,560,202.04</u>	<u>16,578.52</u>	<u>63,729.44</u>	

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

<u>Appropriation</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved Unencumbered</u>	
<u>DEPARTMENT OF PUBLIC SAFETY</u>						
Director's Office:						
Salaries and Wages	\$ 404,540.00	\$ 407,265.00	\$ 407,255.58		\$ 9.42	
Other Expenses	15,000.00	15,000.00	3,753.10	\$ 4,377.42		6,869.48
Police:						
Salaries and Wages	16,700,000.00	17,050,000.00	17,050,000.00			
Other Expenses	700,000.00	600,000.00	441,074.61	59,527.66		99,397.73
Clothing Allowance	95,000.00	98,325.00	98,325.00			
CCTV:						
Salaries and Wages	220,000.00	234,830.00	234,428.50			401.50
School Crossing Guard						
Salaries and Wages	820,000.00	817,030.00	817,027.39			2.61
Other Expenses	5,000.00	5,000.00	4,829.70			170.30
Prosecutors						
Salaries and Wages	165,005.00	154,395.00	154,384.78			10.22
Other Expenses	10,000.00	10,000.00	4,000.00	1,500.00		4,500.00
Traffic Committee:						
Other Expenses	5,500.00	5,575.00	5,575.00			
Alarm System:						
Salaries and Wages	300,000.00	236,360.00	231,617.22			4,742.78
Other Expenses	5,000.00	2,400.00	2,400.00			
ABC Board:						
Other Expenses	35,000.00	43,240.00	36,243.65	3,992.00		3,004.35
Chaplains:						
Other Expenses	2,500.00	1,500.00	1,500.00			
Uniform Fire Safety Act:						
Salaries and Wages	240,000.00	258,500.00	258,002.27			497.73
Vehicle Maintenance:						
Salaries and Wages	703,905.00	706,725.00	706,646.94			78.06
Other Expenses	826,100.00	886,100.00	745,503.49	55,131.71		85,464.80
Matching Funds - Municipal Alliance Grant						
Other Expenses	22,874.00	22,874.00	22,874.00			
Vehicles						
Other Expenses						
Total Department of Public Safety	<u>21,275,424.00</u>	<u>21,555,119.00</u>	<u>21,225,441.23</u>	<u>124,528.79</u>		<u>205,148.98</u>

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

<u>Appropriation</u>	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>DEPARTMENT OF PUBLIC WORKS</u>						
Director's Office:						
Salaries and Wages	\$ 334,320.00	\$ 332,280.00	\$ 332,275.82		\$ 4.18	
Other Expenses	12,000.00	12,000.00	9,506.17		2,493.83	
Engineering:						
Other Expenses	180,000.00	180,000.00	60,529.50		119,470.50	
Planning Board:						
Other Expenses	35,000.00	35,000.00	27,967.90		7,032.10	
Board of Adjustment:						
Other Expenses	35,000.00	35,000.00	34,247.60	\$ 425.00	327.40	
Streets and Roads:						
Salaries and Wages	3,877,260.00	3,827,260.00	3,487,301.81		339,958.19	
Other Expenses	815,730.00	785,730.00	697,937.13	1,335.85	86,457.02	
Total Department of Public Works	5,289,310.00	5,207,270.00	4,649,765.93	1,760.85	555,743.22	
<u>DEPARTMENT OF PARKS AND PUBLIC PROPERTY</u>						
Director's Office:						
Salaries and Wages	369,620.00	369,435.00	369,431.35		3.65	
Other Expenses	4,500.00	4,500.00	1,926.48		2,573.52	
Public Buildings and Grounds:						
Salaries and Wages	170,595.00	170,165.00	170,155.86		9.14	
Other Expenses	303,495.00	457,495.00	443,061.65	13,593.43	839.92	
Recreation:						
Salaries and Wages	1,365,000.00	1,550,000.00	1,547,626.26		2,373.74	
Other Expenses	675,000.00	620,000.00	510,576.83	26,815.58	82,607.59	
Public Events:						
Other Expenses	180,000.00	213,445.00	201,352.69	11,434.46	657.85	
Parks and Playgrounds:						
Salaries and Wages	1,688,650.00	1,654,220.00	1,654,061.18		158.82	
Other Expenses	115,000.00	134,780.00	125,764.74	9,014.44	0.82	
Pool:						
Salaries and Wages	350,000.00	362,480.00	361,007.67		1,472.33	
Other Expenses	180,000.00	206,955.00	205,329.43	1,622.63	2.94	
Total Department of Parks and Public Property	5,401,860.00	5,743,475.00	5,590,294.14	62,480.54	90,700.32	

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

Appropriation	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
<u>UNIFORM CONSTRUCTION CODE</u>						
Chief Administrator of Enforcement:						
Other Expenses	\$ 2,000.00					
Building Department:						
Salaries and Wages	650,280.00	\$ 576,895.00	\$ 576,895.00			
Other Expenses	19,000.00	19,000.00	1,183.87	\$ 360.00	\$ 17,456.13	
Plumbing Department:						
Salaries and Wages	161,600.00	161,600.00	161,566.00		34.00	
Other Expenses	1,000.00	75.00	75.00			
Fire Protection Officials:						
Other Expenses	2,000.00					
Total Uniform Construction Code	<u>835,880.00</u>	<u>757,570.00</u>	<u>739,719.87</u>	<u>360.00</u>	<u>17,490.13</u>	
<u>UNCLASSIFIED</u>						
Electricity	648,550.00	648,550.00	565,583.65	4,550.71	78,415.64	
Street Lighting	625,000.00	678,080.00	659,649.79	18,429.31	0.90	
Fire Hydrant Service	232,450.00	380,450.00	380,449.94		0.06	
Water	155,450.00	155,450.00	129,836.49		25,613.51	
Telephone	226,000.00	318,015.00	314,217.76	3,507.57	289.67	
Gasoline	962,550.00	653,950.00	366,399.02	63,895.12	223,655.86	
Municipal Utilities Authority	8,246,613.00	8,246,613.00	7,559,395.25		687,217.75	
Total Unclassified	<u>11,096,613.00</u>	<u>11,081,108.00</u>	<u>9,975,531.90</u>	<u>90,382.71</u>	<u>1,015,193.39</u>	
Total Operations Within "CAPS"	<u>73,306,878.00</u>	<u>76,175,878.00</u>	<u>71,396,856.90</u>	<u>527,365.52</u>	<u>4,251,655.58</u>	
Detail:						
Salaries and Wages	32,504,770.00	32,722,395.00	32,369,884.33		352,510.67	
Other Expenses	40,802,108.00	43,453,483.00	39,026,972.57	527,365.52	3,899,144.91	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Deferred Charges:						
Federal/State Expenditure without an Appropriation	107,831.50	107,831.50	107,831.50			
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	2,326,979.60	2,326,979.60	2,305,074.22		21,905.38	
Social Security System	1,600,000.00	1,726,000.00	1,723,096.56		2,903.44	
Police and Fireman's Retirement System	4,739,881.89	4,739,881.89	4,721,623.18		18,258.71	
Pension Adjustment Fund	125,000.00	125,000.00			125,000.00	
Total Deferred Charges and Statutory Expenditures	<u>8,899,692.99</u>	<u>9,025,692.99</u>	<u>8,857,625.46</u>		<u>168,067.53</u>	
Total Appropriations Within "CAPS"	<u>82,206,570.99</u>	<u>85,201,570.99</u>	<u>80,254,482.36</u>	<u>527,365.52</u>	<u>4,419,723.11</u>	

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

Appropriation	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>OTHER OPERATIONS</u>						
Maintenance of Free Public Library						
Other Expenses	\$ 3,373,665.34	\$ 3,373,665.34	\$ 3,092,251.58		\$ 281,413.76	
Reserve to Pay Tax Appeals	355,015.00	355,015.00	267,192.87		87,822.13	
911 Operators						
Salaries and Wages	131,197.00	131,197.00	131,197.00			
Other Insurance	313,374.00	313,374.00	313,374.00			
Total Other Operations	<u>4,173,251.34</u>	<u>4,173,251.34</u>	<u>3,804,015.45</u>		<u>369,235.89</u>	
<u>INTERLOCAL MUNICIPAL AGREEMENTS</u>						
North Hudson Regional Fire and Rescue:						
Other Expenses	15,924,695.00	15,900,000.08	12,177,079.47		3,722,920.61	
Regional Communications:						
Other Expenses	310,305.00	334,999.92	334,999.92			
Total Interlocal Municipal Agreements	<u>16,235,000.00</u>	<u>16,235,000.00</u>	<u>12,512,079.39</u>		<u>3,722,920.61</u>	
<u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUE</u>						
Summer Food Program:		86,184.00	86,184.00			
Municipal Alliance on Alcoholism and Drug Abuse:	19,209.00	19,209.00	19,209.00			
North Bergen Prevention		125,000.00	125,000.00			
FEMA Grant		10,000.00	10,000.00			
Recreation for Individuals with Disabilities	2,500.00	2,500.00	2,500.00			
FEMA Grant - Assistance to Firefighters		181,818.18	181,818.18			
Body Armor		18,059.97	18,059.97			
Juvenile Assistance Grant		10,958.00	10,958.00			
Distracted Driving Crackdown	14,000.00	14,000.00	14,000.00			
Clean Community Grant		116,881.20	116,881.20			
National Opioid Settlement		109,474.92	109,474.92			
Alcohol Education and Rehabilitation		6,374.36	6,374.36			
Matching Funds Grants	18,092.00	18,092.00	13,192.00		4,900.00	
NJACCHO Sustaining Local Public Health		168,049.00	168,049.00			
Pedestrian Safety Grant		35,000.00	35,000.00			
Drive Sober or Get Pulled Over		17,500.00	17,500.00			
Strengthening Local Public Health Capacity	74,664.00	570,075.00	570,075.00			
Partners in Prevention	13,716.00	132,176.00	132,176.00			
COPS Hiring Grant	1,250,000.00	1,250,000.00	1,250,000.00			
Local Recreational Imp. Stan Newman Scoreboard	80,440.00	148,440.00	148,440.00			
ARP Funded Projects		2,879,706.08	2,879,706.08			
NJ UEZ Bergenline Ave. Streetscape		560,201.00	560,201.00			
NJ UEZ Patrol Vehicles		139,034.00	139,034.00			
NJ UEZ CCTV Camera Project		175,000.00	175,000.00			
NJ UEZ 2024 Holiday Décor Project		155,539.00	155,539.00			
NJ UEZ Administrative Budget		45,571.00	45,571.00			
	<u>1,472,621.00</u>	<u>6,994,842.71</u>	<u>6,989,942.71</u>		<u>4,900.00</u>	

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

A-3  
Sheet #7

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

<u>Appropriation</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved Unencumbered</u>	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
Total Operations Excluded from "CAPS"	\$ 21,880,872.34	\$ 27,403,094.05	\$ 23,306,037.55	\$ -	\$ 4,097,056.50	
Detail:						
Salaries and Wages	1,397,697.00					
Other Expenses	20,483,175.34	27,403,094.05	23,306,037.55		4,097,056.50	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	795,500.00	795,500.00	795,500.00			
<u>MUNICIPAL DEBT SERVICE</u>						
Payment of Bond Principal	4,115,000.00	4,115,000.00	4,115,000.00			
Payment of Bond Anticipation Notes	200,000.00	200,000.00	200,000.00			
Interest on Bonds	2,382,700.00	2,382,700.00	2,382,700.00			
Interest on Notes	980,947.55	980,947.55	980,947.52			\$ 0.03
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	20,000.00	20,000.00	16,230.78			3,769.22
MUA/NJEIT Pipeline Debt	120,000.00	120,000.00	117,369.09			2,630.91
NHRF Lease Payable	475,000.00	475,000.00	473,722.20			1,277.80
Total Municipal Debt Service	8,293,647.55	8,293,647.55	8,285,969.59			7,677.96
<u>DEFERRED CHARGES</u>						
Special Emergency Authorizations	740,000.00	740,000.00	740,000.00			
	740,000.00	740,000.00	740,000.00			
Total Appropriations Excluded from "CAPS"	31,710,019.89	37,232,241.60	33,127,507.14		4,097,056.50	7,677.96
Sub-Total Appropriations	113,916,590.88	122,433,812.59	113,381,989.50	527,365.52	8,516,779.61	7,677.96
Reserve for Uncollected Taxes	2,179,957.48	2,179,957.48	2,179,957.48			
Total Appropriations	\$ 116,096,548.36	\$ 124,613,770.07	\$ 115,561,946.98	\$ 527,365.52	\$ 8,516,779.61	\$ 7,677.96

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

<u>Appropriation</u>	<u>Appropriations</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Modified Budget	\$ 121,618,770.07			
Emergency Appropriation	2,995,000.00			
Special Emergency Appropriation		\$ 740,000.00		
Reserve for Uncollected Taxes	(2,179,957.48)	2,179,957.48		
Cash Disbursed		56,971,857.16		
Interfunds Receivable, Net		48,391,516.90		
Interfunds Payable		34,671.86		
Transfer to Tax Overpayments		267,192.87		
Grant Appropriations		6,976,750.71		
Encumbered			\$ 527,365.52	
Unencumbered				\$ 8,516,779.61
Cancelled	(7,677.96)			\$ 7,677.96
	<u>\$ 122,426,134.63</u>	<u>\$ 115,561,946.98</u>	<u>\$ 527,365.52</u>	<u>\$ 8,516,779.61</u>
			<u>\$ 8,516,779.61</u>	<u>\$ 7,677.96</u>

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
TRUST FUNDS

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023

B  
Sheet # 1

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
<u>Animal Control Trust Fund</u>		
Cash	\$ 31,206.19	\$ 29,491.39
<u>Other Trust Funds</u>		
Cash	10,505,274.62	7,271,904.77
Interfund Receivable	230,995.39	942,230.66
	<u>10,736,270.01</u>	<u>8,214,135.43</u>
<u>Police Special Duty Fund</u>		
Cash	544,532.83	9,383.16
Interfund Receivable		957,042.50
Accounts Receivable	650,961.28	894,307.29
	<u>1,195,494.11</u>	<u>1,860,732.95</u>
<u>Insurance Fund</u>		
Cash	91,855.58	443,932.27
	<u>91,855.58</u>	<u>443,932.27</u>
<u>Community Development Trust Fund</u>		
Cash	433.62	48,185.90
Due from Housing and Urban Development	963,178.75	1,211,567.52
	<u>963,612.37</u>	<u>1,259,753.42</u>
<u>Payroll Fund</u>		
Cash	1,666,777.55	1,935,515.73
Interfund Receivable	20,164.64	3,951.22
	<u>1,686,942.19</u>	<u>1,939,466.95</u>
	<u>\$ 14,705,380.45</u>	<u>\$ 13,747,512.41</u>

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
TRUST FUNDS

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023

B  
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>2024</u>	<u>2023</u>
<u>Animal Control Trust Fund</u>		
Due to State of New Jersey	\$ 25.20	\$ -
Accounts Payable	23,704.59	23,704.59
Reserve for Animal Control Expenditures	7,476.40	5,786.80
	<u>31,206.19</u>	<u>29,491.39</u>
<u>Other Trust Funds</u>		
Reserve for Special Deposits	10,703,338.74	8,213,477.20
Interfund	32,273.04	
Fund Balance	658.23	658.23
	<u>10,736,270.01</u>	<u>8,214,135.43</u>
<u>Police Special Duty Fund</u>		
Reserve for Police Special Duty	965,494.11	894,940.12
Interfunds Payable	230,000.00	965,792.83
	<u>1,195,494.11</u>	<u>1,860,732.95</u>
<u>Insurance Fund</u>		
Reserve for:		
Unemployment Compensation Insurance	67,160.09	435,776.36
Self-Insurance	24,695.49	8,155.91
	<u>91,855.58</u>	<u>443,932.27</u>
<u>Community Development Trust Fund</u>		
Interfunds Payable	8,086.71	299,362.63
Reserve for Community Development Trust Fund:		
Department of Housing and Urban Development	955,525.66	960,390.79
	<u>963,612.37</u>	<u>1,259,753.42</u>
<u>Payroll Fund</u>		
Interfunds Payable	1,329,457.76	1,313,244.34
Payroll Deductions Payable	357,484.43	626,222.61
	<u>1,686,942.19</u>	<u>1,939,466.95</u>
	<u>\$ 14,705,380.45</u>	<u>\$ 13,747,512.41</u>

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
TRUST FUNDS

STATEMENT OF CHANGES IN TRUST FUND BALANCE B-1  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

	<u>Other Trust Fund</u>
Balance, December 31, 2024 and 2023	<u>\$ 658.23</u>

TOWNSHIP OF NORTH BERGEN  
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>2024</u>	<u>2023</u>
Cash	\$ 16,779,775.02	\$ 17,080.44
Interfunds Receivable	622,243.23	1,088,213.01
Due from State of New Jersey:		
Department of Transportation	11,814,647.35	16,317,618.72
Green Acres Trust Program	2,500,000.00	2,500,000.00
Community Affairs	1,092.69	1,150,000.00
Due from County Open Space	50,023.73	310,026.73
Due from Town of Guttenberg	338,854.00	338,854.00
Due from HUD	19,804.47	488,000.00
Due from New Jersey I-Bank	3,901,087.00	4,044,733.00
Due from State of New Jersey-State Library CPF	3,000,000.00	
Deferred Charges to Future Taxation - Funded	62,871,945.27	67,579,865.14
Deferred Charges to Future Taxation - Unfunded	46,315,281.98	27,987,772.98
	<u>\$ 148,214,754.74</u>	<u>\$ 121,822,164.02</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
General Serial Bonds	\$ 62,460,000.00	\$ 66,575,000.00
Bond Anticipation Notes Payable	40,366,155.00	21,895,000.00
Capital Leases Payable - HCIA		461,500.00
Green Acres Loans Payable	108,499.88	124,730.66
Environmental Infrastructure Loan Payable	303,445.39	418,634.48
Capital Improvement Fund		23,000.00
Interfunds Payable		2,563,724.46
Improvement Authorizations:		
Funded	8,318,692.67	10,552,836.23
Unfunded	27,765,964.72	12,960,538.45
Reserve for Future Improvements	49,500.97	46,500.97
Reserve for I-Bank	3,901,087.00	4,044,733.00
Reserve for Grants and Other Receivables	4,721,889.05	1,838,854.00
Fund Balance	219,520.06	317,111.77
	<u>\$ 148,214,754.74</u>	<u>\$ 121,822,164.02</u>
 Bonds and Notes Authorized but Not Issued	 <u>\$ 5,949,126.98</u>	 <u>\$ 6,092,772.98</u>

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
GENERAL CAPITAL FUND

STATEMENT OF CHANGES IN FUND BALANCE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

C-1

Balance, December 31, 2023	\$ 317,111.77
Increased by:	
Premium on Sale of Notes	<u>214,408.29</u>
	531,520.06
Decreased by:	
Anticipated Revenue	<u>312,000.00</u>
Balance, December 31, 2024	<u><u>\$ 219,520.06</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
PUBLIC ASSISTANCE TRUST FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023

D

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
<u>Trust Fund Account</u>		
Cash	\$ 109.31	\$ 133.78
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>Trust Fund Account</u>		
Reserve for Expenditures	\$ 109.31	\$ 133.78
Total Liabilities and Fund Balance	\$ 109.31	\$ 133.78

See accompanying notes to financial statements.

TOWNSHIP OF NORTH BERGEN  
GOVERNMENTAL FIXED ASSETS

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023

E

	<u>2024</u>	<u>2023</u>
<u>GOVERNMENTAL FIXED ASSETS</u>		
Land and Land Improvements	\$ 55,980,226.36	\$ 55,980,226.36
Building and Building Improvements	33,827,867.67	33,827,867.67
Machinery and Equipment	<u>25,703,516.92</u>	<u>26,148,201.92</u>
	<u>\$ 115,511,610.95</u>	<u>\$ 115,956,295.95</u>
 <u>RESERVE</u>		
Investment in Governmental Fixed Assets	<u>\$ 115,511,610.95</u>	<u>\$ 115,956,295.95</u>

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

## TOWNSHIP OF NORTH BERGEN

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

#### **1. REPORTING ENTITY**

Since 1931, The Township of North Bergen, Hudson County, New Jersey (the "Township"), has been governed under the Walsh Act form of New Jersey municipal government. The government consists of five commissioners elected at large to the Township Committee in non-partisan elections to serve four-year terms of office on a concurrent basis. After each election, the Commissioners select one of their members to serve as mayor and each individual is assigned to head one of the five Commissions. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, water and sewer, and general administrative services.

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

The accounting policies of the Township conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), which is another reporting framework other than accounting principles generally accepted in the United States of America ("GAAP"). 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 accounts for its financial transactions through the separate funds, which differ from the fund structure in accordance with GAAP.

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for state and local governments. The GASB establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with GAAP.

GASB has issued Statement No. 61 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by the provisions of N.J.S.A. 40A:5-5. The financial statements of the Township, however, do not include the operations of the Municipal Library, Municipal Parking Authority or the Municipal Utilities Authority, which are separate entities subject to a separate examination.

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Township has the following funds and account group:

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are also included therein.

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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, Other Trust Funds, Police Special Duty Fund, Community Development Trust Fund, and Payroll 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.

Public Assistance Trust Fund - Receipts and disbursements of funds that provide assistance to certain residents of the Township which are not covered under the provisions of Title 44 of the New Jersey statutes are maintained in the Public Assistance Trust Fund.

Governmental Fixed Assets Account Group - These accounts reflect estimated valuations of land, buildings and certain moveable fixed assets of the Township.

**Basis of Accounting and Measurement Focus**

The basis of accounting as prescribed by the Division of Local Government Services for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating results utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from US GAAP applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The other more significant differences are as follows:

**Property Taxes and Other Revenue**

Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. 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 February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April 1 in the year following the calendar 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 standard tax sale. The Township also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the 11<sup>th</sup> month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Township may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. 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 receivable and tax title liens that are uncollectible. US GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Grant and Similar Award Programs**

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

**Miscellaneous Revenue**

Miscellaneous revenues are recognized on a cash basis. Receivables for miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. US GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

**Budgets and Budgetary Accounting**

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the Division per N.J.S.A. 40A:4 et seq. The Township is not required to adopt budgets for the Trust Funds or the General Capital Fund.

The governing body is required to introduce and approve the annual budget no later than the last day in February of the fiscal year. The budget is required to be adopted no later than April 20, and prior to adoption, must be certified by the Division. The Director of the Division, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level.

**Expenditures**

Expenditures for general 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 year end, under the title of "Appropriation Reserves". Amounts unexpended at the end of the second year are lapsed and are recorded as income.

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 Fund debt is recognized on the cash basis and is not accrued on the records.

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

**Encumbrances**

As of January 1, 1986, all local units were required to maintain an encumbrance accounting system. This directive states that contractual orders outstanding at year end, 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.

**Operating Deficits**

Deficits resulting from expenditures and other debits which exceed cash revenues, and other realized revenues and credits to income in such fiscal year, are recorded as deferred charges on the balance sheet of the respective operating fund at year end and are required to be funded in the succeeding year's budget. US GAAP does not permit the deferral of operating deficits at year end.

**Compensated Absences**

Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that liabilities for compensated absences be recorded for leave that has not been used when the leave is attributable to services already rendered and the leave is more likely than not to be used for time off or otherwise paid in cash. Compensated absences liabilities are not recorded on the balance sheet.

**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 at appraised 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 are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the 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.

TOWNSHIP OF NORTH BERGEN

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deposits**

Deposits include amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. US GAAP requires that all investments be reported at fair value.

**Incurred But Not Reported (IBNR) Reserves and Claims Payable**

The Township has not created a reserve for any potential unreported self-insurance losses which may have taken place. Additionally, the Township has not recorded a liability for those claims filed, but which have not been paid (i.e. claims payable). US 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 potential claims be recorded as a long-term obligation in the government-wide financial statements, however that is not required under the Division's regulatory-basis of accounting.

**Tax Appeals and Other Contingent Losses**

Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. US GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

**General Fixed Assets**

In accordance with N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, the Township has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Township as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks are not capitalized.

Fixed Assets purchased after December 31, 1999 are stated at cost. Donated fixed assets are recorded at the acquisition value at the date of donation.

Fixed Assets purchased prior to December 31, 1999 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Costs

No depreciation is required to be reported in the financial statements. The Township does separately track depreciation expense and asset values.

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

**Basic Financial Statements**

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

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long-term Debt**

The Township's long-term debt is stated at face value. The debt is not traded, and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is provided in Note 7 to the financial statements.

**Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense**

The requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. The audited financial information related to pensions is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:60-6.1(c)2, counties and municipalities may use the most recent available audited GASB Statement No. 68 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. As of the date of audit, the 2024 Public Employees' Retirements System Report and the 2024 Police and Firemen's' Retirement System Report were the most recent reports available and therefore information for that year was disclosed accordingly. Refer to Note 8 for these disclosures.

**Other Post-Employment Benefits Other Than Pensions**

The requirements of GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB) that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflows of resources, deferred inflows of resources and total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of the amounts. Since the Township does not follow generally accepted accounting principles, the Statement did not result in a change in the Township's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASB. See Note 9 and 10 for these disclosures. The Township maintains a sole-employer OPEB Plan. However, the Township also participates in a special funding situation with the State of New Jersey multiple-employer plan. As it relates to the State of New Jersey multiple-employer plan, the audited financial information related to OPEBs is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:60-6.1(c)2, counties and municipalities may use the most recent available audited GASB Statement No. 75 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. As of the date of audit, the 2024 report was the most recent report available and therefore information for that year was disclosed accordingly. Refer to Note 9 for these disclosures.

**Use of Estimates**

The preparation of financial statements in accordance with accounting principles and practices prescribed by the Division requires management of the Township to make estimates and assumptions that effect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases**

The Township is a lessee for a various printers and land. The Township acknowledges a lease obligation with an initial, collective value of \$5,000.00 or more. At the commencement of the lease, the Township initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. Key estimates and judgments related to leases payable include how the Township determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Township uses the interest rate charged by the lessor as the discount rate. The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the Township is reasonably certain to exercise. The Township monitors changes in circumstances that would require a remeasurement of its lease obligation and will remeasure if certain changes occur that are expected to significantly affect the amount of the lease obligation. Management has reviewed the requirements of the Statement and the impact on the financial statements was deemed not material.

**3. DEPOSITS AND INVESTMENTS**

**DEPOSITS**

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.

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based on GASB criteria, the Township considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts, short-term investments and cash management money market mutual funds. 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, 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 (GUDPA), 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 Board, 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.

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**3. DEPOSITS AND INVESTMENTS (CONTINUED)**

Cash and cash equivalents have original maturities of three months or less from the date of purchase. Investments are stated at cost, which approximates fair value.

At December 31, 2024 and 2023 the book values of the deposits of the Township consisted of the following:

	Book Balance	
	December 31, 2024	December 31, 2023
Cash (Demand Accounts)	\$ 53,815,390.20	\$ 32,386,208.31
Change Funds (On-Hand)	500.00	500.00
Total	\$ 53,815,890.20	\$ 32,386,708.31

**Custodial Credit Risk - Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The government does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute and to deposit all of its funds in banks covered by FDIC and GUDPA. At least five percent of the Township's deposits were fully collateralized by funds held by the financial institution, but not in the name of the Township. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

**Concentration of Credit Risk** – This is the risk associated with the amount of investments that the Township has with any one issuer that exceeds 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

**Credit Risk** – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. In general, the Township does not have an investment policy regarding Credit Risk except to the extent outlined under the Township's investment policy.

**Interest Rate Risk** – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

At December 31, 2024 and 2023 the Township had the following depository accounts:

	Bank Balance	
	December 31, 2024	December 31, 2023
FDIC Insured	\$ 250,000.00	\$ 250,000.00
GUDPA Insured	66,288,213.25	39,470,173.85
Total	\$ 66,538,213.25	\$ 39,720,173.85

**TOWNSHIP OF NORTH BERGEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**3. DEPOSITS AND INVESTMENTS (CONTINUED)**

All deposits are carried at cost. \$1,801,057.71 and \$400,851.08 held in agency and payroll accounts for the years ended December 31, 2024 and 2023, respectively, are not covered by GUDPA.

**Investments**

New Jersey statutes permit the Township to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

The Township did not have any investments during the years ended December 31, 2024 and 2023.

**4. 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 purposes. Certified adopted budgets are submitted to the County Board of Taxation (the "Board") 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.

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.

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**4. TAXES AND TAX TITLE LIENS RECEIVABLE (CONTINUED)**

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 three-year comparison of certain statistical information relative to property taxes and property tax collections:

**Comparative Schedule of Tax Rates**

	Calendar Year		
	2024	2023	2022*
Tax Rate	\$ 1.747	\$ 1.628	\$ 1.579
Apportionment of Tax Rate:			
Municipal (including Library)	\$ 0.768	\$ 0.694	\$ 0.681
County	0.375	0.351	0.337
School	0.593	0.575	0.556
Open Space - County	0.011	0.008	0.005

**Assessed Valuations**

Calendar Year	Amount
2024	\$ 9,655,024,923.00
2023	9,745,882,743.00
2022	9,837,480,154.00

\*Revaluation

**Tax Levies and Collections**

Year	Tax Levy	Collections	Percentage of Collections
2024	\$ 168,993,894.88	\$ 166,945,627.22	98.78%
2023	158,715,765.55	156,682,116.25	98.72%
2022	155,131,200.28	152,088,493.10	98.04%

**Delinquent Taxes and Tax Title Liens**

Calendar Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2024	\$ 734,113.28	\$ 1,944,287.18	\$ 2,678,400.46	1.58%
2023	415,120.86	2,036,116.95	2,451,237.81	1.54%
2022	381,689.30	2,711,313.85	2,049,190.25	1.32%

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

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

The value of properties acquired by tax title lien liquidation is carried at assessed valuation in the year of acquisition, was as follows:

Year	Amount
2024	\$ 6,587,000.00
2023	6,587,000.00
2022	6,587,000.00

**6. FUND BALANCES APPROPRIATED**

	Calendar Year	Balance	Utilized in Budgets of Succeeding Year
Current Fund:	2024	\$ 5,971,529.41	\$ 5,450,000.00
	2023	3,912,186.55	3,400,000.00
	2022	14,188,815.97	11,959,017.77

**7. 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, 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)**

	Calendar Year 2024	Calendar Year 2023
<u>Issued</u>		
General:		
Bonds and Notes	\$ 102,826,155.00	\$ 88,470,000.00
Green Trust Loan	108,499.88	124,730.66
Environmental Infrastructure Loan	303,445.39	418,634.48
Bonds Issued by Another Public Entity Guaranteed by Municipality	95,480,066.00	36,270,918.00
Total Issued	198,718,166.27	125,284,283.14
 <u>Authorized but Not Issued</u>		
General:		
Bonds and Notes	5,949,126.98	6,092,772.98
Net Bonds and Notes Issued and Authorized but Not Issued	\$ 204,667,293.25	\$ 131,377,056.12

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**7. 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 1.076%.

	Gross Debt	Deduction	Net Debt
Local School District	\$ 58,075,000.00	\$ 58,075,000.00	
General Debt	204,667,293.27	95,480,066.00	\$ 109,187,227.27
	\$ 262,742,293.27	\$ 153,555,066.00	\$ 109,187,227.27

Net Debt, \$109,187,227.27, divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$10,145,517,546 equals 1.076%. The foregoing is in material agreement with the annual debt statement submitted to the Division.

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

3.5% of Equalized Valuation Basis	\$ 355,093,114.12
Net Debt	109,187,227.27
Remaining Borrowing Capacity	\$ 245,905,886.85

**School Debt Deductions**

School debt is deductible up to the extent of 4.00% of the Average Equalized Assessed Valuations of real property for the Local School District.

The Board of Education of the Township 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 the use of the public schools of the district for the ensuing school year.

**Long-Term Debt**

The Township issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The full faith and credit of the Township are irrevocably pledged for the payment of the principal of the bonds and interest thereon.

As of December 31, 2024 and 2023, the Township's long-term debt is as follows:

	2024	2023
<b><u>General Obligation Bonds</u></b>		
\$17,725,000 2016 Refunding Bonds, due in annual installments of \$1,445,000 to \$1,490,000 through February 2032, interest at 3.000% to 5.000%	\$ 11,805,000.00	\$ 13,265,000.00
\$31,683,000 2017 General Improvement Bonds, due in annual installments of \$1,905,000 through January 2035, interest at 2.500% to 4.000%	20,955,000.00	22,860,000.00
\$31,200,000 2022 General Improvement Bonds, due in annual installments of \$750,000 to \$1,500,000 through April 2048, interest at 3.625% to 4.000%	29,700,000.00	30,450,000.00
	\$ 62,460,000.00	\$ 66,575,000.00

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**7. MUNICIPAL DEBT (CONTINUED)**

**Changes in Long-Term Municipal Debt**

The Township's long-term capital debt activity for the years ended December 31, 2024 and 2023 are as follows:

	Balance, December 31, 2023	Increases	Decreases	Balance, December 31, 2024	Due within one year
General Capital Fund:					
Bonds Payable	\$ 66,575,000.00	\$ -	\$ 4,115,000.00	\$ 62,460,000.00	\$ 4,120,000.00
Capital Lease Payable	461,500.00		461,500.00	-	
Green Acres Loans Payable	124,730.66		16,230.78	108,499.88	16,230.78
Environmental Infrastructure Loans Payable	418,634.48		115,189.09	303,445.39	60,689.09
Total	<u>\$ 67,579,865.14</u>	<u>\$ -</u>	<u>\$ 4,707,919.87</u>	<u>\$ 62,871,945.27</u>	<u>\$ 4,196,919.87</u>
	December 31, 2022	Increases	Decreases	December 31, 2023	Due within one year
General Capital Fund:					
Bonds Payable	\$ 70,660,000.00	\$ -	\$ 4,085,000.00	\$ 66,575,000.00	\$ 4,115,000.00
Capital Lease Payable	1,534,205.50		1,072,705.50	461,500.00	461,500.00
Green Acres Loans Payable	140,961.44		16,230.78	124,730.66	16,230.78
Environmental Infrastructure Loans Payable	543,323.57		124,689.09	418,634.48	115,189.09
Total	<u>\$ 72,878,490.51</u>	<u>\$ -</u>	<u>\$ 5,298,625.37</u>	<u>\$ 67,579,865.14</u>	<u>\$ 4,707,919.87</u>

A Schedule of Annual Debt Service for Principal and Interest for Bonded Debt is as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 4,120,000.00	\$ 2,239,250.00	\$ 6,359,250.00
2026	4,130,000.00	2,083,362.50	6,213,362.50
2027	4,145,000.00	1,912,562.50	6,057,562.50
2028	4,145,000.00	1,748,831.50	5,893,831.50
2029	4,145,000.00	1,602,087.50	5,747,087.50
2029-2034	19,120,000.00	5,918,537.50	25,038,537.50
Thereafter	22,655,000.00	5,743,768.75	28,398,768.75
	<u>\$ 62,460,000.00</u>	<u>\$ 21,248,400.25</u>	<u>\$ 83,708,400.25</u>

**Green Acres Trust Loans**

The Township was issued loans from the New Jersey Department of Environmental Protection for the purpose of improvements to the Township parks at an interest rate of 2%. Two loans were issued to the Township in fiscal year 2010 at a zero percent interest rate. Loans payable at December 31, 2024 in the amount of \$108,499.88 are as follows:

74th Street Park - 2010	\$ 18,756.39
76th Street Field - 2011	89,743.49
	<u>\$ 108,499.88</u>

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**7. MUNICIPAL DEBT (CONTINUED)**

The following is a Schedule of Annual Principal and Interest for the Green Acres Trust Loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 16,230.78	\$ -	\$ 16,230.78
2026	16,230.78	-	16,230.78
2027	16,230.78	-	16,230.78
2028	16,230.78	-	16,230.78
2029	16,230.78	-	16,230.78
2030-2031	27,345.98	-	27,345.98
	<u>\$ 108,499.88</u>	<u>\$ -</u>	<u>\$ 108,499.88</u>

**Environmental Infrastructure Trust Loan**

The Township has a service contract with the North Bergen Municipal Utility Authority (MUA) in which the MUA provides for the operation of a sewerage system for the Township. The MUA applied for and received an Environmental Infrastructure Trust loan from the State of New Jersey for system upgrades. The Township has agreed to pay fifty percent (50.00%) of the debt service on the loan. The Township's portion of the loan payable as of December 31, 2024 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 60,689.09	\$ -	\$ 60,689.09
2026	60,689.09	-	60,689.09
2027	60,689.09	-	60,689.09
2028	60,689.09	-	60,689.09
2029	60,689.05	-	60,689.05
	<u>\$ 303,445.39</u>	<u>\$ -</u>	<u>\$ 303,445.39</u>

**Hudson County Improvement Authority (HCIA)**

The Township entered into a regional agreement with other municipalities to establish the North Hudson Regional Fire and Rescue. Capital Leases were issued through the HCIA to build fire houses and for other capital expenditures. Each municipality was apportioned a share of the debt. At December 31, 2024 and 2023, the Township's share was \$0.00 and \$461,500.00, respectively.

The Township's schedule of capital lease activity for the year ending December 31, 2024 is as follows:

Balance December 31, 2023	\$ 461,500.00
Decrease	<u>(461,500.00)</u>
Balance December 31, 2024	<u>\$ -</u>

**TOWNSHIP OF NORTH BERGEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**7. MUNICIPAL DEBT (CONTINUED)**

**North Bergen Municipal Utilities Authority**

The Township guarantees the debt of the Utilities Authority. Debt was issued for construction of a wastewater treatment plant and other capital projects. At December 31, 2024 and 2023, the Authority's debt guaranteed by the Township was \$95,480,066.00 and \$36,270,918.00, respectively.

**Short-term Debt**

Short-term debt consists of Bond Anticipation Notes due on April 22, 2025 at an interest rate of 4.25%, \$2,995,000.00 Emergency Notes Payable with a maturity date of December 17, 2025, at an interest rate of 4.75% , \$1,120,000.00 Special Emergency Notes Payable at a rate of 4.66%, \$180,000.00 of Special Emergency Notes Payable at a rate of 4.70%, summarized as follows:

	Balance, December 31, 2023	Increases	Decreases	Balance, December 31, 2024
<u>Current Fund:</u>				
Special Emergency Notes Payable	\$ 2,040,000.00	\$ 1,300,000.00	\$ 2,040,000.00	\$ 1,300,000.00
Emergency Notes Payable		2,995,000.00		2,995,000.00
<u>General Capital Fund:</u>				
Bond Anticipation Notes	21,895,000.00	40,366,155.00	21,895,000.00	40,366,155.00
Total	<u>\$ 23,935,000.00</u>	<u>\$ 44,661,155.00</u>	<u>\$ 23,935,000.00</u>	<u>\$ 44,661,155.00</u>
	Balance, December 31, 2022	Increases	Decreases	Balance, December 31, 2023
<u>Current Fund:</u>				
Special Emergency Notes Payable	\$ 2,780,000.00	\$ 2,040,000.00	\$ 2,780,000.00	\$ 2,040,000.00
<u>General Capital Fund:</u>				
Bond Anticipation Notes	13,813,000.00	21,895,000.00	13,813,000.00	21,895,000.00
Total	<u>\$ 16,593,000.00</u>	<u>\$ 23,935,000.00</u>	<u>\$ 16,593,000.00</u>	<u>\$ 23,935,000.00</u>

**8. PENSION PLANS**

**Description of Plans**

The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State).

According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the public Employees Retirement System (PERS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**8. PENSION PLANS (CONTINUED)**

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Public Employees’ Retirement System

The Public Employees’ Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

*Plan Membership and Contributing Employers-* Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction’s pension fund.

Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2024:

	2024
Inactive plan members or beneficiaries currently receiving benefits	193,988
Inactive plan members entitled to but not yet receiving benefits	573
Active plan members	244,324
Total	438,885
Contributing Employers – 1,672 (As of June 30, 2024)	

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended December 31, 2024 the Township’s total payroll for all employees was \$28,942,755.00. Total PERS covered payroll was \$14,295,345.00. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State’s pension contributions is based on an amortization of the unfunded accrued liability. Funding for noncontributory insurance benefits is based on actual claims paid. For fiscal year 2024, the State’s pension contribution was less than the actuarial determined amount.

Employers’ contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Township contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contribution requirements were calculated.

**TOWNSHIP OF NORTH BERGEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**8. PENSION PLANS (CONTINUED)**

In accordance with Chapter 98, P.L. 2017, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

The Township's payments to PERS during the year ending December 31, 2024 consisted of the following:

	2024
Total Regular Billing	<u>\$ 2,374,966.00</u>

The Township recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

A service retirement benefit of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier.

Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the Township's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2024, the PERS reported a net pension liability of \$13,702,423,985.00 for its Non-State Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Township was \$23,715,971.00 or 0.1745355531%, which was a decrease of 0.0049458208% from its proportion measured as of June 30, 2023.

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**8. PENSION PLANS (CONTINUED)**

The following presents a summary of the proportionate share of the State of New Jersey's changes in the collective deferred outflows of resources and deferred inflows of resources attributable to the Town for the year ended June 30, 2024 if GASB Statement No. 68 were recognized:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 475,075.00	\$ 63,138.00
Changes in assumptions	29,463.00	269,833.00
Net difference between projected and actual earnings on pension plan investments		1,099,645.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	1,339,061.00	333,969.00
Township contributions subsequent to the measurement date	2,374,966.00	
Totals	\$ 4,218,565.00	\$ 1,766,585.00

The \$2,374,966.00 of deferred outflows of resources resulting from the Township's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense if GASB 68 had been followed:

Year ended December 31,	Amount
2025	\$ (451,001.00)
2026	343,429.00
2027	858,409.00
2028	(351,801.00)
2029	(322,022.00)
Total	\$ 77,014.00

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

	2024
Inflation - Prices	2.75%
Inflation - Wages	3.25%
Salary Increases:	2.75% - 6.55%
	based on years of service
Investment Rate of Return	7.00%

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**8. PENSION PLANS (CONTINUED)**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.20% adjustment for males and a 101.40% adjustment for females, with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.70% 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 127.70% adjustment for males and a 117.20% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022. It is likely that future experiences will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions, 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 rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 is summarized in the following table:

<b>2024</b>		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.63%
Non-US Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Assets	8.00%	10.95%
Real Estate	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

*Discount Rate* – The discount rate used to measure the total pension liability as of June 30, 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers.

**TOWNSHIP OF NORTH BERGEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**8. PENSION PLANS (CONTINUED)**

Based on those assumptions, the plan's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

*Sensitivity of Net Pension Liability* – the following presents the Township's share of net pension liability of PERS calculated using the discount rate as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

2024	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PERS	\$ 31,512,695.00	\$ 23,715,971.00	\$ 17,081,002.00

*Plan Fiduciary Net Position* – The plan fiduciary net position for PERS including the State of New Jersey at June 30, 2024 was \$35,872,659,607.00. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2024 was \$29,413,070,105.00.

***Additional Information***

Collective balances at June 30, 2024 are as follows:

Collective deferred outflows of resources	\$ 1,079,580,780.00
Collective deferred inflows of resources	1,611,322,898.00
Collective net pension liability - Local group	13,702,423,985.00
Township's Proportion	0.1745355531%

Collective pension expense for the Local Group for the measurement period ended June 30, 2024 was \$372,160,096. The average of the expected remaining service lives of all plan members is 5.08, 5.08, 5.04, 5.16, 5.13, 5.16, 5.21, and 5.63 years for 2024, 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

**State Contribution Payable Dates**

Prior to July 1, 2018 valuation, it is assumed the State will make pension contributions the June 30<sup>th</sup> following the valuation date. Effective with the July 1, 2018 valuation Chapter 83 P.L. 2017 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

TOWNSHIP OF NORTH BERGEN

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

8. PENSION PLANS (CONTINUED)

**Receivable Contributions**

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contribution for the year ended June 30, 2024 was \$1,393,655,054.00.

**Special Funding Situation**

A special funding situation exists for certain Local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

Unaudited data provided by the PERS indicates that the total nonemployer contributions made to the PERS by the State for the year ended June 30, 2024 was \$61,435,556.00. The portion of that contribution allocated to the Township was \$74,460.00 or 0.1753419193%. The State special funding situation represents the required contribution due from the State for the year. The Township's allocated shares of the pension expense and related revenue for the year ended June 30, 2024 was \$74,460.00.

**Police and Firemen's Retirement System**

The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

*Plan Membership and Contributing Employers-* Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2024:

	<u>2024</u>
Inactive plan members or beneficiaries currently receiving benefits	50,109
Inactive plan members entitled to but not yet receiving benefits	66
Active plan members	39,556
Non-contributing active members	<u>1,895</u>
Total	<u><u>91,626</u></u>

Contributing Employers – 574 (As of June 30, 2024)

*Significant Legislation* – Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

The State Legislature adopted L. 2018, c. 55 in July 2018, which transferred management of PFRS from the New Jersey Department of Treasury, Division of Pensions and Benefits to a newly constituted twelve-member PFRS Board of Trustees. The new PFRS Board, which was established in February 2019 per the legislation, has more power and authority as compared to the former PFRS Board of Trustees. In addition to overseeing the management of PFRS, the new PFRS Board will also have the authority to direct investment decisions, to adjust current benefit levels and to change member and employer contribution rates. With regard to changes in current benefit provisions, such changes can only be made with the approval of a supermajority of eight (8) of the twelve (12) members of the new PFRS Board. Also, benefit enhancement can only be made if an independent actuary certifies that the benefit enhancements will not jeopardize the long-term viability of PFRS.

**TOWNSHIP OF NORTH BERGEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**8. PENSION PLANS (CONTINUED)**

Under prior law, benefit enhancements, including the reinstatement of COLA for retirees, could only be considered when the funded level of the pension fund reaches 80%. An actuarial certification was also required that the funded levels would remain at or above 80% over a 30-year period following the benefit enhancement.

In accordance with L. 2018, c. 55, the new PFRS Board will also have the authority to formulate investment policies and direct the investment activities of the PFRS. The PFRS Board has proposed regulations for adoption governing the methods, practices, and procedures for investment or reinvestments of money of PFRS.

For the year ended December 31, 2024 the Township's total payroll for all employees was \$28,942,755.00. Total PFRS covered payroll was \$14,647,410.00. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. The member contribution rate was 10% for 2024. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Town contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

Township payments to PFRS for the year ended December 31, 2024 consisted of the following:

	2024
Total Regular Billing	\$ 4,991,610.00

The Township recognizes liabilities to PFRS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010;
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011;
3	Members who were eligible on or after June 28, 2011.

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

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**8. PENSION PLANS (CONTINUED)**

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the Township’s basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2024, the PFRS reported a net pension liability of \$12,362,466,447.00 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township’s proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$37,264,957.00, or 0.3608637800%, which was an increase of 0.0050891300% from its proportion measured as of June 30, 2023.

At December 31, 2024, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources, if GASB Statement No. 68 was recognized:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,347,663.00	\$ 1,275,744.00
Changes in assumptions	58,909.00	1,094,410.00
Net difference between projected and actual earnings on pension plan investments		291,666.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	2,914,709.00	387,593.00
Township contributions subsequent to the measurement date	4,991,610.00	
Totals	\$ 10,312,891.00	\$ 3,049,413.00

The \$4,991,610.00 of deferred outflows of resources resulting from the Township’s contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions would be recognized in pension expense if GASB Statement No. 68 was followed:

Year ended December 31,	Amount
2025	\$ (1,028,764.00)
2026	2,839,989.00
2027	62,815.00
2028	33,062.00
2029	336,551.00
2030	28,215.00
Total	\$ 2,271,868.00

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**8. PENSION PLANS (CONTINUED)**

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

	2024
Inflation - Prices	2.75%
Inflation - Wages	3.25%
Salary Increases:	3.25% - 16.25%
	based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and a 102.5% adjustment for females, with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale-MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period of July, 1 2018 to June 30, 2022.

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions, 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 rate of return (expected returns, net of pension plans 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.

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**8. PENSION PLANS (CONTINUED)**

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2024 are summarized in the following table:

<b>2024</b>		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	24.00%	6.90%
US Small/Mid Cap Equity	4.00%	7.40%
Non-US Developed Large-Cap Equity	9.50%	6.70%
Non-US Developed Small-Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
US Treasury Bond	7.00%	4.10%
US Corporate Bond	5.00%	5.90%
US Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%
	100.00%	

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

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PFRS calculated using the discount rate as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

2024	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PFRS	\$ 53,243,332.63	\$ 37,264,957.00	\$ 23,958,471.00

*Plan Fiduciary Net Position* – The plan fiduciary net position for PFRS at June 30, 2024 was \$34,856,333,876.00.

**TOWNSHIP OF NORTH BERGEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**8. PENSION PLANS (CONTINUED)**

*Additional Information*

Collective Local Group balances at June 30, 2024 are as follows:

Collective deferred outflows of resources	\$	1,350,388,724.00
Collective deferred inflows of resources		1,421,121,200.00
Collective net pension liability - Local group		12,362,466,447.00
 Township's Proportion		 0.3608637800%

Collective pension expense for the Local Group for the measurement periods ended June 30, 2024 was \$775,608,387.00. The average of the expected remaining service lives of all plan members is 6.09, 6.16, 6.22, 6.17, 5.90, 5.92, and 5.73 years for 2024, 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

**State Contribution Payable Dates**

Effective with the July 1, 2017 valuation Chapter 83 P.L. 2016 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

**Receivable Contributions**

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits.

Local contributions expected to be paid the April 1<sup>st</sup>, following the valuation are discounted by the interest rate used at the valuation date.

**Special Funding Situation**

The Township is responsible for the actuarially determined annual contributions to the PFRS, except where legislation was passed that legally obligates the State if certain circumstances occur. A special funding situation exists for the Local employers of the PFRS. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers based upon the provisions of several legislative actions. The provisions of GASB Statement No. 68 define this relationship as a "special funding situation", and the State of New Jersey is defined as a non-employer contributing entity.

Unaudited data provided by the PFRS indicates that the total Non-employer contributions made to the PFRS by the State for the year ended June 30, 2024 was \$234,210,000.00. The portion of that contribution allocated to the Township in 2024 was \$845,179.00 or 0.36086375%. The June 30, 2024 State special funding situation pension expense of \$234,210,235.00 was actuarially determined and represents the required contribution due from the State for the year. The special funding situation net pension liability under the special funding situation was reported at June 30, 2024 was \$2,035,866,994.00 which represents the accumulated difference between the actuarially determined annual contributions required and the actual State contributions through the valuation date. The Township's allocated shares of the special funding situation pension expense for the year ended June 30, 2024 was \$845,179.00. The Township's share of the special funding situation net pension liability at that date was \$7,346,707.00.

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**8. PENSION PLANS (CONTINUED)**

**Defined Contribution Retirement Plan**

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The Division has selected Prudential Financial to manage the DCRP on its behalf. The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers* - Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000.00 annually. At June 30, 2024, the membership of DCRP, based on the information within the Division's database, was 57,126.

*Contribution Requirement and Benefit Provisions* - State and local government employers contribute 3% of the employees' base salary. Active members contribute 5.5% of base salary. Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 7.50% for PERS, 10.00% for PFRS and 5.50% for DCRP of employees' base wages.

**9. OTHER POST-EMPLOYMENT BENEFITS - TOWNSHIP**

**Township OPEB Plan**

**General information about the OPEB Plan**

The Township provides a post-employment health benefits plan for its retirees and surviving spouses through a single employer defined benefit healthcare plan. The Township followed the accounting provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement established guidelines for reporting costs associated with "other postemployment benefits" (OPEB). OPEB costs are calculated based on plan benefits (other than pensions), that the retired employees and their spouses have accrued as a result of their respective years of employment service.

*Plan description and benefits provided* - The Township's post-employment retirement healthcare benefit plan provides health benefits to all retired Township employees and their spouses. The Plan is a comprehensive health benefits plan which pays for hospital services, doctor expenses and other medical related necessities which include prescription drugs, and mental health/substance abuse services, subject to provisions and limitations. The Township administers the Plan through the Horizon Blue Cross Blue Shield of New Jersey and has the authority to establish and amend the benefits provisions offered.

**TOWNSHIP OF NORTH BERGEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**9. OTHER POST-EMPLOYMENT BENEFITS – TOWNSHIP (CONTINUED)**

The Plan is not a separate entity or trust and does not issue stand-alone financial statements.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Total OPEB Liability**

The Township’s total OPEB liability of \$222,457,888.00 was determined by actuarial valuations as of December 31, 2024. There were 317 Retiree and surviving spouses and 336 active employees as part of the plan as the valuation date of December 31, 2024.

*Actuarial assumptions and other imputes* - The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

	<b>2024</b>
Inflation	2.50%
Salary increases	3.00%
Discount rate	3.26%
Healthcare cost trend rate	Range from 4.0% to 8.0%
Retirees’ share of benefit-related costs	Subject to the requirements of Chapter 78

The discount rate was based on the Bond Buyer 20-Bond GO Index.

Mortality rates were based on the Pub-2010 Headcount- Weighted Health Male/Female Mortality Projected with Scale MP-2021.

The total OPEB liability as of December 31, 2024 is based on the valuation results at January 1, 2023, adjusted for the change in the applicable discount rate, and projected to December 31, 2024 assuming no actuarial gains or losses due to plan demographics or claim experience.

**TOWNSHIP OF NORTH BERGEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**9. OTHER POST-EMPLOYMENT BENEFITS – TOWNSHIP (CONTINUED)**

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 12/31/2023	\$ 266,790,092.00
Changes for the year:	
Interest cost	8,810,525.00
Service cost	7,234,681.00
Changes in assumptions or other inputs:	
Benefit payments	(7,526,563.00)
Actuary changes	(15,996,767.00)
Actuary demographic gain/(loss)	(36,854,080.00)
Balance at 12/31/2024	\$ 222,457,888.00
	<u>Total OPEB Liability</u>
Balance at 12/31/2022	\$ 241,994,652.00
Changes for the year:	
Interest cost	8,922,682.00
Service cost	6,580,072.00
Changes in assumptions or other inputs:	
Benefit payments	(8,235,352.00)
Actuary changes	17,528,038.00
Balance at 12/31/2023	\$ 266,790,092.00

The OPEB Expense (Income) for the fiscal year ended December 31, 2024 under the GASB 75 accounting standard is (\$11,413,608.00).

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

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
<u>2024</u>			
Total OPEB Liability	\$ 263,045,562.00	\$ 222,457,888.00	\$ 190,764,565.00
<u>2023</u>			
Total OPEB Liability	\$ 321,170,736.00	\$ 266,790,092.00	\$ 225,171,779.00

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**9. OTHER POST-EMPLOYMENT BENEFITS – TOWNSHIP (CONTINUED)**

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

2024	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 187,926,076.00	\$ 222,457,888.00	\$ 267,727,157.00

  

2023	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 219,800,052.00	\$ 266,790,092.00	\$ 326,689,709.00

**10. OTHER POST-EMPLOYMENT BENEFITS – STATE**

**State Health Benefit Local Government Retired Employees Plan**

**General Information about the OPEB Plan**

**Plan Description**

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

**Benefits Provided**

The Plan provides medical and prescription drug coverage to retirees and their dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**10. OTHER POST-EMPLOYMENT BENEFITS – STATE (CONTINUED)**

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

**Contributions**

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

**Plan Membership and Contributing Employers**

Plan membership and contributing employers/non-employers consisted of the following at June 30, 2023:

	2023
Inactive plan members or beneficiaries currently receiving benefits	28,899
Active plan members	60,691
Total	89,590

*Nonspecial Funding Situation* - The State of New Jersey's Total OPEB Liability for nonspecial funding situation was \$13,028,800,548.00 at June 30, 2023.

*Components of Net OPEB Liability* - The components of the collective net OPEB liability for Local Government Retired Employees Plan, including the State of New Jersey, is as follows:

	June 30, 2024
Total OPEB Liability	\$ 17,748,257,548.00
Plan Fiduciary Net Position (Deficit)	(157,187,957.00)
Net OPEB Liability	\$ 17,905,445,505.00
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.89%

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**10. OTHER POST-EMPLOYMENT BENEFITS – STATE (CONTINUED)**

*Actuarial Assumptions and Other Inputs* - The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Discount Rate	3.93%
Salary increases*:	
Public Employees' Retirement Systems (PERS)	
Initial fiscal year applied	
Rate for all future years	2.75%-6.55%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25%-16.25%

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

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

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

*Healthcare Trend Assumptions* – For pre-Medicare medical benefits, the trend is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to 4.50% long-term trend rate after nine years. For Medicare Part B reimbursement, the trend rate is 5.00%

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

*Sensitivity of the State's Net OPEB Liability to Changes in the Discount Rate* - The following presents the collective net OPEB liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (2.93%)	At Discount Rate (3.93%)	1% Increase (4.93%)
Total Net OPEB Liability - 2024	\$ 20,857,914,273	\$ 17,905,445,505	\$ 15,540,780,410

*Sensitivity of the State's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates* - The following presents the net OPEB liability as of June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability - 2024	\$ 15,144,352,142	\$ 17,905,445,505	\$ 21,455,435,620

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**10. OTHER POST-EMPLOYMENT BENEFITS – STATE (CONTINUED)**

*Special Funding Situation* - The State of New Jersey's Total OPEB Liability for special funding situation was \$4,876,644,957.00 at June 30, 2024.

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net 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 amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the Township of North Bergen was \$30,369,306.00 (128 participants) at June 30, 2024. These allocated liabilities represent 0.62275% of the State's Total Non-employer OPEB Liability for June 30, 2024. The OPEB employer OPEB expense (benefit) attributed to the Township was (\$2,942,273.00) at June 30, 2024.

**11. RISK MANAGEMENT**

The Township maintains a self-insurance fund for general liability and workers' compensation.

Under the terms of the Garden State Joint Insurance Fund (the "JIF"), the first \$100,000.00 of exposure is a self-insurance layer. The next \$150,000.00 of exposure is backed by the joint resources of the JIF and any exposure beyond that amount is covered by the JIF as follows:

<u>Coverage</u>	<u>Deductible</u>	<u>Limits</u>
1. Property (Blanket Building and Contents)	\$ 1,000	\$600,000,000
2. Earthquake	\$100,000	\$ 25,000,000
3. Flood (Zone X)	\$ 50,000	\$ 50,000,000
4. Flood (Zone A)	\$250,000	\$ 5,000,000
5. Flood (Zone V)	\$250,000	\$ 5,000,000
6. Crime	\$ 1,000	\$ 1,000,000
7. Auto Liability	\$100,000	\$ 15,000,000
8. General Liability	\$100,000	\$ 15,000,000
9. Auto Physical Damage	\$1,000/Comp/Collision	
10. Law Enforcement Liability	\$ 50,000	\$ 15,000,000
11. Workers' Comp	\$100,000	Statutory
12. Public Officials Liability		\$ 15,000,000
POL	\$20,000 plus 20% coinsurance/\$50,000 max	
EPL	\$20,000 plus 20% coinsurance/\$50,000 max	
Sexual Abuse Liability	\$100,000	
13. Cyber Liability	\$ 50,000	\$ 3,000,000

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**12. INTERFUND RECEIVABLES AND PAYABLES**

As of December 31, 2024 and 2023 interfund receivables and payables that resulted from various interfund transactions were as follows:

Fund	2024		2023	
	Due from Other Funds	Due to Other Funds	Due from Other Funds	Due to Other Funds
Current Fund	\$ 1,329,068.12	\$ 115,382.94	\$ 3,655,330.11	
Federal and State Grant Fund	147,050.23	634,321.16		\$ 1,504,643.24
General Capital Fund	622,243.23		1,088,213.01	2,563,724.46
Police Special Duty Fund		230,000.00	957,042.50	965,792.83
CDBG Trust Fund		8,086.71		299,362.63
Payroll Fund	20,164.64	1,329,457.76	3,951.22	1,313,244.34
Other Trust Funds	230,995.39	32,273.04	942,230.66	
	\$ 2,349,521.61	\$ 2,349,521.61	\$ 6,646,767.50	\$ 6,646,767.50

**13. CONTINGENT LIABILITIES**

**a. Accrued Sick and Vacation Benefits**

The Township has permitted employees to accrue sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The Township has estimated the current cost at December 31, 2024 and 2023 of such unpaid compensation to be \$7,326,046.43 and \$5,613,444.74, respectively. The Township has established a reserve account at December 31, 2024 and 2023 of \$0.00 and \$299.56, respectively, in the Trust Fund to fund a portion of the estimated potential liabilities. These estimates by management are unaudited.

**b. Tax Appeals**

As of December 31, 2024, there were tax appeals pending before the New Jersey Tax Court of an undetermined amount. Judgments favorable to the taxpayers generally extend to two years following the year adjudicated 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 collectability of any related receivable at December 31, 2024 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 regulatory basis financial statements for such contingencies.

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**13. CONTINGENT LIABILITIES (CONTINUED)**

**d. Litigation**

Local governments are required to disclose contingencies based on criteria set forth in *FASB Accounting Standards Codification 450, Contingencies*. There are currently a number of liability cases outstanding and workers' compensation claims outstanding that cumulatively could be material to the Township's financial statements. These claims are being handled through the New Jersey Municipal Self Insurer's Joint Insurance Fund (NJMSIJIF). The Township has a \$100,000.00 self-insured retention limit (SIR) and after that amount is exhausted the cases are then covered by NJMSIJIF for the next \$200,000.00. Exposure beyond \$300,000.00 is covered by the Municipal Excess Liability Fund (MELF). Coverage after January 1, 2016 after the first \$100,000.00 SIR, coverage will be by Garden State Municipal Joint Insurance Fund (GSMJIF) for the next \$750,000.00 or through excess insurance coverage.

**14. GASB 77 TAX ABATEMENTS**

The Township has entered into several property tax abatement agreements in order to provide incentives to redevelop areas that are in need for improvement or to create economic growth. These agreements are authorized under various New Jersey state statutes. The following represent the Township's most significant tax abatement agreements:

Entity Name	Commencement Date	Termination Date	PILOT Billing	Taxes If Billed In Full	Abated Taxes
Avalon Bay Communities	January 26, 2011	January 26, 2041	\$ 671,640.90	\$ 578,054.35	\$ (93,586.55)
Post River Road	December 10, 2014	June 10, 2044	1,351,000.00	1,812,762.32	461,762.32
1122 53rd Street Urban Renewal	February 1, 2013	December 1, 2043	383,259.27	390,526.13	7,266.86
Floral Park	June 7, 1976	June 7, 2026	562,000.00	894,331.23	332,331.23
MTC Urban Renewal	January 1, 2014	December 1, 2043	544,448.01	178,555.63	(365,892.38)
Hudson Mews Urban Renewal	October 7, 2015	October 1, 2039	1,116,400.48	1,238,219.44	121,818.96
JFK NB Urban Renewal	February 24, 2021	February 24, 2051	64,480.00	694,250.81	629,770.81
7711-7815 River Road Urban Renewal	January 26, 2022	January 26, 2052	100,000.00	18,692.90	(81,307.10)
8619 Holding Company LLC	September 7, 2022	September 7, 2052	75,000.00	82,979.01	7,979.01
			<u>\$ 4,868,228.66</u>	<u>\$ 5,888,371.82</u>	<u>\$ 1,020,143.16</u>

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**15. GOVERNMENTAL FIXED ASSETS**

**Governmental Fixed Assets**

The following is a summary of changes in the Governmental Fixed Assets account group as of December 31, 2024 and 2023:

	Balance <u>December 31, 2023</u>	<u>Additions</u>	Adjustments/ <u>Retirements</u>	Balance <u>December 31, 2024</u>
Land and Land Improvements	\$ 55,980,226.36			\$ 55,980,226.36
Buildings and Building Improvements	33,827,867.67			33,827,867.67
Machinery and Equipment	<u>26,148,201.92</u>	<u>\$ 1,448,719.00</u>	<u>\$ 1,893,404.00</u>	<u>25,703,516.92</u>
	<u>\$ 115,956,295.95</u>	<u>\$ 1,448,719.00</u>	<u>\$ 1,893,404.00</u>	<u>\$ 115,511,610.95</u>

	Balance <u>December 31, 2022</u>	<u>Additions</u>	Adjustments/ <u>Retirements</u>	Balance <u>December 31, 2023</u>
Land and Land Improvements	\$ 48,341,726.36	\$ 7,638,500.00		\$ 55,980,226.36
Buildings and Building Improvements	34,245,494.77	2,500.00	\$ 420,127.10	33,827,867.67
Machinery and Equipment	<u>23,557,361.08</u>	<u>2,590,840.84</u>		<u>26,148,201.92</u>
	<u>\$ 106,144,582.21</u>	<u>\$ 10,231,840.84</u>	<u>\$ 420,127.10</u>	<u>\$ 115,956,295.95</u>

**16. DEFERRED COMPENSATION PLAN**

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

**TOWNSHIP OF NORTH BERGEN**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**17. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2024 and 2023, the following deferred charges existed:

<u>Current Fund</u>	Balance December 31, 2023	Amount Raised in 2024 Budget	Authorized in 2024	Balance December 31, 2024	Amount Raised in 2025 Budget
Special Emergency:					
Revaluations	\$ 360,000.00	\$ 180,000.00	\$ -	\$ 360,000.00	\$ -
COVID Revenue Relief	1,680,000.00	560,000.00		1,680,000.00	
Emergency:					
Group Insurance			2,995,000.00	2,995,000.00	2,995,000.00
	<u>\$ 2,040,000.00</u>	<u>\$ 740,000.00</u>	<u>\$ 2,995,000.00</u>	<u>\$ 5,035,000.00</u>	<u>\$ 2,995,000.00</u>

**18. LEASE PAYABLE COMMITMENTS**

The Township entered into an agreement in October 2017 for the lease of property at 4600 Westside Ave for a period of twenty years. For the first three years of the agreement, \$0 in payments were due. In years four through twenty \$6,250 per month in payments are due. As of December 31, 2024 the payments due and outstanding liability are as follows:

<u>Year</u>	<u>Payments</u>	<u>Outstanding Liability</u>
2025	\$ 75,000.00	\$ 956,250.00
2026	75,000.00	881,250.00
2027	75,000.00	806,250.00
2028	75,000.00	731,250.00
2029	75,000.00	656,250.00
2030-2035	375,000.00	281,250.00
2036-2038	281,250.00	
	<u>\$ 1,031,250.00</u>	

**19. SUBSEQUENT EVENTS**

The Township has evaluated subsequent events occurring after the balance sheet date through November 11, 2025, which is the date the financial statements were available to be issued. Based on this evaluation, the Township has determined the following subsequent event has occurred which requires disclosure in the financial statements:

The Township issued bond anticipation notes in the amount of \$39,903,155.00 dated April 21, 2025, and due on April 20, 2026, at an interest rate of 5.00%.

**APPENDIX C**

**PROPOSED FORM OF BOND COUNSEL OPINION**

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STEVEN L. ROGUT  
THOMAS J. BACE†  
JOSHUA ANTHONY CUCUZZELLA

DANIEL J. McCARTHY, Of Counsel  
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## APPENDIX C

[Proposed Form of Bond Counsel Opinion]

April \_\_\_\_, 2026

Board of Commissioners  
Township of North Bergen  
County of Hudson  
State of New Jersey

Dear Commissioners:

We have acted as bond counsel in connection with the issuance of a \$43,138,741 Bond Anticipation Note (the "Note") by the Township of North Bergen, a municipal corporation of the State of New Jersey, located in the County of Hudson (the "Township"). The Note is dated April 17, 2026, is payable April 16, 2027, bears interest from its date at the rate of \_\_\_\_% per annum, payable at maturity, and is numbered 26-1R.

The Note has been issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended) and pursuant to and in anticipation of the issuance of bonds authorized by thirteen bond ordinances adopted by the Board of Commissioners of the Township on September 9, 2020 (Ord. No. 470-20), February 10, 2021 (Ord. No. 492-21), February 23, 2022 (Ord. No. 534-22), February 22, 2023 (Ord. No. 582-23), March 20, 2024 (two ordinances: Ord. Nos. 635-24 and 636-24), June 5, 2024 (three ordinances: Ord. Nos. 646-24, 647-24 and 648-24), June 11, 2025 (two ordinances: Ord. Nos. 676-25 and 677-25) and November 11, 2025 (two ordinances: Ord. Nos. 695-25 and 696-25) (the "Bond Ordinances") to finance the making of various public improvements in, by and for the Township.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Note in order that interest on the Note be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Note and other amounts and to the rebate of certain arbitrage earnings to the United States. Noncompliance by the Township with such requirements may cause interest on the Note to be included in gross income of the owners thereof retroactive to the date of issuance of the Note, regardless of when such noncompliance occurs.

The Township has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Note be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Township's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Note, will contain provisions and procedures regarding compliance with the requirements of the Code. The Township, in executing the Tax Certificate, will certify to the effect that the Township expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the Bond Ordinances and a copy of the form of Note. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinion rendered below, including the Tax Certificate executed by the Chief Financial Officer of the Township of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and any exhibits thereto. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents. We have relied, as to the execution and delivery of the Note, on a certificate of the Township.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the Township in connection with the sale and issuance of the Note, or (ii) other documents of the Township delivered to the purchaser of the Note, and we take no responsibility therefor.

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

1. The Note has been duly authorized, executed and delivered and constitutes a valid and legally binding obligation of the Township enforceable in accordance with its terms, except as enforcement of the Note may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Township has pledged its full faith and credit for the payment of the principal of and interest on the Note, and unless paid from other sources, the Township is authorized and required by law to levy on all real property taxable by the Township such ad valorem taxes as may be necessary to pay the Note and the interest thereon, without limitation as to rate or amount.

3. Assuming compliance by the Township with its Tax Certificate, under existing law, interest on the Note is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Note is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Note that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Note and any gain from the sale of the Note are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC

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