

**PRELIMINARY OFFICIAL STATEMENT DATED JUNE 17, 2025**

**NEW ISSUE – BOOK-ENTRY-ONLY**

**Rating: NOT RATED**

*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 Notes 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 Notes 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 Notes 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 Notes and any gain from the sale of the Notes are not includable in gross income of the holders thereof. See "TAX MATTERS" herein.*

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

**\$42,012,500 BOND ANTICIPATION NOTES**

**CONSISTING OF:**

**\$40,865,000 GENERAL BOND ANTICIPATION NOTE AND**

**\$1,147,500 WATER UTILITY BOND ANTICIPATION NOTE**

**DATED DATE: JULY 7, 2025**

**MATURITY DATE: JULY 7, 2026**

**INTEREST RATE: \_\_\_\_%**

**RE-OFFER YIELD: \_\_\_\_%**

**CUSIP NO. \_\_\_\_\_**

The \$42,012,500 Bond Anticipation Notes, consisting of the \$40,865,000 General Bond Anticipation Note (the "General Note") and the \$1,147,500 Water Utility Bond Anticipation Note (the "Water Utility Note"; and together with the General Note, the "Notes"), of the Township of Belleville, in the County of Essex, New Jersey (the "Township"), are being issued to: (i) currently refund the \$41,922,500 Bond Anticipation Notes, Series 2024, consisting of the \$40,775,000 General Improvement Bond Anticipation Note, Series 2024, and the \$1,147,500 Water Utility Bond Anticipation Note, Series 2024, of the Township, dated July 9, 2024 and maturing July 8, 2025, together with \$3,710,000 being paid down pursuant to a current budget appropriation and from other available funds; (ii) provide \$3,800,000 in new money to finance various capital and water utility system improvements; and (iii) pay the costs associated with the authorization, sale and issuance of the Notes. See "AUTHORIZATION AND PURPOSE OF THE NOTES" herein.

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

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

The Notes will be issued in the form of one certificate for the aggregate principal amount of each series of the Notes and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn New York ("DTC"), which will act as securities depository. The principal of and interest due on the Notes shall be paid on the maturity date thereof to DTC by the Township, as paying agent. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of the close of business one business day prior to the maturity date (the "Record Date"). See "DESCRIPTION OF THE NOTES – Book-Entry-Only System" herein.

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

*The Notes are offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of Rogut McCarthy LLC, Cranford, New Jersey, and certain other conditions described herein. NW Financial Group, LLC, Bloomfield, New Jersey, has served as Municipal Advisor to the Township in connection with the Notes. Delivery is anticipated to be through the facilities of DTC in Brooklyn, New York, on or about July 7, 2025.*

**ELECTRONIC SUBMISSIONS FOR THE NOTES WILL BE RECEIVED VIA PARITY OR E-MAIL  
UNTIL 11:00 A.M. ON JUNE 24, 2025. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY,  
VIEW THE NOTICE OF SALE DATED THE DATE HEREOF.**

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

**MAYOR**

Michael Melham

**COUNCIL MEMBERS**

Thomas Graziano  
Tracy Juanita Muldrow  
Frank Velez, III  
Vincent Cozzarelli  
Diana Guardabasco  
Naomy De Pena

**MUNICIPAL CLERK**

Albert Cabrera

**CHIEF FINANCIAL OFFICER**

Frank Di Maria

**TOWNSHIP ATTORNEY**

Steven J. Martino, Esq.  
Belleville, New Jersey

**TOWNSHIP AUDITOR**

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

**BOND COUNSEL**

Rogut McCarthy LLC  
Cranford, New Jersey

**MUNICIPAL ADVISOR**

NW Financial Group, LLC  
Bloomfield, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Township and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself, by the Township. The information and the expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create, under any circumstances, 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, this document, as the same may be supplemented or amended by the Township from time to time (collectively, the "Official Statement"), may be treated as a "Final Official Statement" with respect to the Notes described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Township.

This Official Statement is submitted in connection with the sale of the Notes referred to herein and may not be used, in whole or in part, for any other purpose. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Township or the Underwriter.

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

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

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

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## **OFFICIAL STATEMENT**

### **RELATING TO**

**\$42,012,500 BOND ANTICIPATION NOTES**

### **CONSISTING OF:**

**\$40,865,000 GENERAL BOND ANTICIPATION NOTE AND  
\$1,147,500 WATER UTILITY BOND ANTICIPATION NOTE**

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

### **INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Belleville (the "Township"), in the County of Essex (the "County"), State of New Jersey (the "State"), in connection with the sale and issuance of its \$42,012,500 Bond Anticipation Notes, consisting of the \$40,865,000 General Bond Anticipation Note (the "General Note"), and the \$1,147,500 Water Utility Bond Anticipation Note (the "Water Utility Note"; and together with the General Note, the "Notes"). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Notes described herein.

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

### **DESCRIPTION OF THE NOTES**

#### **General Description**

The Notes are dated, will mature on the date and in the amounts and will bear interest payable at the interest rate as set forth on the cover page hereof. Interest shall be computed on the basis of a 30-day month/360-day year. The Notes will be issued in the form of one certificate for the aggregate principal amount of each series of the Notes.

The principal of and interest due on the Notes will be paid to the registered owners by the Township, as paying agent (the "Paying Agent"). Principal of and interest due on the Notes will be credited to the registered owner as of the business day immediately preceding the maturity date of the Notes (the "Record Date" for the payment of principal of and interest on the Notes).

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

#### **Redemption**

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

## **Book-Entry-Only System**

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Notes, payment of principal and interest and other payments on the Notes to Direct and Indirect Participants (each as defined below) or Beneficial Owners (defined below), confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township.

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

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

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each 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 Notes is to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, the Notes deposited by Direct Participants with DTC is registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and its registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the



Direct Participants to whose accounts the Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC, the paying agent, if any, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or the paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

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

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

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

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

## Discontinuation of Book-Entry-Only System

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

## SECURITY AND SOURCE OF PAYMENT

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

## AUTHORIZATION AND PURPOSE OF NOTES

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

General Note		
Bond Ordinance Number	Description of Improvement and Date of Adoption of Bond Ordinance	Amount to Be Issued
3591	File scanning project, finally adopted on September 8, 2020.	\$95,000
3597	Various capital improvements, finally adopted on October 13, 2020.	\$7,622,000
3645	Various capital improvements, finally adopted on April 12, 2022.	\$11,807,000
3646	Joint municipal and school facilities project, finally adopted on April 12, 2022.	\$8,330,000
23-23	2023 Road Reconstruction and Curb and Sidewalk Replacement Program, finally adopted September 12, 2023.	\$264,000
24-23	2023 Road Reconstruction and Curb and Sidewalk Replacement Program, finally adopted September 12, 2023.	\$475,000
25-23	Improvements to municipal facilities, finally adopted September 12, 2023.	\$475,000
26-23	2023 Road Reconstruction and Curb and Sidewalk Replacement Program, finally adopted September 12, 2023.	\$2,610,000
27-23	2023 Road Reconstruction and Curb and Sidewalk Replacement Program, finally adopted September 12, 2023.	\$352,000
28-23	2023 Road Reconstruction and Curb and Sidewalk Replacement Program, finally adopted September 12, 2023.	\$2,080,000
29-23	Acquisition and improvement of real property located at 211 Washington Avenue, finally adopted September 12, 2023.	\$950,000
02-24	Water main, valve and lead service line replacement, finally adopted March 26, 2024.	\$400,000

<b>General Note</b>		
<b>Bond Ordinance Number</b>	<b>Description of Improvement and Date of Adoption of Bond Ordinance</b>	<b>Amount to Be Issued</b>
03-24	Acquisition of Township-wide machinery and equipment, finally adopted March 26, 2024.	\$475,000
04-24	Water main, valve and lead service line replacement, finally adopted March 26, 2024.	\$420,000
05-24	Improvements to municipal facilities, finally adopted March 26, 2024.	\$475,000
06-24	Various improvements to sanitary sewer system, finally adopted March 26, 2024.	\$235,000
19-24	Acquisition of fire truck, finally adopted September 24, 2024	\$1,425,000
20-24	Acquisition of real property, finally adopted September 24, 2024	\$712,500
24-24	Acquisition of public safety vehicles, finally adopted October 22, 2024	\$475,000
25-24	Acquisition of public safety equipment, finally adopted October 22, 2024	\$1,187,500
	<b>Total:</b>	<b>\$40,865,000</b>

The proceeds from the sale and issuance of the General Note will be used by the Township to: (i) currently refund the \$40,775,000 General Improvement Bond Anticipation Note, Series 2024, of the Township, dated July 9, 2024 and maturing July 8, 2025, together with \$3,710,000 being paid down pursuant to a current budget appropriation and from other available funds; (ii) provide \$3,800,000 in new money to finance various capital improvements; and (iii) pay the costs associated with the authorization, sale and issuance of the General Note.

<b>Water Utility Note</b>		
<b>Bond Ordinance Number</b>	<b>Description of Improvement and Date of Adoption of Bond Ordinance</b>	<b>Amount to Be Issued</b>
3592	Various improvements to water utility, finally adopted on September 8, 2020.	\$522,500
3649	Acquisition and installation of equipment for water utility system, finally adopted June 14, 2022.	\$125,000
07-24	Various improvements to water utility system, finally adopted March 26, 2024.	\$500,000
	<b>Total:</b>	<b>\$1,147,500</b>

The proceeds from the sale and issuance of the Water Utility Note will be used by the Township to: (i) currently refund the \$1,147,500 Water Utility Bond Anticipation Note, Series 2024, of the Township, dated July 9, 2024 and maturing July 8, 2025; and (ii) pay the costs associated with the authorization, sale and issuance of the Water Utility Note.

### **INFECTIOUS DISEASE OUTBREAK – COVID-19 AND ONGOING CONCERNS**

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the

State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to state and local governments, including the American Rescue Plan Act of 2021 (the "Plan"). The pandemic and certain mitigation measures, which altered the behavior of businesses and people, have had and may continue to have negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

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

The Plan, signed into law on March 12, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Township has received \$3,820,088.24 from the Plan. The deadline to obligate the funds was December 31, 2024, and such funds could only be spent on certain allowable uses as set forth in the Plan. All such funds were allocated to police salaries and wages.

## **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 the Township, as annually determined by the State Director of Taxation, is included in Appendix A.

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

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

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

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

The 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 contractually required severance liabilities, which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Under legislation recently enacted to address the COVID-19 emergency, P.L. 2020, c. 74 (A3971), a local unit may adopt an emergency appropriation to fund certain deficits resulting from COVID-19 with approval of the Director and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten years. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to COVID-19. Also, local units may be able to issue refunding bonds with Local Finance Board approval to repay a Federal Emergency Management Agency Community Disaster Loan for which it executed a promissory note in 2013.

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

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

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

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

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

### **Tax Assessment and Collection Procedure**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the result of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. 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 last completed in 2019.

Upon the filing of certified adopted budgets by the Township's 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 of the delinquency and 18% per annum on any amount in excess of \$1,500. These interest rates and penalties are the highest permitted under New Jersey statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey statutes. A table detailing delinquent taxes and tax title liens is included in Appendix A.

### **Tax Appeals**

The New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Township must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County

Board of Taxation on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

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

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

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2023 for the Township is on file with the Township Clerk and is available for review during business hours.

### **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 Notes in order that interest on the Notes 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 Notes 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 Notes to be included in gross income of the owners thereof retroactive to the date of issuance of the Notes, 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 Notes 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 Notes, 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 Notes, 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 Notes 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 Notes 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 Notes 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 Notes and any gain from the sale of the Notes are not includable in gross income of the holders thereof.

## **Additional Federal Income Tax Consequences**

Prospective purchasers of the Notes should be aware that ownership of governmental obligations, such as the Notes, 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 Notes. 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 Notes or otherwise prevent holders of the Notes from realizing the full benefit of the tax exemption of interest on the Notes. Further, such proposals may impact the marketability or market value of the Notes 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 Notes. 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 Notes would be impacted thereby.

Purchasers of the Notes 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 Notes, 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 NOTES ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE NOTES, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION,

REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

## **LITIGATION**

To the knowledge of the Township Attorney, Steven J. Martino, Esq., Belleville, New Jersey, there is no litigation of any nature, now pending or threatened, restraining or enjoining the issuance or delivery of the Notes, or the levy or collection of any taxes to pay the principal of or interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Township Attorney, no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided.

## **SECONDARY MARKET DISCLOSURE**

The Township has covenanted for the benefit of the holders and beneficial owners of the Notes to provide certain secondary market disclosure information pursuant to the Securities and Exchange Commission Rule 15c2-12 (the "Rule"). Specifically, for so long as the Notes remain outstanding (unless the Notes have been wholly defeased), the Township will provide electronically to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system or such other repository designated by the Securities and Exchange Commission to be an authorized repository for filing secondary market disclosure information, if any, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Notes:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (7) Modifications to the rights of holders of the Notes, if material;
- (8) Note calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Township;
- (13) The consummation of a merger, consolidation or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

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

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

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

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

The Township has entered into prior undertakings to provide continuing disclosure for certain outstanding debt issues. In connection with such debt issues, the Township failed to timely file its audited financial statements for the fiscal year ended 2021. The Township failed to timely file operating data for the fiscal year ended 2022. Failure to timely file notices have since been filed with EMMA. The Township has implemented procedures to remedy these oversights.

There can be no assurance that there will be a secondary market for the sale or purchase of the Notes. Such factors as prevailing market conditions, financial condition or market position of firms who may make the secondary market and the financial condition of the Township may affect the future liquidity of the Notes.

## **MUNICIPAL BANKRUPTCY**

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

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

### **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, issuance, sale and delivery of the Notes are subject to the approval of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel to the Township, whose approving legal opinion will be delivered with the Notes substantially in the form set forth as Appendix C. Certain legal matters will be passed upon for the Township by its Township Attorney, Steven J. Martino, Esq., Belleville, New Jersey.

### **RATING**

The Notes are not rated.

### **UNDERWRITING**

The Notes have been purchased from the Township at a public sale by \_\_\_\_\_ (the "Underwriter") at a price of \$ \_\_\_\_\_, consisting of the par amount of the Notes, plus original issue premium in the amount of \$ \_\_\_\_\_, less Underwriter's discount in the amount of \$ \_\_\_\_\_. The Underwriter has purchased the Notes in accordance with the Notice of Sale.

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

### **MUNICIPAL ADVISOR**

NW Financial Group, LLC, Bloomfield, New Jersey, has served as Municipal Advisor to the Township with respect to the issuance of the Notes (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.

### **PREPARATION OF OFFICIAL STATEMENT**

The Township hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects, and it will confirm to the Underwriter by a certificate signed by the 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.

Samuel Klein and Company, LLP, Certified Public Accountants, Newark, New Jersey, has not participated in the preparation of information contained in this Official Statement and takes responsibility for the audited financial statements to the extent specified in its Independent Auditors' Report attached hereto as Appendix B.

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

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

#### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Frank Di Maria, the Township's Chief Financial Officer, at 152 Washington Avenue, Belleville, New Jersey 07109, telephone 973-450-3332, or by email at [fdimaria@bellevillenj.org](mailto:fdimaria@bellevillenj.org).

#### **MISCELLANEOUS**

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

#### **TOWNSHIP OF BELLEVILLE**

By: \_\_\_\_\_  
**Frank Di Maria**  
**Chief Financial Officer**

Dated: June \_\_, 2025

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## **APPENDIX A**

### **CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE TOWNSHIP OF BELLEVILLE**

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## **GENERAL INFORMATION ABOUT THE TOWNSHIP**

The Township of Belleville (the "Township") is located in the northeastern portion of Essex County just 11 miles east of New York City. The Township has a total of 3.4 square miles consisting of 3.3 square miles of land and 1 square mile of water. The Township is bordered by the Passaic River, with Bergen and Hudson Counties to the east, Nutley to the north, Bloomfield to the west and the City of Newark to the south.

The Township is home to approximately 38,000 residents. There are 9,100 families in the Township residing in one of our 14,000 housing units. The average house size in the Township is 2.6 and the average family size is 3.23. The median income for a household in the Township is \$74,890. Less than 9% of the population lives below the poverty line.

The Township is an established older suburban community. The primary property type is single and multi-family residential with a mix of industrial, commercial and retail businesses located throughout the Township. The Township is situated with easy access to Newark Airport, Ports Newark and Elizabeth and New York City. Route 7 and Route 21, as well as County Route 506, all pass through the Township. In addition, the Garden State Parkway, Route 3 and Route 280 are all within miles of the Township's limits. The Silver Lake Station on the Newark City Subway line provides service to Newark Penn Station. New Jersey Transit bus service is available throughout the Township.

The Township is home to Clara Maass Medical Center, Hendricks Field, which is an 18 hole county golf course, and Branch Brook Park, which is known as the Cherry Blossom Capital of the world. The Township has a public school system consisting of seven elementary schools, a middle school and a high school with a full complement of recreational facilities. The Belleville Public Library, a historical Carnegie building, provides access to reference and informational materials in a modern setting. The Valley section of Belleville is home to numerous manufacturing and service businesses, many of which have called Belleville their home for decades.

The Township offers full time paid police and fire departments and provides residents and businesses with an extensive list of municipal services. Notable past residents include writer Stephen Crane, Lonnie G. Bunch, current Director of the Smithsonian's National Museum of African American History, Phil Cuzzi, major league umpire, actor Joe Pesci and singers Frankie Valli, Tommy DeVito, and Connie Francis.

Along the southern border at the site of the former Bigelow Motors, a developer has redeveloped the site from a defunct auto dealership to a renovated and expanded retail mall. The anchor tenant has celebrated their grand opening, and the developer stated that other tenants have signed leases and are in the process of readying their establishments.

Along the southwestern border of the Township is a 20 acre parcel formerly occupied by Roche. Discussions continue with the developer as to the final plan, which may consist of housing and retail. Most recently the developers executed a contract with Starbucks. Over the last year there have been numerous meetings to discuss the future of the site. This site is ideally located and would make a perfect location for additional medical office space needed for the growing Medical Center, retail space and hotel and restaurant space and service business catering to the needs of the Medical Center employees as well as visitors to the Center.

Approximately one mile north of the Roche site is a 200,000 square foot building, which is the former Essex County Isolation Hospital. This landmark building was utilized as a cancer research center until last year. The building is 95% completed for high-end 270 rental units. The potential of these rental units offers a bright future for the Township. All reports state that as the economy continues to improve, developers are feeling more comfortable investing in proven markets like the Township. Given the location of these sites, it is most certain that they will become commercially successful and generate additional tax revenue for years to come, which will ensure continued financial growth and stability for the Township.

Recent development within the Township includes the redevelopment of two former auto dealers that were closed at the time of the economic downturn in 2008. On the north end of Washington Avenue, a site formerly operated by Elite Ford was purchased by the owners of the Motorcycle Mall and converted into the largest motorcycle dealer on the eastern seaboard. This state of the art 110,000 square foot building situated on just under two acres is the new anchor of the north end of Washington Avenue. Since the opening, the owner has stated that customer volume is up and that sales have increased significantly.

Directly across the street from the Motorcycle Mall is a 5-acre site, which is the home of a large retail strip center. Since the Spring of 2013, ShopRite has been open as the anchor of this 5-acre strip mall. Directly to the south of the location of the proposed ShopRite is a vacant parcel, which was formerly the home of an industrial building. It is now presently under contract with Reciniti Development to build 115 residential units and 9,500 square feet of retail.

The area will benefit from the redevelopment, and the Township will benefit as the ratable base increases as a result of the new construction. Local merchants will also experience increased foot traffic from the new development.

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

**POPULATION**

<u>Year</u>		<u>Population</u>
2024	U.S. Census	38,176
2023	U.S. Census	37,453
2022	U.S. Census	37,480
2021	U.S. Census	36,899
2020	U.S. Census	38,222

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

**ECONOMIC INFORMATION**

<b>Per Capita Income</b>			
<u>Year</u>	<u>Township of Belleville</u>	<u>County of Essex</u>	<u>State of New Jersey</u>
2024	\$43,417.00	\$47,661.00	\$54,360.00
2023	38,767.00	45,389.00	51,378.00
2022	38,540.00	44,684.00	50,570.00
2021	32,580.00	39,408.00	44,633.00
2019	31,582.00	40,138.00	44,888.00

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Source: U.S. Census Bureau

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

**LABOR FORCE ESTIMATES**

<u>Year</u>	<u>Township of Belleville</u>			
	<u>Labor Force</u>	<u>Number Employed</u>	<u>Number Unemployed</u>	<u>Unemployment Rate</u>
2024	20,600	19,500	1,100	5.3 %
2023	20,626	19,581	1,045	5.1
2022	20,191	19,331	860	4.3
2021	20,020	18,522	1,498	7.5
2020	19,624	17,284	2,340	11.9

<u>Year</u>	<u>County of Essex</u>			
	<u>Labor Force</u>	<u>Number Employed</u>	<u>Number Unemployed</u>	<u>Unemployment Rate</u>
2024	397,800	374,400	23,400	5.9 %
2023	397,420	375,401	22,019	5.5
2022	388,106	370,619	17,487	4.5
2021	385,997	355,103	30,894	8.0
2020	373,943	330,269	43,674	11.7

<u>Year</u>	<u>State of New Jersey</u>			
	<u>Labor Force</u>	<u>Number Employed</u>	<u>Number Unemployed</u>	<u>Unemployment Rate</u>
2024	4,827,300	4,602,600	224,700	4.7 %
2023	4,819,800	4,604,100	215,700	4.5
2022	4,731,600	4,584,500	147,100	3.1
2021	4,650,200	4,452,200	198,000	4.3
2020	4,476,100	4,274,100	202,000	4.5

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Source: New Jersey Department of Labor, Division of Planning and Research, Office of Demographics and Economic Analysis

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

**TEN LARGEST TAXPAYERS**

<u>Taxpayer</u>	<u>2024 Assessed Valuation</u>
Branch Brook Gardens, LLC.	\$34,339,800
432 Owners, Inc.	21,635,800
Clara Maass Medical Center	15,668,100
Bridge Point 21, LLC	15,000,000
SROA Belleville Property, LLC	13,207,100
OSTER Belleville Properties, LLC	11,802,000
Bellevue Gardens, LLC	10,000,000
SH 726 LLC	9,800,300
Clara Maass c/o Altus Grp	9,336,200
Belleville Center, LLC	9,183,000

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Source: Municipal Tax Assessor

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

**LARGEST EMPLOYERS**

Clara Maass Medical Center  
Clara Maass Continuing Care Center  
U.S. Post Office  
1<sup>st</sup> Cerebral Palsy of New Jersey  
National Lighting Co., Inc.  
Domestic Uniform Rental  
AJC Construction & Electric co., LLC  
The UPS Store  
ALDI  
Dunkin' Doughnuts  
Starbucks  
Agave Maria  
Chase Bank  
Walgreens  
Port Authority LLC  
Motorcycle Mall  
Valley Bank  
Bank of America

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Source: The Township

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

**REAL PROPERTY CLASSIFICATION (PER \$1,000)**  
**2020-2024 ASSESSED VALUATION**

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Apartments</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total Real Property</u>	<u>Business Personal Property*</u>	<u>Net Valuation Taxable</u>
2024	\$34,358,100	\$2,347,167,900	\$242,038,900	\$372,405,900	\$129,192,300	\$3,125,163,100	\$5,431,700	\$3,130,594,800
2023	29,365,500	2,339,915,000	249,518,300	369,448,900	121,163,900	3,109,411,600	6,001,800	3,115,413,400
2022	33,351,000	2,330,139,600	237,715,700	359,664,800	127,916,200	3,088,787,300	6,298,783	3,095,086,083
2021	48,525,200	2,325,926,350	241,607,700	354,795,250	130,380,100	3,101,234,600	6,471,700	3,107,706,300
2020	55,708,100	2,319,892,850	241,654,700	350,242,750	131,250,200	3,098,748,600	6,586,826	3,105,335,426

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\*Consists of machinery, implements and equipment of telephone, telegraph and messenger systems companies (Chapter 38, P.L. 1966).

Source: Township of Belleville - Municipal Tax Assessor



TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

**ASSESSED VALUATION AND TAX RATES**

<u>Year</u>	<u>Real Property</u>	<u>Net Taxable Value Real and Personal Property*</u>	<u>Tax Rate per \$100.00</u>	<u>Real Property Assessed Valuation Percentage of True Value</u>
2024	\$3,125,163,100	\$3,130,594,800	\$4.033	73.94 %
2023	3,109,411,600	3,115,413,400	3.914	81.98
2022	3,088,787,300	3,095,086,083	3.851	91.28
2021	3,101,234,600	3,107,706,300	3.795	95.02
2020	3,098,748,600	3,105,335,426	3.743	99.07

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\*Consists of machinery, implements and equipment of telephone, telegraph and messenger systems companies (Chapter 38, P.L. 1966).

Source: Abstract of Ratables

**COMPARISON OF COMPONENTS OF TAX RATE**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$4.033</u>	<u>\$3.914</u>	<u>\$3.851</u>	<u>\$3.795</u>	<u>\$3.743</u>
Apportionment of Tax Rate:					
Municipal	\$1.868	\$1.829	\$1.812	\$1.798	\$1.788
County	0.501	0.508	0.491	0.494	0.480
School	1.598	1.517	1.494	1.452	1.426
County Open Space	0.021	0.019	0.017	0.016	0.015
Library	<u>0.045</u>	<u>0.041</u>	<u>0.037</u>	<u>0.035</u>	<u>0.034</u>
	<u>\$4.033</u>	<u>\$3.914</u>	<u>\$3.851</u>	<u>\$3.795</u>	<u>\$3.743</u>

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

**TAX COLLECTION EXPERIENCE**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections During</u> <u>Year of Levy</u>		<u>Added</u> <u>Taxes</u>	<u>Collections to Date</u> <u>Dec. 31,</u>		<u>*Uncollected</u> <u>Dec. 31,</u>
		<u>Amount</u>	<u>Percentage</u>		<u>Amount</u>	<u>Percentage</u>	
2024	\$126,983,948.46	\$126,368,010.18	99.51 %	\$ -	\$ -	- %	\$ 2,395.70
2023	121,837,522.10	121,667,721.44	99.80	5,473.97	121,713,850.18	99.89	-
2022	120,308,935.10	119,889,625.71	99.65	-	119,903,147.66	99.66	-
2021	118,114,619.89	117,968,270.64	99.87	6,015.75	118,010,848.89	99.91	-
2020	116,425,740.93	116,317,609.91	99.90	7,404.80	116,414,188.16	99.99	-
Tax Title Liens							63,058.21
Property Acquired for Taxes at Assessed Valuation (Foreclosed Property)							378,850.00

\*Balances remaining after credits for remissions and transfers to tax title liens.

Tax Collection Procedure

Property taxes are based on the Assessor's valuation of real property and are levied for the calendar year. The taxes for Township, Local School District and County purposes are combined into one levy which is apportioned on the tax bill by rate and amount for taxpayer information only. Taxes levied for the purposes of the Local School District cover the current calendar year. Turnovers by the Township to the Board of Education are based on school needs and are generally made on a periodic basis throughout the year. The Township remits County Taxes quarterly, on the 15th days of February, May, August and November.

Tax bills for the second half of the current year's levy and an estimate, based on 50% of the levy for the first half of the following year, are mailed annually in June and are due in quarterly installments on the first day of the following months of August, November, February and May. Delinquent payments are subject to an interest penalty at 8% on the first \$1,500.00 of delinquency and 18% on amounts exceeding \$1,500.00. Unpaid taxes are subject to tax sale as of July 1 following the year of levy, in accordance with statutes of the State of New Jersey. Tax liens are subsequently subject to foreclosure proceedings in order to enforce tax collections or acquire title to the property.

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

**DEBT STATEMENT AS OF DECEMBER 31, 2024**  
**(Unaudited)**

Gross Debt

School Debt Service:

Serial Bonds Issued and Outstanding \$38,750,000.00

Municipal Debt:

General:

Serial Bonds Issued and Outstanding	\$16,605,000.00	
Bond Anticipation Notes Issued	40,775,000.00	
Bond Anticipation Notes Authorized but Not Issued	4,625,019.25	
Green Acres Loan Payable	<u>256,728.88</u>	
		62,261,748.13

Water Utility:

Bond Anticipation Notes Issued	1,147,500.00	
Serial Bonds	<u>1,900,000.00</u>	
		<u>3,047,500.00</u>

Total Gross Debt 104,059,248.13

Statutory Deductions\*

Municipal Debt:

General:

Shared Service Agreement - BOE 9,520,000.00

Water Debt:

Self-Liquidating 3,047,500.00

School Debt 38,750,000.00

51,317,500.00

Statutory Net Debt \$52,741,748.13

Average Equalized Valuation of Real Property for 2022 - 2024 \$4,241,373,343.00

Net Debt Percentage - Statutory Debt Limit 3 1/2% 1.244%

**REMAINING STATUTORY BORROWING POWER**  
**(Unaudited)**

3 1/2% of Equalized Valuation Basis \$148,448,067.01

Less: Statutory Net Debt 52,741,748.13

Remaining Municipal Borrowing Power December 31, 2024 \$ 95,706,318.88

\*Statutory deductions are used for the purpose of determining Municipal Borrowing Power under State law. The Municipality is obligated to pay the full amount of its gross debt.

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

**UNDERLYING DEBT - DECEMBER 31, 2024**  
**(Unaudited)**

County of Essex	<u>\$996,171,720.21</u>
*Gross Debt December 31, 2024	<u>\$996,171,720.21</u>
Apportionment to Township of Belleville	<u>\$34,467,541.52</u>
Basis of Debt Apportionment: Ratio of Equalized Valuations: Township of Belleville - 2024	<u>\$4,262,661,398.00</u>
Total Essex County - 2024	<u>\$123,198,283,264.00</u>
Ratio - Township of Belleville	<u>3.46%</u>

\*Includes both the Essex County Improvement Authority Guarantee of Bonds and Bonds Issued and Bonds Authorized but Not Issued - Capital Projects for County Colleges.

**GROSS DEBT COMPARED WITH TRUE VALUE**  
**(Unaudited)**

	<u>Municipal Debt</u>	<u>Municipal Debt Including Apportioned Underlying Debt</u>
Gross Debt as of December 31, 2024	<u>\$104,059,248.13</u>	<u>\$138,526,789.65</u>
Aggregate Fair Value for 2024 - All Taxable Property: Assessed Valuation	\$3,130,594,800.00	
Amount Added for Equalization: Real Property Assessed at 73.94% of True Value	<u>1,132,066,598.00</u>	
Total - With Real Property at True Value	<u>\$4,262,661,398.00</u>	
Gross Debt as a Percentage of True Value	<u>2.44%</u>	<u>3.25%</u>

## 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 purpose 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.

<u>Year</u>	<u>Current Fund Balance December 31</u>	<u>Used in Succeeding Year Budget</u>
2024	\$11,541,987.30	\$8,000,000.00
2023	10,302,974.55	4,800,000.00
2022	3,465,036.83	2,060,225.01
2021	2,964,848.57	-
2020	1,585,901.90	800,000.00

### Emergency Appropriations Deferred to Subsequent Years

<u>Year</u>	<u>Amount</u>
2024	\$ -
2023	1,404,811.82
2022	1,914,011.82
2021	1,982,078.00
2020	883,915.70

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.

### Other Expenditures Deferred to the Following Year

<u>Year</u>	<u>Overexpenditures</u>	<u>Expenditures Without Appropriations</u>	<u>Deficit in Operations</u>
2024	\$ 217,666.00	\$4,050,036.09	\$ -
2023	217,666.00	4,050,036.09	-
2022	-	-	-
2021	1,564,800.81	-	65,699.64
2020	-	-	-

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**APPENDIX B**

**UNAUDITED FINANCIAL STATEMENT FOR YEAR ENDED DECEMBER 31, 2024  
AND AUDITED FINANCIAL STATEMENTS FOR YEARS ENDED  
DECEMBER 31, 2023, 2022, 2021 AND 2020**

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

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Freehold, New Jersey 07728-2291  
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**INDEPENDENT AUDITOR'S REPORT**

To the Mayor and Members of the Township Council  
Township of Belleville  
Belleville, New Jersey 07109

The accompanying summary financial statements - regulatory basis, and the related notes, are derived from the audited basic financial statements of the Township of Belleville, State of New Jersey, as of and for the years ended December 31, 2023, 2022, 2021 and 2020. We expressed unmodified audit opinions on those audited financial statements - regulatory basis in our report dated February 11, 2025. The audited financial statements - regulatory basis, and the summary financial statements - regulatory basis derived therefrom, do not reflect the effects of events, if any, that occurred subsequent to the date of our report on the audited financial statements - regulatory basis.

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

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

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

**Auditor's Responsibility**

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

## Opinion

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

## Emphasis-of-Matter

These summary financial statements - regulatory basis were prepared for the purpose of inclusion in an official statement for the issuance of Bond Anticipation Notes, Series 2025, consisting of a General Bond Anticipation Note and Water Utility Bond Anticipation Note of the Township of Belleville, State of New Jersey and were abstracted from audit reports issued under the periods referred to above as dated February 11, 2025, January 31, 2024, November 14, 2022 and January 26, 2022, respectively.

*SAMUEL KLEIN AND COMPANY, LLP*

SAMUEL KLEIN AND COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

*JOSEPH J. FACCONI*

JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey  
February 11, 2025

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEET - CURRENT FUND

Sheet #1

	Unaudited		Audited			
	Balance Dec. 31, 2024	Balance Dec. 31, 2023	Balance Dec. 31, 2022	Balance Dec. 31, 2021	Balance Dec. 31, 2020	
<u>ASSETS AND DEFERRED CHARGES</u>						
<u>Regular Fund</u>						
Cash - Checking	\$ 21,481,286.56	\$ 13,766,174.48	\$ 14,679,815.82	\$ 25,276,233.20	\$ 36,146,672.10	
Cash - Change Fund	250.00	250.00	625.00	625.00	625.00	
	<u>21,481,536.56</u>	<u>13,766,424.48</u>	<u>14,680,440.82</u>	<u>25,276,858.20</u>	<u>36,147,297.10</u>	
Receivables and Other Assets with Full Reserves:						
Delinquent Property Taxes Receivable	2,395.70	6,670.02	34,434.75	11,669.93	37,173.09	
Tax Title Liens	63,058.21	58,738.86	100,473.83	93,873.44	87,681.35	
Nuisance Liens	22,003.38	22,003.38	22,003.38	22,003.38	22,003.38	
Sewer User Charges Receivable		38,574.39	51,340.48	46,229.72	35,495.95	
Property Acquired for Taxes - Assessed Valuation	378,850.00	378,850.00	398,850.00	460,450.00	762,450.00	
Revenue Accounts Receivable		116,234.54	31,499.18	30,455.19	34,203.87	
Other Accounts Receivable		600,000.00	623,485.00	60,226.00		
Deposits Receivable	48,736.73	1,902.45	2,554.45	2,554.45	2,554.45	
Interfunds Receivable	<u>515,044.02</u>	<u>435,858.65</u>	<u>3,899,641.03</u>	<u>3,434,518.98</u>	<u>282,613.48</u>	
		<u>1,658,832.29</u>	<u>5,164,282.10</u>	<u>4,161,981.09</u>	<u>1,264,175.57</u>	
Deferred Charges:						
Overexpenditure of Appropriations	217,666.00	217,666.00		1,421,045.32		
Overexpenditure of Appropriation Reserves				158,842.51		
Expenditure Without Appropriation	4,050,036.09	4,050,036.09			65,699.64	
Deficit in Operations	895,613.08	1,404,811.82	1,914,011.82	2,583,210.56	883,915.70	
Special Emergency Authorization (N.J.S. 40A:4-53)	<u>5,163,315.17</u>	<u>5,672,513.91</u>	<u>1,914,011.82</u>	<u>4,163,098.39</u>	<u>949,615.34</u>	
	<u>27,159,895.75</u>	<u>21,097,770.68</u>	<u>21,758,734.74</u>	<u>33,601,937.68</u>	<u>38,361,088.01</u>	
<u>Federal and State Grants Fund</u>						
Cash - Checking	2,639,796.61	3,470,859.24	3,162,078.57	3,664,306.15	1,691,019.02	
Interfunds Receivable		25,129.48	262,037.41	4,178,097.42	3,575,268.35	
Federal and State Grants Receivable	<u>2,639,796.61</u>	<u>3,495,988.72</u>	<u>3,424,115.98</u>	<u>7,842,403.57</u>	<u>5,266,287.37</u>	
	<u>\$ 29,799,692.36</u>	<u>\$ 24,593,759.40</u>	<u>\$ 25,182,850.72</u>	<u>\$ 41,444,341.25</u>	<u>\$ 43,627,375.38</u>	

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEET - CURRENT FUND

Sheet #2

	Unaudited		Audited		
	Balance Dec. 31, 2024	Balance Dec. 31, 2023	Balance Dec. 31, 2022	Balance Dec. 31, 2021	Balance Dec. 31, 2020
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>					
<u>Regular Fund</u>					
Appropriation Reserves and Encumbrances	\$ 4,643,681.38	\$ 893,737.63	\$ 4,673,937.13	\$ 4,122,097.89	\$ 3,823,429.40
Accounts Payable	62,031.40	62,031.40	1,243.50	88,042.66	
Reserve for Revaluation	79,566.40	79,566.40	79,566.40	79,566.40	79,566.40
Reserve for Master Plan Expenditures	45,371.30	45,371.30	45,371.30	45,371.30	45,371.30
Reserve for Municipal Relief Fund	1,006,500.28	1,006,500.28	335,547.53		
Due to State of New Jersey		87,404.13	65,153.31	63,125.92	82,352.31
Tax Overpayments	95,650.34	181,509.53	68,190.43	97,696.08	135,639.77
Interfunds Payable	2,824,271.69	2,552,765.76	3,981,877.62	10,635,662.56	7,839,790.66
Tax Anticipation Note				8,000,000.00	20,000,000.00
Reserve for Debt Service	1,446,237.75				
Prepaid Taxes	712,154.18	487,033.41	530,979.48	593,595.76	660,048.24
Local School District Tax Payable	4,187,399.71	3,740,044.00	3,200,105.80	2,536,234.00	2,449,289.70
County Taxes Payable			147,443.31	23,715.45	25,522.76
	15,102,864.43	9,135,963.84	13,129,415.81	26,285,108.02	35,141,010.54
Special Emergency Notes Payable				190,000.00	370,000.00
Reserve for Receivables and Other Assets	515,044.02	1,658,832.29	5,164,282.10	4,161,981.09	1,264,175.57
Fund Balance	11,541,987.30	10,302,974.55	3,465,036.83	2,964,848.57	1,585,901.90
	27,159,895.75	21,097,770.68	21,758,734.74	33,601,937.68	38,361,088.01
<u>Federal and State Grants Fund</u>					
Interfunds Payable	8,110.00	8,110.00	338,110.00	338,110.00	338,110.00
Reserve for Grant Expenditures	1,727,577.45	2,559,491.61	1,609,752.08	5,175,894.78	4,727,380.90
Unappropriated Reserves	904,109.16	928,387.11	1,476,253.90	2,328,398.79	200,796.47
	2,639,796.61	3,495,988.72	3,424,115.98	7,842,403.57	5,266,287.37
	\$ 29,799,692.36	\$ 24,593,759.40	\$ 25,182,850.72	\$ 41,444,341.25	\$ 43,627,375.38

See accompanying notes to financial statements.

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

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

	<u>Unaudited</u>		<u>Audited</u>	
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Revenue and Other Income</u>				
Fund Balance Utilized	\$ 4,800,000.00	\$ 2,060,225.01	\$ 16,380,940.68	\$ 800,000.00
Miscellaneous Revenue Anticipated	19,534,365.46	17,414,560.94	13,696,481.05	14,173,175.86
Receipts from Delinquent Taxes	6,670.02	87,676.37	13,521.95	30,640.11
Receipts from Current Taxes	126,368,010.18	121,667,721.44	119,994,355.48	117,968,270.64
Nonbudget Revenue	615,594.15	4,070,921.28	2,400,292.99	2,149,003.60
Other Credits to Income:				
Reserve for Grant Expenditures Cancelled	24,600.78		658,807.85	
Unexpended Balance of Appropriation Reserves	1,468,420.20	1,898,143.00	1,522,161.76	1,625,087.19
Interfund Charges (Net)		3,463,782.38		
Other Accounts Receivable		23,485.00	73,685.13	3,937.00
Accounts Payable Cancelled		55,570.00		455,313.71
Due to State of New Jersey				422,733.50
Federal and State Grant Adjustment				
Increase in Deferred School Tax	2,460,500.00	150,742,085.42	141,043,765.84	137,163,742.20
	<u>155,278,160.79</u>			<u>132,114,529.62</u>
<u>Expenditures</u>				
Budget Appropriations	82,744,705.69	78,306,496.66	76,785,995.78	74,026,043.57
Interfund Charges (Net)		375.00	465,122.05	3,305,125.79
Prior Year Revenue Refunded		5,473.97	6,015.75	4,620.00
Senior Citizen Deductions Disallowed by Tax Collector		4,050,036.09		7,404.80
Expenditure Without Appropriation			563,259.00	
Reserve for Other Accounts Receivable		128,604.84	631,701.00	
Prior Year Paid Taxes Cancelled		32,067.18		74,100.00
Prior Year Adjustment - Due to State of New Jersey				93,142.87
Overexpenditure of Appropriation Reserves		80,418.25		
Accounts Receivable Cancelled	50,035,688.00	47,122,847.00	46,222,453.00	45,114,688.00
Local School District Taxes	16,458,754.35	16,385,305.79	15,869,031.00	15,855,936.69
County Taxes	<u>149,239,148.04</u>	<u>146,111,624.78</u>	<u>140,543,577.58</u>	<u>138,481,061.72</u>
Excess in Revenue	6,039,012.75	4,630,460.64	500,188.26	732,818.66
Deficit in Revenue				(1,317,319.52)
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which Are by Statute Deferred		4,267,702.09		3,496,266.19
Charges to Budget of Succeeding Year		8,898,162.73	500,188.26	2,178,946.67
Statutory Excess to Fund Balance	6,039,012.75			
<u>Fund Balance</u>				
Balance January 1	10,302,974.55	3,465,036.83	2,964,848.57	1,585,901.90
	<u>16,341,987.30</u>	<u>12,363,199.56</u>	<u>3,465,036.83</u>	<u>3,764,848.57</u>
Decreased by:				
Utilized as Anticipated Revenue	4,800,000.00	2,060,225.01		800,000.00
Balance December 31	<u>\$ 11,541,987.30</u>	<u>\$ 10,302,974.55</u>	<u>\$ 3,465,036.83</u>	<u>\$ 2,964,848.57</u>

See accompanying notes to financial statements.

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

Sheet #1

COMPARATIVE STATEMENT OF MISCELLANEOUS REVENUE - CURRENT FUND

	Unaudited		Audited			
	2024	2023	2022	2021	2020	
Licenses:						
Alcoholic Beverages	\$ 86,690.00	\$ 86,940.00	\$ 81,940.00	\$ 81,140.00	\$ 70,752.00	
Other	59,854.00	47,943.00	59,213.00	48,707.00	52,987.00	
Fees and Permits:						
Construction Code Official	1,216,158.28	1,423,275.00	830,198.00	1,248,369.00	853,694.00	
Ambulance Fees	885,465.89	802,572.34	625,171.17	610,040.74	482,746.46	
Other	161,824.30	134,024.00	99,991.00	99,912.65	80,520.38	
Fines and Costs:						
Municipal Court	773,655.38	593,535.42	538,786.73	575,729.17	456,497.73	
Interest and Costs on Taxes	211,020.02	157,630.32	136,385.58	137,741.67	144,419.11	
Parking Meters	176,040.94	111,131.09	104,305.10	46,866.22	30,923.11	
Interest on Investments and Deposits	725,651.07	524,787.01	172,729.46	63,421.57	116,885.06	
Industrial Sewer User Charges	140,630.42	190,463.52	155,848.05	124,962.52	167,053.32	
Consolidated Municipal Property Tax Relief Aid	335,547.53	671,095.00	432,289.00	796,984.00	882,586.00	
Energy Receipts Tax	6,509,268.00	6,477,028.16	6,000,275.00	5,635,580.00	5,549,977.99	
State and Federal Revenues Off-Set with Appropriations:						
Clean Communities Program	157,287.96	61,470.44	59,905.58		56,264.28	
Alcohol Education, Rehabilitation and Enforcement Fund		3,000.71	1,363.19			
Safe and Secure Communities Program		32,400.00	42,000.00	32,400.00	60,000.00	
Essex County Office on Aging					150,000.00	
Municipal Alliance on Alcoholism and Drug Abuse		17,345.76	8,021.79		24,936.03	
Firefighters Grant					30,059.00	
COPS in School				100,460.00	100,460.00	
Body Armor Replacement Fund		6,032.87	0.63	25,937.18		
Sustainable Jersey PSE&G			5,000.00			
New Jersey Transit			85,764.00		49,008.00	
Drug Enforcement Task			27,833.77		16,562.76	
FEMA COVID-19					371,161.00	
NJACCHO COVID-19					26,118.50	
78-102 Washington Avenue					52,000.00	
COPS Hiring Grant						
Division of Fire Safety						
Target Soccer Grant						
Developer's Contribution - Terry Street				1,375,000.00		
Nonterrorism						
Statewide Local Recovery Funds						
Acquisition of Property on Washington Avenue						
			36,299.33			
			1,000.00			
			600,494.66			
			10,000.00			
			1,082,394.12			
			187,500.00			

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENT OF MISCELLANEOUS REVENUE - CURRENT FUND

Sheet #2

	Unaudited 2024	2023	2022	Audited 2021	2020
State and Federal Revenues Off-Set with Appropriations:					
Developer Contribution - 630 Washington Avenue	\$	\$ 900,000.00	\$ 174,200.00	\$	\$
Recycling Tonnage Grant		46,277.76	91,532.82		
AARP, Inc.			14,555.00		6,000.00
Drive Sober or Get Pulled Over					3,153.00
Sustainable Jersey Small Grants Program			5,500.00		
Emergency Management Performance Grant			10,000.00		
Silver Lake Urban Grant			100,000.00		
Department of Justice			2,418.90		1,500.37
Developer's Contribution BOIV					250,000.00
County of Essex - Division of Senior Services		25,000.00			39,385.00
Pedestrian Safety Grant		36,953.22			
Police Insurance			540,257.00		721,840.00
Essex County CDBG FY 2020 - Water Main Phase II			335,000.00		
Essex County CDBG FY 2021 - Water Main					1,750.00
New Jersey Department of Transportation			27,340.00		10,000.00
Highway Safety Nonmotorist Safety			1,162.50		125,000.00
Essex County - Local Art History Grant			13,693.00		1,400,000.00
Essex County Office on Aging					40,000.00
Essex County - Census Grant					
N.J. Community Affairs					
Federal Cares Act			5,582.50		
Franklin Park			5,000.00		
Bulletproof Vest Program					
Sportsnet NY Playball					
Other Special Items:					
Uniform Fire Safety Act	56,246.68	35,817.93	47,124.78	48,548.33	50,048.32
Cablevision Gross Receipts Fee				140,067.98	148,384.63
Cable TV Franchise Fee - Verizon FIOS	195,117.73	203,754.66	224,518.58	242,785.36	261,565.25
Cable TV Franchise Fee - Comcast	110,080.09	120,992.51	128,543.59		
Landlord Registration Fees			26,110.00	25,010.00	25,340.00
Hotel Tax	106,486.63	25,210.23	105,640.49	97,255.78	84,534.40
Police Department Fees			12,151.00	10,999.00	14,052.00
Outside Police Employment	262,376.61	206,385.37	236,363.16	280,375.05	97,722.25

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENT OF MISCELLANEOUS REVENUE - CURRENT FUND

Sheet #3

	Unaudited		Audited	
	2024	2023	2022	2021
Other Special Items:				
Reserve to Pay Debt	\$ 2,061,722.03	\$	\$ 363,985.00	\$
Capital Fund Balance	170,680.35			100,000.00
Hospital Bed Fees	499,669.78	489,872.34	480,267.00	6,008.00
American Rescue Funds		660,044.12	1,250,000.00	470,850.00
Belleville Board of Education Agreement		1,481,670.00	600,000.00	827,650.00
Due from Water Capital	1,711,990.73			153,220.29
Reimbursed Drug Subsidy				127,489.70
Due from Free Public Library:				
Current	31,805.70		46,024.84	173,790.24
PILOT 608 Mill A-B 3101 L 2.02	37,091.00	25,725.84		
PILOT 608 Mill B-B 3101 L 2.03 Q C00B	54,211.74	38,848.07		
PILOT - 11D Franklin - B 2301 L 1.03	211,144.87	175,967.22		
PILOT - 175 Belmont - B 201 L 11 Q C0002	510,432.00	473,385.00		
NJ Transit	49,000.00	61,260.00		
Reserve to Pay Debt		61,722.03		
Water Utility Fund - Administrative Cost Reimbursement	300,000.00	275,000.00		
Water Utility Fund - Insurance Reimbursement	650,000.00	700,000.00		
Water Utility Fund - PERS Reimbursement and FICA	261,200.00	30,000.00	21,900.00	225,314.00
Sewer Connection Fees				79,716.00
Interfunds Receivable	816,015.73			
Application Fees - Short-Term			2,500.00	17,500.00
Sale of Township Property				14,700.00
Clean Up Charges			124,861.36	61,740.00
				29,024.68
	<u>\$ 19,534,365.46</u>	<u>\$ 17,414,560.94</u>	<u>\$ 16,380,940.68</u>	<u>\$ 13,696,481.05</u>
				<u>\$ 14,173,175.86</u>

See accompanying notes to financial statements.



TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENT OF BUDGET APPROPRIATIONS - CURRENT FUND

	Unaudited		Audited	
	2024	2023	2022	2021
<b>Appropriations</b>				
Operations:				
Office of the Manager	\$ 820,363.69	\$ 821,525.54	\$ 1,041,095.18	\$ 817,717.00
Township Clerk's Office	425,837.19	445,917.19	380,318.25	280,170.00
Department of Finance	22,677,170.61	21,109,185.62	17,185,085.24	18,563,022.32
Law Department	533,859.99	757,637.71	886,475.00	909,028.00
Department of Planning and Development	98,134.25	44,142.93	113,624.00	92,261.00
Department of Police	13,907,075.95	13,738,043.17	13,356,373.00	12,596,844.00
Department of Fire	9,911,000.00	8,850,893.26	8,786,210.70	8,831,000.00
Department of Public Works	8,720,137.39	8,012,263.15	6,923,961.25	6,797,908.00
Department of Health and Human Services	1,196,347.71	1,009,759.39	1,139,148.00	1,127,138.00
Department of Recreation and Cultural Affairs	1,336,500.00	1,237,925.63	860,911.78	638,012.00
Uniform Construction Code - Appropriations Offset				
by Dedicated Revenues	1,446,000.00	1,274,088.03	1,167,189.34	1,035,175.00
Unclassified	693,068.72	1,006,857.87	1,410,583.09	1,180,900.00
Prior Years Bills				260.92
Compensated Absences			21,500.00	21,500.00
Other Operations	<u>61,765,495.50</u>	<u>58,308,239.49</u>	<u>53,272,474.83</u>	<u>52,890,936.24</u>
State and Federal Programs	5,826,671.20	4,996,355.62	4,869,122.00	4,798,642.00
Capital Improvements	159,962.96	1,131,155.77	3,723,818.79	2,079,053.18
Deferred Charges	250,000.00	225,000.00	825,000.00	300,000.00
Statutory Expenditures:	511,060.75	509,200.00	2,330,644.58	2,264,861.14
Contributions to:				
Public Employees' Retirement System	1,193,566.20	1,217,417.68	1,118,457.00	1,465,239.00
Social Security System (OASI)	1,100,000.00	989,970.13	1,000,000.00	976,350.00
Consolidated Police and Firemen's Pension Fund	20,000.00		17,294.00	17,924.00
Police and Firemen's Retirement System of New Jersey	7,016,000.00	7,085,619.54	6,628,135.00	6,053,298.00
Unemployment Compensation Insurance		100,000.00	100,000.00	100,000.00
Defined Contribution Retirement Program	25,000.00	18,069.13	34,924.17	21,000.00
Debt Service	<u>4,876,949.08</u>	<u>3,725,469.30</u>	<u>2,866,125.41</u>	<u>3,058,740.01</u>
	<u>\$ 82,744,705.69</u>	<u>\$ 78,306,496.66</u>	<u>\$ 76,785,995.78</u>	<u>\$ 74,026,043.57</u>
				<u>\$ 71,690,500.99</u>

See accompanying notes to financial statements.

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

Sheet #1

COMPARATIVE BALANCE SHEET - TRUST FUND

	Unaudited Balance Dec. 31, 2024	Audited		
		Balance Dec. 31, 2023	Balance Dec. 31, 2022	Balance Dec. 31, 2021
<b><u>ASSETS</u></b>				
Animal Control Trust Fund				
Cash - Checking Account	\$ 42,837.28	\$ 30,140.08	\$ 15,711.87	\$ 19,589.32
Interfunds Receivable	<u>42,837.28</u>	<u>30,140.08</u>	<u>15,711.87</u>	<u>19,589.32</u>
				<u>29,891.79</u>
				<u>44,104.07</u>
General Trust Fund				
Cash	2,172,957.94	5,063,004.33	3,206,465.27	3,004,520.59
Other Accounts Receivables	127,169.97	404,691.42	264,975.70	496,128.46
Due from Municipal Court				268.00
Due from State of New Jersey		1,622.80	1,622.80	1,622.80
Interfunds Receivable	<u>866,162.50</u>	<u>927,272.10</u>	<u>3,811,603.46</u>	<u>3,626,755.45</u>
	<u>3,166,290.41</u>	<u>6,396,590.65</u>	<u>7,284,667.23</u>	<u>7,129,027.30</u>
Community Development Block Grant Fund				
Cash			624,311.83	924,265.98
Due from County of Essex			<u>624,311.83</u>	<u>924,265.98</u>
				<u>89,876.78</u>
				<u>49,008.98</u>
				<u>138,885.76</u>
Other Trust Funds				
Cash	4,001,945.83			
Interfunds	228,097.67			
Receivables	<u>791,272.59</u>			
	<u>5,021,316.09</u>			
	<u>\$ 8,230,443.78</u>	<u>\$ 6,426,730.73</u>	<u>\$ 7,924,690.93</u>	<u>\$ 8,102,774.39</u>
				<u>\$ 6,246,037.78</u>

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

Sheet #2

COMPARATIVE BALANCE SHEET - TRUST FUND

	Unaudited	Audited		
	Balance Dec. 31, 2024	Balance Dec. 31, 2023	Balance Dec. 31, 2022	Balance Dec. 31, 2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>				
<u>Animal Control Trust Fund</u>				
Due to State of New Jersey	\$	\$ 259.60	\$ 45.60	\$ 35.40
Accounts Payable		2,973.24	71.85	8,583.33
Interfunds Payable	2,973.24	26,907.24	15,594.42	40,862.38
Reserve for Animal Control Trust Fund Expenditures	39,864.04	30,140.08	15,711.87	49,481.11
	<u>42,837.28</u>			
<u>General Trust Fund</u>				
Due to State of New Jersey		1,287.00	4,247.00	5,707.00
Due to Municipal Court	2,301.00	2,301.00	2,984.00	3,085.00
Accounts Payable			13,302.00	13,302.00
Interfunds Payable	7,605.14			
Payroll Deductions Payable		380,906.86	293,756.06	408,358.01
Law Enforcement Trust Fund		203,934.58	129,556.44	106,143.09
Outside Employment of Off-Duty Police Officers		13,842.48	94,328.68	160,497.78
Special Deposits		1,335,446.73	1,115,490.42	1,120,842.43
Redemption of Tax Title Liens		86,934.59	25,238.43	26,679.75
Premiums Received at Tax Sales		1,160,300.00	3,436,052.21	3,344,152.21
Reserve for Municipal Alliance on Alcoholism and Drug Abuse - Program Income		31,170.00	31,170.00	31,170.00
Reserve for Affordable Housing Trust Fund		2,831,729.33	1,887,669.39	1,648,707.04
Trust Fund Reserves	3,156,384.27			
Reserve for Unemployment Compensation Trust Fund Expenditures		348,738.08	250,872.60	260,382.99
	<u>3,166,290.41</u>	<u>6,396,590.65</u>	<u>7,284,667.23</u>	<u>7,129,027.30</u>
<u>Community Development Block Grant Fund</u>				
Interfunds Payable			262,037.41	89,876.78
Reserve for Community Development Block Grant Program			362,274.42	924,265.98
			<u>624,311.83</u>	<u>924,265.98</u>
<u>Other Trust Funds</u>				
Interfunds	136,349.21			
Reserve for Other Trust	4,884,966.88			
	<u>5,021,316.09</u>			
	<u>\$ 8,230,443.78</u>	<u>\$ 6,426,730.73</u>	<u>\$ 7,924,690.93</u>	<u>\$ 8,102,774.39</u>
				<u>\$ 6,246,037.78</u>

See accompanying notes to financial statements.

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEET - GENERAL CAPITAL FUND

	Unaudited Balance Dec. 31, 2024	Audited		
		Balance Dec. 31, 2023	Balance Dec. 31, 2022	Balance Dec. 31, 2021
<b>ASSETS AND DEFERRED CHARGES</b>				
Cash	\$ 19,700,801.71	\$ 344,130.86	\$ 12,861,281.55	\$ 1,048,688.35
Grants Receivable	5,118,354.25	5,118,354.25	4,745,397.25	3,048,570.50
Interfunds Payable	117,071.94	1,461,329.50	336,110.00	336,110.00
Deferred Charges to Future Taxation:				
Funded	16,861,728.89	18,355,911.15	19,882,689.71	22,047,037.82
Unfunded	43,400,019.25	38,787,090.00	34,536,090.00	8,829,070.75
Deferred Charges:				
Overexpenditure of Ordinance Appropriations				81,558.01
	<u>\$ 85,197,976.04</u>	<u>\$ 64,066,815.76</u>	<u>\$ 72,361,568.51</u>	<u>\$ 35,391,035.43</u>
				<u>\$ 41,394,406.28</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>				
General Serial Bonds	\$ 16,605,000.00	\$ 18,035,000.00	\$ 19,425,000.00	\$ 21,454,000.00
Green Acres Loans Payable	256,728.89	320,911.15	457,689.71	593,037.82
Bond Anticipation Notes	40,775,000.00	19,651,250.00	20,841,250.00	21,542,502.00
Improvement Authorizations:				
Funded	529,709.28	498,787.39	726,862.59	1,189,887.36
Unfunded	22,409,732.22	22,017,531.53	22,518,529.06	5,672,884.04
Capital Improvement Fund	36,237.00	186,237.00	97,280.00	495,880.00
Reserve for Debt Service			61,722.03	363,985.78
Interfunds Payable	1,544,356.79	655,940.52	3,695,771.86	3,413,118.57
Reserve for Grants Receivable	2,534,830.25	2,534,830.25	4,534,830.25	2,206,302.50
Fund Balance	506,381.61	166,327.92	2,633.01	1,939.36
	<u>\$ 85,197,976.04</u>	<u>\$ 64,066,815.76</u>	<u>\$ 72,361,568.51</u>	<u>\$ 35,391,035.43</u>
				<u>\$ 41,394,406.28</u>
Bonds and Notes Authorized but Not Issued	<u>\$ 4,625,019.25</u>	<u>\$ 19,934,880.00</u>	<u>\$ 14,493,880.00</u>	<u>\$ 8,829,070.75</u>
				<u>\$ 9,037,608.75</u>

See accompanying notes to financial statements.

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEET - WATER UTILITY

Sheet #1

	Unaudited Balance Dec. 31, 2024	Audited		
		Balance Dec. 31, 2023	Balance Dec. 31, 2022	Balance Dec. 31, 2021
<b><u>ASSETS</u></b>				
Operating Fund				
Cash - Checking	\$ 5,705,447.94	\$ 3,386,835.55	3,932,803.85	\$ 206,246.99
Interfunds Receivable	2,138,854.88	2,192,521.06	538,952.67	3,439,505.39
	<u>7,844,302.82</u>	<u>5,579,356.61</u>	<u>4,471,756.52</u>	<u>3,645,752.38</u>
				\$ 205,724.94
				<u>797,262.01</u>
				<u>1,002,986.95</u>
Receivables and Inventory with Full Reserves:				
Consumer Accounts Receivable	66,924.90	1,157,998.50	1,175,279.15	1,203,507.44
Inventory - Materials and Supplies	111,094.10	111,094.10	60,735.20	34,802.98
	<u>178,019.00</u>	<u>1,269,092.60</u>	<u>1,236,014.35</u>	<u>1,238,310.42</u>
				<u>958,263.02</u>
	<u>8,022,321.82</u>	<u>6,848,449.21</u>	<u>5,707,770.87</u>	<u>1,961,249.97</u>
Capital Fund				
Cash - Checking	227,333.02	22,002.35	197,951.98	1,440.73
Interfunds Receivable	1,436,364.01	547,947.74	21,095.31	
Loans Receivable	1,590,821.16	5,000,000.00		
Fixed Capital	7,688,542.17	7,688,542.17	7,688,542.17	7,688,542.17
Fixed Capital Authorized and Uncompleted	5,815,000.00	5,815,000.00	5,815,000.00	690,000.00
	<u>16,758,060.36</u>	<u>19,073,492.26</u>	<u>13,722,589.46</u>	<u>8,379,982.90</u>
				<u>7,278,542.17</u>
				<u>1,100,000.00</u>
				<u>8,564,510.98</u>
	<u>\$24,780,382.18</u>	<u>\$25,921,941.47</u>	<u>\$19,430,360.33</u>	<u>\$13,264,045.70</u>
				<u>\$ 10,525,760.95</u>

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE BALANCE SHEET - WATER UTILITY

Sheet #2

	Unaudited	Audited		
	Balance	Balance	Balance	Balance
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>				
Operating Fund				
Liabilities:				
Appropriation Reserves:				
Encumbered	\$ 87,256.81	\$ 64,497.12	\$ 38,920.09	\$ 700,731.05
Unencumbered	477,328.89	241,636.82	2,192,323.65	315,240.56
Water Rent Overpayments		53,150.80	29,425.90	25,556.15
Accrued Interest on Notes	17,638.03	18,763.02	19,825.52	3,750.00
Accrued Interest on Bonds	12,014.81	8,014.18	8,014.18	12,014.81
Interfunds Payable	594,238.54	386,061.94	2,288,509.34	1,057,292.57
	178,019.00	1,269,092.60	1,236,014.35	1,238,310.42
Reserve for Receivables and Other Assets	7,250,064.28	5,193,294.67	2,183,247.18	2,588,459.81
Fund Balance	8,022,321.82	6,848,449.21	5,707,770.87	4,884,062.80
				1,961,249.97
Capital Fund				
Serial Bonds	1,900,000.00	1,990,000.00	2,075,000.00	2,550,000.00
Bond Anticipation Notes	1,147,500.00	522,500.00		2,183,498.00
Improvement Authorizations:				
Funded		226.60	226.60	
Unfunded	2,440,198.37	3,329,929.41	5,259,447.43	368,442.61
Capital Improvement Fund	1,354.95	1,354.95	1,354.95	1,354.95
Interfunds Payable	276,573.13	2,337,125.35	583,556.96	132,181.82
Loans Payable	5,000,000.00	5,000,000.00		
Reserve for Amortization	5,919,730.17	5,829,730.17	5,744,730.17	5,269,730.17
Deferred Reserve for Amortization	36,312.00	35,814.00	35,814.00	35,814.00
Fund Balance	36,391.74	26,811.78	22,459.35	22,459.35
	16,758,060.36	19,073,492.26	13,722,589.46	8,379,982.90
				8,564,510.98
	\$24,780,382.18	\$25,921,941.47	\$19,430,360.33	\$13,264,045.70
				\$10,525,760.95
Bonds and Notes Authorized but Not Issued	\$ 125,000.00	\$ 125,498.00	\$ 5,647,998.00	\$ 522,500.00

See accompanying notes to financial statements.

TOWNSHIP OF BELLEVILLE  
COUNTY OF ESSEX, NEW JERSEY

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - WATER UTILITY

	Unaudited <u>2024</u>	<u>2023</u>	<u>2022</u>	Audited <u>2021</u>	<u>2020</u>
<u>Revenue and Other Income Realized</u>					
Fund Balance Utilized	\$	\$	\$	\$	\$
Water Rents	9,604,264.04	8,264,152.06	7,702,775.33	7,988,748.87	5,563,398.82
Water Connection Fees			36,642.89	10,697.07	3,151.05
Miscellaneous Revenue	146,371.63	145,221.09	48,341.74	98,607.24	40,679.26
Nonbudget Revenue		269,078.97	52,993.67	21,182.66	32,233.22
Other Credits to Income:					
Unidentified Receipts	306,133.94	902,893.10	61,382.71	62,027.42	16,381.87
Unexpended Balance of Appropriation Reserves	10,056,769.61	11,210,047.49	8,402,136.34	8,181,263.26	5,655,844.22
<u>Expenditures</u>					
Budget Appropriations:					
Operating	7,649,739.38	7,575,000.00	7,648,382.00	5,341,035.00	5,023,095.00
Capital Improvements	1,243.74	188,693.74			
Debt Service	162,816.88	131,306.26	560,716.97	424,800.08	464,752.37
Deferred Charges	186,200.00	105,000.00	98,250.00		
Statutory Expenditures					27,500.00
Expenditure Without Appropriation	8,000,000.00	8,000,000.00	8,307,348.97	5,765,835.08	5,515,347.37
Excess in Revenue	2,056,769.61	3,210,047.49	94,787.37	2,415,428.18	140,496.85
Fund Balance					
Balance January 1	5,193,294.67	2,183,247.18	2,588,459.81	173,031.63	32,534.78
	7,250,064.28	5,393,294.67	2,683,247.18	2,588,459.81	173,031.63
Decreased by:					
Surplus Anticipated in the Current Fund Budget		200,000.00	500,000.00		
Balance December 31	\$ 7,250,064.28	\$ 5,193,294.67	\$ 2,183,247.18	\$ 2,588,459.81	\$ 173,031.63

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See accompanying notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS



## TOWNSHIP OF BELLEVILLE

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

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

Effective July 1, 1990, the form of government of the Township of Belleville was changed from a 5-member Commission to the 7-member Council-Manager form (N.J.S. 40:69A-80 et seq.) in accordance with the referendum of the electorate. Each Council seat is tenured at a 4-year term with staggered elections held bi-annually. A mayor is elected in a general election for a term of 4 years.

Each member of the Council carries a legislative vote.

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

The financial statements of the Township of Belleville include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by the provisions of N.J.S. 40A:5-5.

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

###### Description of Funds

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

The accounting policies of the Township of Belleville conform to the accounting principles applicable to municipalities that have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. These principles are a "Modified Accrual Basis of Accounting" which differs from accounting principles generally accepted in the United States of America (GAAP) for governmental entities. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Belleville accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP:

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

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

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

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

#### **Description of Funds (Continued)**

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.

Utility Fund - The Water Utility is treated as a separate entity. It maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

Free Public Library - Expenditures of the Free Public Library are recorded directly to the Budget Appropriation and State Aid Accounts. Library fines, interest on investments and other miscellaneous revenue are retained by the Library and expended therefrom.

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

#### **Basis of Accounting**

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

#### **Property Taxes and Other Revenue**

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

#### **Grant Revenue**

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

#### **Expenditures**

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

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

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

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

Budget Appropriations for interest on general capital long-term debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

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

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

**Basis of Accounting (Continued)**

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

**Appropriation Reserves**

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

**Compensated Absences**

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

**Property Acquired for Taxes**

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

**Self-Insurance Contributions**

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

**Interfunds Receivable**

Interfunds receivable in the Current Fund are generally recorded with offsetting reserves that 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 corresponding 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.

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

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

**Basis of Accounting (Continued)**

**Inventories of Supplies (Continued)**

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

**Capital Fixed Assets**

**General:**

In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Township of Belleville has developed a capital fixed asset accounting and reporting system. Although an inventory of movable fixed assets was prepared, it has not been updated for certain items of equipment.

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

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

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

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

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

**Utilities:**

Capital acquisitions, including utility infrastructure costs of the Water Utility, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include movable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

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

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

#### **Basis of Accounting (Continued)**

##### **Capital Fixed Assets (Continued)**

Utilities: (Continued)

The Fixed Capital Accounts reflected herein are as recorded in the records of the municipality and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only. Detailed records are not maintained.

### **C. Basic Financial Statements**

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township of Belleville presents the financial statements listed in the table of contents which are required by the Division of Local Government Services and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

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

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

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

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

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

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

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

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

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

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

## **2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

### **A. Cash and Cash Equivalents**

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

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

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

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

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

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

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Township considers petty cash, change funds and cash in banks as cash and cash equivalents.

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

	<u>2023</u>
Valley Bank	\$27,030,669.02
Change Funds	<u>350.00</u>
Total Cash and Cash Equivalents	<u>\$27,031,019.02</u>

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

### **A. Cash and Cash Equivalents (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute, which requires cash be deposited only in New Jersey based bank institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. As of December 31, 2023, of the cash balance in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$25,276,783.39 was covered under the provisions of NJGUDPA.

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

As of December 31, 2023, the Township had funds invested and on deposit in checking accounts. The amount on deposit of the Township's cash and cash equivalents as of December 31, 2023 was \$25,526,783.39. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40.

### **B. Investments**

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

## **3. TAXES AND TAX TITLE LIENS RECEIVABLE**

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

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

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

Taxes unpaid on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes become 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.

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

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

#### Comparative Tax Rates

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019**</u>
Tax Rate	<u>\$3.914</u>	<u>\$3.851</u>	<u>\$3.795</u>	<u>\$3.743</u>	<u>\$3.541</u>
Apportionment of Tax Rate:					
Municipal	\$1.829	\$1.812	\$1.798	\$1.788	\$1.683
County	0.508	0.491	0.494	0.480	0.436
School	1.517	1.494	1.452	1.426	1.377
County Open Space	0.019	0.017	0.016	0.015	0.014
Library	0.041	0.037	0.035	0.034	0.031

\*\*Revaluation

#### Assessed Valuations

<u>Year</u>	<u>Amount</u>
2023	\$3,106,413,400.00
2022	3,095,086,083.00
2021	3,107,706,300.00
2020	3,105,335,426.00
2019**	2,884,296,373.00

\*\*Revaluation

#### Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections*</u>	<u>Percentage of Collection</u>
2023	\$121,837,522.10	\$121,667,721.44	99.80%
2022	120,308,935.10	119,889,625.71	99.65
2021	118,114,619.89	117,968,270.64	99.88
2020	116,425,740.93	116,317,609.91	99.91
2019**	110,387,138.90	110,241,156.52	99.87

\*Accelerated Tax Sale

\*\*Revaluation

#### Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2023	\$ 58,738.86	\$ 6,670.02	\$ 65,408.88	0.05%
2022	100,473.83	34,434.75	134,908.58	0.11
2021	93,873.44	11,669.93	105,543.37	0.09
2020	87,681.35	37,173.09	124,854.44	0.11
2019	46,398.06	38,862.18	85,260.24	0.08



#### **4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2023	\$ 378,850.00
2022	398,850.00
2021	460,450.00
2020	762,450.00
2019	1,141,400.00

#### **5. WATER CONSUMER ACCOUNTS RECEIVABLE**

The Township of Belleville maintains a utility fund for the billing and collection of water rents. Water billings are done on a quarterly basis.

A comparison of Water Utility billings and collections for the past five years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2023	\$8,246,871.41	\$8,264,152.06
2022	7,721,092.52	7,702,775.33
2021	8,338,450.75	7,988,748.87
2020	6,031,523.57	5,563,398.82
2019	4,527,225.76	4,473,699.70

\*Includes amounts received for prior years' receivables.

#### **6. SEWER USER CHARGES RECEIVABLE**

Sewer user charges are billed on a quarterly basis and recorded as revenue in the Current Fund.

A comparison of billings and collections for the past five years for industrial user is as follows:

<u>Year</u>	<u>Industrial</u>	
	<u>Billing</u>	<u>Collection*</u>
2023	\$177,697.43	\$190,463.52
2022	160,958.81	155,848.05
2021	135,696.29	124,962.52
2020	158,067.01	167,053.32
2019	183,030.99	141,488.24

A referendum passed in the year 2003 eliminated residential sewer user charges as of January 1, 2004.

\*Includes amounts received for prior years' receivables.

## 7. FUND BALANCES APPROPRIATED

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budgets of Succeeding Year</u>
Current Fund:	2023	\$10,302,974.55	\$4,800,000.00
	2022	3,465,036.83	3,500,000.00
	2021	2,964,848.57	-
	2020	1,585,901.90	800,000.00
	2019	539,167.54	200,000.00
Water Utility Operating Fund:	2023	5,193,294.67	-
	2022	2,183,247.18	200,000.00
	2021	2,588,459.81	500,000.00
	2020	173,031.63	-
	2019	32,534.78	-

## 8. PENSION PLANS

### Description of Systems

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

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

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

	<u>PERS</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Covered Employee Payroll	\$ 6,745,607	\$ 6,485,175	\$ 6,711,494
Total Payroll	33,753,131	31,086,941	32,741,918
Actuarial Contribution			
Requirements	1,157,941	1,154,998	1,110,413
Total Contributions	1,663,878	1,641,386	1,613,775
Employer Share	1,157,941	1,154,998	1,110,413
% of Covered Payroll	17.17%	17.81%	16.54%
Employee's Share	505,937	486,388	503,362
% of Covered Payroll	7.50%	7.50%	7.50%

## 8. PENSION PLANS (Continued)

### Description of Systems (Continued)

	PFRS		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Covered Employee Payroll	\$ 18,991,870	\$18,457,844	\$18,457,315
Total Payroll	33,753,131	31,086,941	32,741,918
Actuarial Contribution			
Requirements	6,726,261	6,755,444	6,282,299
Total Contributions	8,625,448	8,601,228	8,128,031
Employer Share	6,726,261	6,755,444	6,282,299
% of Covered Payroll	35.42%	36.60%	34.04%
Employee's Share	1,899,187	11,845,784	1,845,732
% of Covered Payroll	10.00%	10.00%	10.00%

### **Assumptions**

The collective total PERS and PFRS pension liability for June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 using an actuarial experience study for the period July 1, 2018 to June 30, 2021 for PERS and for the period July 1, 2018 to June 30, 2021 for PFRS. The pension liability was rolled forward to June 30, 2023. The actuarial valuation used an inflation rate of 2.75% for price and 3.25% for wage, projected salary increases through 2026 of 2.75% to 6.55% for PERS and through all future years 3.25% to 16.25% for PFRS based on years of service and an investment rate of return of 7.00%.

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

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

The discount rate used to measure the total pension liability was 7.00% for PERS and 7.00% for PFRS as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability. More information on mortality rates and other assumptions, and investment policies can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

## 8. PENSION PLANS (Continued)

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

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

#### **Significant Legislation**

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

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

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

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

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

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2023	<u>\$16,437,825</u>	<u>\$12,654,776</u>	<u>\$ 9,404,259</u>
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2022	<u>\$17,907,919</u>	<u>\$13,939,301</u>	<u>\$10,561,848</u>

## 8. PENSION PLANS (Continued)

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

#### Special Funding Situation

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

	<u>2023</u>	<u>2022</u>
Employer Net Pension Liability	\$12,548,978.00	\$13,822,241.00
Nonemployer Proportional Share of the Net Pension Liability	<u>105,798.00</u>	<u>117,060.00</u>
	<u>\$12,654,776.00</u>	<u>\$13,939,301.00</u>

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

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

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

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

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

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

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

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

## 8. PENSION PLANS (Continued)

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

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

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2023	<u>\$ 92,118,010</u>	<u>\$ 66,113,804</u>	<u>\$ 44,458,514</u>
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2022	<u>\$ 90,098,314</u>	<u>\$ 70,036,990</u>	<u>\$ 48,340,811</u>

### Special Funding Situation

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

	<u>2023</u>	<u>2022</u>
Employer Net Pension Liability	\$55,827,026.00	\$59,455,631.00
Nonemployer Proportional Share of the Net Pension Liability	<u>10,286,778.00</u>	<u>10,581,359.00</u>
	<u>\$66,113,804.00</u>	<u>\$70,036,990.00</u>

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

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

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

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

## 8. PENSION PLANS (Continued)

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

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

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

	<u>PERS</u>	<u>PFRS</u>
Net Pension Liabilities	\$12,548,978	\$55,827,026
Deferred Outflow of Resources	205,342	7,549,086
Deferred Inflow of Resources	2,200,779	10,878,268
Pension Expense	(693,817)	2,335,308
Contributions Made After Measurement Date	1,157,941	6,726,261

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collected deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the PERS schedule of employer allocations and applied to amounts presented in the PERS schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the years ended June 30, 2023 and 2022. The Township's proportionate share of the collective net pension liability as of June 30, 2023 and 2022 was .0866% and .0916% for PERS and .5053% and .5194% for PFRS, respectively.

It is important to note that New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements.

At June 30, 2023, the amount determined as the Township's proportionate share of the PERS net pension liability was \$12,548,978. For the year ended June 30, 2023, the Township would have recognized PERS pension expense of \$(693,817). At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follows:

## 8. PENSION PLANS (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 119,984	\$ 51,296
Change of Assumptions	27,568	760,522
Net Difference Between Projected and Actual Investment Earnings	57,790	
Net Change in Proportions		1,388,961
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>1,157,941</u>	
	<u>\$1,363,283</u>	<u>\$2,200,779</u>

At June 30, 2023, the amount determined as the Township's proportionate share of the PFRS net pension liability was \$55,827,026. For the year ended June 30, 2023, the Township would have recognized PFRS pension expense of \$2,335,308. At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to the PFRS pension are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 2,390,401	\$ 2,662,454
Change of Assumptions	120,494	3,769,662
Net Difference Between Projected and Actual Investment Earnings	2,843,165	
Net Change in Proportions	2,195,026	4,446,152
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>6,726,261</u>	
	<u>\$14,275,347</u>	<u>\$10,878,268</u>

### ***Long-Term Expected Rate of Return***

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



## 8. PENSION PLANS (Continued)

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

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

### Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 7.50% and 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the past three (3) years are as follows:

<u>Year</u>	<u>PERS</u>		<u>PFRS</u>		<u>CPFPP</u>	<u>Administrative Fees Consolidated Police and Firemen's Pension Fund</u>
	<u>Township</u>	<u>Employees</u>	<u>Township</u>	<u>Employees</u>	<u>Township</u>	<u>Township</u>
2023	\$1,193,566.00	\$505,937.00	\$7,011,000.00	\$1,899,187.00	\$ *	\$ *
2022	1,191,775.14	498,791.16	7,043,593.83	1,864,439.77	4,786.86	106.57
2021	1,465,239.00	503,362.00	6,053,298.00	1,845,732.00	17,779.92	143.48

The Township of Belleville, in accordance with the provisions of Public Law 2009, c. 19 (S21), elected by resolution of the governing body to defer the 50% of their 2009 normal and accrued pension liability for the PERS and PFRS pension retirement system obligation in the amount of \$496,879.00. This deferred pension liability will be repaid over a 15 year period which started in April 2012.

\*The information was not made available for audit.

## 9. DEFINED CONTRIBUTION RETIREMENT PROGRAM

### Description of System

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

## **9. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)**

### **Description of System (Continued)**

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

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

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

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

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

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

### **Contributions Required and Made**

Contributions made by employees for DCRP are currently at 5.5% of their base wages. The employer contribution is 4.05% which includes a member contribution match of 3.0%, Group Life Insurance is .74% of gross wages and Long-Term Disability is .31% of gross wages. Contributions to the plan for the past three (3) years are as follows:

<u>Year</u>	<u>Township</u>	<u>Employees</u>
2023	\$18,444.85	\$25,042.13
2022	19,719.09	26,779.00
2021	12,534.04	27,366.08

During the year 2023, there were thirty (30) officials or employees enrolled in the DCRP.

## **10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION**

### **Plan Description**

#### ***PERS Employees***

The Township of Belleville, by contractual agreement, provides medical benefits to retired PERS employees, their spouses and eligible dependents. The employee must be employed by the Township for fifteen years and be at least 62 years of age or have twenty-five years of service in the pension system.

#### ***Police Employees***

The Township of Belleville, by contractual agreement, provides medical benefits to retired Police Officers, their spouses and eligible dependents. The officer must be employed by the Township for fifteen years and have completed twenty-five years of cumulative service in the pension system.

#### ***Fire Employees***

The Township of Belleville, by contractual agreement, provides medical benefits to retired Firemen, their spouses and eligible dependents. The firemen, prior to retirement, must have been covered by medical insurance as described in the contractual agreement to be eligible for coverage upon retirement.

The firemen must be employed by the Township for fifteen years and have completed twenty-five years cumulative service in the Pension System.

### **Actuarial Valuation**

An actuarial computation for the annual payment for currently retired employees and the future costs for those employees has not been prepared.

### **Special Funding Situation**

Information presented below is as of June 30, 2023. Additional information was not available as of the date of this audit.

Chapter 330 provides eligibility for enrollment in the State Health Benefits Program to certain retired local police officers and firefighters with part of the cost paid by the State.

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The Township as of June 30, 2023 had 161 members under the Special Funding Situation. The State proportionate share of the net OPEB liability attributed to the Township is \$28,532,304.00.

## 11. MUNICIPAL DEBT

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

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

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 37,686,250.00	\$ 40,266,250.00	\$21,454,000.00
Loans Payable	320,911.15	457,689.71	593,037.82
Water Utility:			
Bonds and Notes	<u>2,512,500.00</u>	<u>2,075,000.00</u>	<u>2,550,000.00</u>
	<u>40,519,661.15</u>	<u>42,798,939.71</u>	<u>24,597,037.82</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	19,934,880.00	14,493,880.00	8,829,070.75
Water Utility:			
Bonds and Notes	<u>125,498.00</u>	<u>5,647,998.00</u>	<u>522,998.00</u>
	<u>20,060,378.00</u>	<u>20,141,878.00</u>	<u>9,352,068.75</u>
Total Debt	<u>60,580,039.15</u>	<u>62,940,817.71</u>	<u>33,949,106.57</u>
Less: Debt Redemption:			
General:			
Cash on Hand	799,040.00	799,040.00	
Reserve for Debt			
Service		61,722.03	363,985.78
Reserve for Grants			
Receivable	<u>2,534,830.25</u>	<u>4,534,830.25</u>	<u>2,206,302.50</u>
	<u>3,333,870.25</u>	<u>5,395,592.28</u>	<u>2,570,288.28</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 57,246,168.90</u>	<u>\$ 57,545,225.43</u>	<u>\$36,519,394.85</u>

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.442%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 40,290,000.00	\$ 40,290,000.00	\$
General	57,942,041.15	3,333,870.25	54,608,170.90
Water Utility	<u>2,637,998.00</u>	<u>2,637,998.00</u>	
	<u>\$ 100,870,039.15</u>	<u>\$ 46,261,868.25</u>	<u>\$54,608,170.90</u>

Net debt, \$54,608,170.90, divided by Equalized Valuation Bases per N.J.S.A. 40A:2-2 as amended, \$3,786,124,756.00 equals 1.442%.

## 11. MUNICIPAL DEBT (Continued)

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

3 1/2% of Equalized Valuation Basis	\$132,514,366.46
Net Debt	<u>57,608,170.90</u>
Remaining Borrowing Power	<u>\$ 74,906,195.56</u>

### **School Debt Deductions**

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

### **Calculation of "Self-Liquidating Purposes" Water Utility per N.J.S. 40A:2-45**

Cash Receipts from Fees, Rents or Other Charges for Year Including Surplus		\$9,781,345.22
Deductions:		
Operating and Maintenance Cost	\$ 7,680,000.00	
Debt Service per Water Utility Operating Fund	<u>131,306.26</u>	
		<u>7,811,306.26</u>
Excess in Revenue		<u>\$ 1,970,038.96</u>

There being an excess in Water Utility Revenue, the Utility Debt is deductible for debt statement purposes.

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

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

#### **General Obligation Bonds**

\$20,670,000, 2021 Bonds due in annual installments of \$1,430,000 to \$1,825,000.00 through February 2034, interest at 2.00% to 3.00%.	<u>\$18,035,000.00</u>
---	------------------------

#### **Water Utility Bonds**

\$2,150,000, 2021 Bonds due in annual installments of \$90,000 to \$130,000 through February 2041, interest at 2.00% to 3.00%.	<u>\$ 1,990,000.00</u>
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#### **Green Acres Trust Loan**

Municipal Stadium Complex: \$1,251,553.34, 2008 Loan due in semi-annual installments of \$32,091.11 to \$32,091.16 through July 2028 at no interest.	<u>\$ 320,911.15</u>
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#### **Tax Anticipation Note**

As of December 31, 2023, the Township had no tax anticipation notes.

#### **Special Emergency Notes**

As of December 31, 2023, the Township had no special emergency notes payable.

**11. MUNICIPAL DEBT (Continued)****Bond Anticipation Notes**

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
General Capital Fund	7-10-2024	5.00%	\$19,651,250.00
Water Utility Fund	7-01-2024	5.00%	522,500.00
			<u>\$20,173,750.00</u>

**Bonds and Notes Authorized but Not Issued**

There were Bonds and Notes Authorized but Not Issued in the following amounts:

	<u>Balance Dec. 31, 2023</u>	<u>Balance Dec. 31, 2022</u>
General Capital Fund	<u>\$19,934,880.00</u>	<u>\$14,493,880.00</u>
Water Capital Fund	<u>\$ 125,498.00</u>	<u>\$ 5,647,998.00</u>

# 11. MUNICIPAL DEBT (Continued)

A schedule of annual debt service for principal and interest for bonded debt is as follows:

Calendar Year	Total	General		Water Utility		Green Acres Trust Loans	
		Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 2,043,163.48	\$ 1,430,000.00	\$ 415,300.00	\$ 90,000.00	\$ 43,681.26	\$ 64,182.22	\$
2025	2,041,888.48	1,475,000.00	371,725.00	90,000.00	40,981.26	64,182.22	
2026	2,044,188.48	1,520,000.00	326,800.00	95,000.00	38,206.26	64,182.22	
2027	2,044,988.48	1,565,000.00	280,525.00	100,000.00	35,281.26	64,182.22	
2028	2,044,288.53	1,615,000.00	232,825.00	100,000.00	32,281.26	64,182.27	
2029	1,981,781.26	1,655,000.00	192,050.00	105,000.00	29,731.26		
2030	1,976,281.26	1,685,000.00	158,650.00	105,000.00	27,631.26		
2031	1,975,131.26	1,720,000.00	124,600.00	105,000.00	25,531.26		
2032	1,978,231.26	1,755,000.00	89,850.00	110,000.00	23,381.26		
2033	1,975,581.26	1,790,000.00	54,400.00	110,000.00	21,181.26		
2034	1,977,181.26	1,825,000.00	18,250.00	115,000.00	18,931.26		
2035	131,631.26	-	-	115,000.00	16,631.26		
2036	134,281.26	-	-	120,000.00	14,281.26		
2037	131,881.26	-	-	120,000.00	11,881.26		
2038	134,431.26	-	-	125,000.00	9,431.26		
2039	131,853.13	-	-	125,000.00	6,853.13		
2040	134,143.75	-	-	130,000.00	4,143.75		
2041	131,381.25	-	-	130,000.00	1,381.25		
	<u>\$23,012,308.18</u>	<u>\$18,035,000.00</u>	<u>\$2,264,975.00</u>	<u>\$1,990,000.00</u>	<u>\$401,422.03</u>	<u>\$320,911.15</u>	<u>\$ -</u>

The interest reflected above is on the cash basis for all funds.

## 12. LEASES

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

The Township has commitments to lease copying equipment, postage machines and police vehicles (motorcycles). The Township also has Interlocal Agreements for Health Services with the Township of Orange under operating leases:

<u>Year</u>	<u>Operating Leases</u>
2024	\$ 92,141.96
2025	14,595.64
2026	<u>2,120.16</u>
Total Future Minimum Lease Receivables	<u><u>\$108,857.76</u></u>

## 13. SUBSCRIPTION LEASES

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

## 14. INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 435,858.65	\$2,552,765.76
Federal and State Grant Fund		8,110.00
Animal Control Trust Fund		2,973.24
General Trust Fund	927,272.10	
General Capital Fund	1,461,329.50	655,940.52
Water Utility Operating Fund	2,192,521.06	8,014.18
Water Utility Capital Fund	<u>547,947.74</u>	<u>2,337,125.35</u>
	<u><u>\$5,564,929.05</u></u>	<u><u>\$5,564,929.05</u></u>

## 15. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS' BUDGETS

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



**15. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS' BUDGETS (Continued)**

	<u>Balance Dec. 31, 2023</u>	<u>2024 Budget Appropriation</u>	<u>To be Raised in Subsequent Budgets</u>
Current Fund:			
Expenditure without Appropriations	\$4,050,036.09	\$	\$4,050,036.09
Overexpenditure of Appropriation	217,666.00		217,666.00
Special Emergency Appropriation (N.J.S.A. 40A:4-53)	<u>1,404,811.82</u>	<u>509,200.00</u>	<u>895,611.82</u>
	<u>\$5,672,513.91</u>	<u>\$509,200.00</u>	<u>\$5,163,313.91</u>

**16. DEFERRED COMPENSATION PLAN**

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

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

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

The Administrator for the Township of Belleville Deferred Compensation Plan is Variable Annuity Life Insurance Company and AXA Equitable.

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

**17. DEFERRED SCHOOL TAX**

The Local School District Tax was raised on the school year basis and liability deferred by statute, resulting in school tax payable set forth in liabilities computed as follows:

	<u>Balance Dec. 31, 2023</u>	<u>Balance Dec. 31, 2022</u>	<u>Increase</u>
*Balance of Tax	\$26,297,388.00	\$25,757,449.80	\$ 539,938.20
Amount Deferred	<u>22,557,344.00</u>	<u>22,557,344.00</u>	
Total Payable (Cash Liability)	<u>\$ 3,740,044.00</u>	<u>\$ 3,200,105.80</u>	<u>\$ 539,938.20</u>

\*Required for school operations for the six month period following December 31<sup>st</sup>.

## **18. RISK MANAGEMENT**

The Township is self-insured with respect to health benefits.

Umbrella insurance coverage currently in force is carried for excess health benefit claims, with special limits detailed as follows:

### **Health Benefits:**

#### **1. Specific Loss:**

The Township can pay no more than \$175,000.00 for any one person.

#### **2. Aggregate Loss:**

Total losses for medical services exceeding \$14,674,597.00 will be covered by insurance.

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

The Township of Belleville is a member of the Suburban Essex Joint Insurance Fund which covers worker's compensation, general liability and automobile coverage.

## **19. CONTINGENT LIABILITIES**

### **a. Compensated Absences**

The policy of the Township of Belleville concerning accrued sick time is provided in Section 2-19.6(c) of the Revised Ordinance of the Township. Eligible full-time employees, except police officers, upon retirement, will be compensated for one-half of unused sick days in a sum computed on one-half of the employee's daily rate of pay based on the average annual compensation reported to the New Jersey administered retirement systems during the last year of employment. The compensation paid during the last year of employment is prorated on a monthly basis.

The compensation for eligible full-time employees, except Police Officers, hired after 1994, will be limited to one-half of accumulated sick days, not to exceed \$7,500.00.

For police officers hired after 1994, the Township agrees to credit four (4) days to each employee who has not used more than seven (7) days sick leave during such calendar year. This calculation shall be retroactive to the date of hire. Upon severance of service by way of retirement, within the meaning of PFRS excluding deferred retirement, the days so accumulated shall be paid at the rate of pay in existence at the time of retirement to a maximum of \$15,000.00.

Unused vacation days are reimbursable in full.

The future liability for compensated absences was not estimated as of December 31, 2023.

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

Provision for the above are not reflected on the Financial Statements of the Township, however, the Township has established a reserve of \$236,027.33 as of December 31, 2023.

### **b. Tax Appeals**

As of November 15, 2024, there were forty-eight (48) appeals pending before the New Jersey Tax Court with assessed valuations of \$118,904,300.00. Potential liability was undeterminable.

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

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

### **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, 2023 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

### **d. Arbitrage Rebate Calculation**

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

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

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

### **f. Litigation**

The Township of Belleville has been named in several matters of litigation, including general liability, personal injury and other items, which may expose the Township to financial liability. A majority of these items, however, will be defended and covered by insurance carriers and by coverage offered to the Township by the Suburban Essex Joint Insurance Fund and the Environmental Joint Insurance Fund and present no significant litigation, contingent liabilities or statutory violations which would significantly affect the financial position or results of operations of the Township.

## **20. SECONDARY MARKET DISCLOSURE**

Solely for purposes of complying with Rule 1602-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

## **21. SUBSEQUENT EVENTS**

The Township of Belleville has evaluated subsequent events that occurred after the balance sheet date, but before February 11, 2025. No items were determined to require disclosure.

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## **APPENDIX C**

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

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# ROGUT MCCARTHY LLC

COUNSELLORS AT LAW

37 ALDEN STREET  
CRANFORD, NEW JERSEY 07016

STEVEN L. ROGUT  
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www.rogutmccarthy.com

## APPENDIX C

[Proposed Form of Bond Counsel Opinion]

July \_\_, 2025

Municipal Council  
Township of Belleville  
County of Essex  
State of New Jersey

Dear Council Members:

We have acted as bond counsel in connection with the issuance of \$42,012,500 Bond Anticipation Notes (consisting of \$40,865,000 General Bond Anticipation Notes and \$1,147,500 Water Utility Bond Anticipation Notes) (collectively, the "Notes") by the Township of Belleville, a municipal corporation of the State of New Jersey, located in the County of Essex (the "Township"). The Notes are dated July 7, 2025, are payable July 7, 2026, bear interest from their date at the rate of \_\_\_\_% per annum, payable at maturity, and are numbered and in denomination as follows:

<u>Number</u>	<u>Denomination</u>
25-1R	\$40,865,000
25-1RWU	\$ 1,147,500

The Notes have been issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended). The \$40,865,000 General Bond Anticipation Notes are also issued pursuant to and in anticipation of the issuance of bonds authorized by twenty bond ordinances adopted by the Municipal Council of the Township on September 8, 2020 (Ord. No. 3591), October 13, 2020 (Ord. No. 3597), April 12, 2022 (two ordinances: Ord. Nos. 3645 and 3646), September 12, 2023 (seven ordinances: Ord. Nos. 23-23, 24-23, 25-23, 26-23, 27-23, 28-23

and 29-23), March 26, 2024 (five ordinances: Ord. Nos. 02-24, 03-24, 04-24, 05-24 and 06-24), September 24, 2024 (two ordinances: Ord. Nos. 19-24 and 20-24) and October 22, 2024 (two ordinances: Ord. Nos. 24-24 and 25-24) (the "General Bond Ordinances") to finance the making of various public improvements in, by and for the Township. The \$1,147,500 Water Utility Bond Anticipation Notes are also issued pursuant to and in anticipation of the issuance of bonds authorized by three bond ordinances adopted by the Municipal Council of the Township on September 8, 2020 (Ord. No. 3592), June 14, 2022 (Ord. No. 3649) and March 26, 2024 (Ord. No. 07-24) (the "Water Utility Bond Ordinances", and together with the General Bond Ordinances, the "Bond Ordinances") to finance the making of various public improvements in, by and for the Water Utility of 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 Notes in order that interest on the Notes 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 Notes 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 Notes to be included in gross income of the owners thereof retroactive to the date of issuance of the Notes, 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 Notes 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 Notes, 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 copies of the forms of Notes. 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 Notes, 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 Notes, or (ii) other documents of the Township delivered to the purchaser of the Notes, and we take no responsibility therefor.

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

1. The Notes have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Township enforceable in accordance with their terms, except as enforcement of the Notes 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 Notes, 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 Notes 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 Notes 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 Notes 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 Notes 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 Notes and any gain from the sale of the Notes are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC

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