

NEW ISSUE

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

\$5,985,000*
BOROUGH OF SWEDESBORO
County of Gloucester, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2023
(Book-Entry-Only) (Bank-Qualified) (Callable)

Dated: Date of Delivery

Due: September 1, as shown on the inside front cover

The Borough of Swedesboro, County of Gloucester, New Jersey ("Borough"), is issuing \$5,985,000* aggregate principal amount of its General Obligation Bonds, Series 2023 ("Bonds"). The Bonds shall be issued in fully registered book-entry-only form without coupons.

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

The principal of the Bonds shall be paid on the maturity dates thereof upon presentation and surrender of the Bonds at the offices of the Borough, or its hereafter designated paying agent, if any. Interest on the Bonds is payable semi-annually on September 1 and March 1, commencing March 1, 2024, in each year until maturity or earlier redemption. The Bonds are subject to optional redemption prior to their stated maturity dates on the terms and conditions contained herein.

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 11-2020, 03-2021, 04-2021, and 13-2023, each duly and finally adopted by Borough Council and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Borough Council on August 7, 2023; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Borough on September __, 2023.

The Bonds are being issued by the Borough to provide funds which will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of the principal of bond anticipation notes of the Borough, dated October 11, 2022 and maturing on October 10, 2023; (ii) permanently finance the costs of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

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

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Borough, and certain other conditions described herein. Certain legal matters will be passed upon for the Borough by its Counsel, Timothy D. Scaffidi, Esquire, Woodbury, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey has served as Municipal Advisor in connection with the Bonds. The Bonds are expected to be available for delivery in definitive form through DTC in New York, New York on or about September 12, 2023.

ELECTRONIC SUBMISSIONS FOR THE BONDS WILL BE RECEIVED VIA PARITY UNTIL 11:00 A.M. ON AUGUST 23, 2023. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY VIEW THE RESPECTIVE NOTICES OF SALE POSTED AT WWW.GOVDEBT.NET.

* Preliminary, subject to change.

This is a Preliminary Official Statement, complete with the exception for the specific information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission. The Borough has authorized distribution of this Preliminary Official Statement to prospective purchasers and others. In accordance with Rule 15c2-12, this Preliminary Official Statement is deemed final. Upon the sale of the Bonds described herein, the Borough will deliver a final Official Statement within seven business days following such sale.

\$5,985,000*
BOROUGH OF SWEDESBORO,
County of Gloucester, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2023

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

<u>Year (September 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2024	\$125,000	%	%	
2025	125,000			
2026	130,000			
2027	135,000			
2028	140,000			
2029	145,000			
2030	150,000			
2031	155,000			
2032	160,000			
2033	165,000			
2034	170,000			
2035	175,000			
2036	180,000			
2037	185,000			
2038	190,000			
2039	195,000			
2040	200,000			
2041	205,000			
2042	210,000			
2043	215,000			
2044	220,000			
2045	225,000			
2046	230,000			
2047	235,000			
2048	240,000			
2049	240,000			
2050	245,000			
2051	245,000			
2052	250,000			
2053	250,000			
2054	250,000			

* Preliminary, subject to change.

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

**BOROUGH OF SWEDESBORO
BOROUGH HALL
1500 KINGS HIGHWAY
SWEDESBORO, NEW JERSEY 08085**

Borough Council

Thomas W. Fromm, Mayor
David Flaherty, Council President
Diane Hale
George J. Weeks
Joanna Gahrs
Salvatore Casella
Shaun Booker

Chief Financial Officer

Elizabeth Pigliacelli

Municipal Clerk

Lois Elder

Borough Attorney

Timothy D. Scaffidi, Esq.
Woodbury, New Jersey

Borough Auditor

Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel

Parker McCay P.A.
Mount Laurel, New Jersey

Municipal Advisor

Phoenix Advisors, LLC
Bordentown, New Jersey

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

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. 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 Borough or the Underwriter.

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

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

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

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OFFICIAL STATEMENT

Relating to the

\$5,985,000*

BOROUGH OF SWEDESBORO

County of Gloucester, New Jersey

GENERAL OBLIGATION BONDS, SERIES 2023

(Book-Entry-Only) (Bank-Qualified) (Callable)

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Borough of Swedesboro in the County of Gloucester, New Jersey (“Borough”), in connection with the issuance and sale of \$5,985,000* aggregate principal amount of its General Obligation Bonds, Series 2023 (the “Bonds”). This Official Statement has been executed by and on behalf of the Borough by the Chief Financial Officer and may be distributed in connection with the sale of the Bonds.

AUTHORIZATION AND PURPOSE OF THE BONDS

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey (“State”), as amended and supplemented (“Local Bond Law”); (i) various bond ordinances duly and finally adopted by the Borough Council; and (ii) bond ordinances 11-2020, 03-2021, 04-2021, and 13-2023 (collectively, the "Bond Ordinances"), each duly and finally adopted by Borough Council and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Borough Council on August 7, 2023; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Borough on September __, 2023.

The Bonds are being issued by the Borough to provide funds, along with other available funds of the Borough, which will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of bond anticipation notes of the Borough, dated October 11, 2022 and maturing on October 10, 2023; (ii) permanently finance the costs of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

* Preliminary, subject to change

Ordinance Number	Purpose	Bonds/Notes Authorized	Notes Outstanding	Bonds to be Issued
11-2020	Various Improvements to the Water and Sewer System	\$400,000	\$400,000	\$400,000
03-2021	Replacement and Rehabilitation of Sewer Mains	1,554,000	1,554,000	1,554,000
04-2021	Various Improvements to the Water and Sewer Utility System	2,831,760	662,000	2,831,000
13-2023	Construction of Sewer Pump Station	1,200,000	0	1,200,000
TOTAL		\$5,985,760	\$2,616,000	\$5,985,000

THE BONDS

General

The Bonds will be issued in the aggregate principal amounts as shown on the inside front cover page hereof. The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds is payable semi-annually on September 1 and March 1 (each an “Interest Payment Date”), commencing March 1, 2024, in each year until maturity or earlier redemption thereof. Interest on the Bonds shall be calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

Individual purchases of the Bonds may be made in the principal amount of \$5,000, integral multiples thereof, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds, through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See “BOOK-ENTRY-ONLY SYSTEM” below. The Bonds will mature on March 1 in the years and in the principal amounts, all as shown on the inside front cover page of this Official Statement.

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

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

Optional Redemption

The Bonds maturing on and after September 1, 2031 are subject to redemption prior to their stated maturity dates at the option of the Borough, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the Borough shall determine and within any such maturity by lot) on any date on or after September 1, 2030, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Notice of Redemption

Notice of redemption shall be given by mailing first class mail in a sealed envelope with postage pre-paid not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the owner of every Bond of which all or a portion is to be redeemed at his or her last address, if any, appearing on the registration books of the Borough, or its hereafter designated paying agent, if any. So long as the Bonds are issued in book-entry-only form, all notices of redemption will be sent only to DTC or any successor, and will not be sent to the beneficial owners of the Bonds. Failure of an owner of the Bonds to receive such notice or of DTC to advise any participant or any failure of a participant to notify any beneficial owner of the Bonds shall not affect the validity of any proceedings for the redemption of Bonds. Such notice shall specify: (i) the series and maturity of the Bonds to be redeemed; (ii) the redemption date and the place or places where amounts that are due and payable upon such redemption will be payable; (iii) if less than all of the Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the Bonds to be redeemed; (iv) in the case of a Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (v) that on the redemption date there shall become due and payable with respect to each Bond or portion thereof to be redeemed the redemption price; and (vi) that from and after the redemption date interest on such Bond or portion thereof to be redeemed shall cease to accrue and be payable.

BOOK-ENTRY-ONLY SYSTEM

General

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "Banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also

facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, Banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, Banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

Redemption notices, if any, shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

Redemption proceeds and distributions on the Bonds, if any, will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the

Borough, or its hereafter designated paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Borough, or its hereafter designated paying agent, if any, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Borough, or its hereafter designated paying agent, if any, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borough believes to be reliable, but neither the Borough nor the Underwriters (as hereinafter defined) take any responsibility for the accuracy thereof.

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

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

Discontinuation of Book-Entry Only System

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

SECURITY AND SOURCE OF PAYMENT

The Bonds are valid and legally binding general obligations of the Borough and the Borough has pledged its full faith and credit for the payment of the principal of and the interest on the Bonds. Unless paid from other sources, the Bonds are payable from *ad valorem* taxes to be levied upon all the taxable property within the Borough without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights or to the application of general principles of equity by a court of competent jurisdiction.

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

GENERAL INFORMATION REGARDING THE BOROUGH

General

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

Financial

Appendix "B" to this Official Statement contains certain audited financial data of the Borough for the years ended December 31, 2022, 2021, 2020, 2019 and 2018. The audited financial data was extracted from the report prepared by Bowman & Company LLP, Voorhees, New Jersey (the "Auditor") to the extent and for the period set forth in their report appearing in Appendix "B". The Auditor has consented to the inclusion of their report in this Official Statement. Copies of the complete Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Borough.

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

Local Bond Law

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

Debt Limits – The authorized bonded indebtedness of the Borough is limited by statute, subject to the exceptions noted below, to an amount equal to three and one-half percent (3.5%) of its equalized

valuation basis. The equalized valuation basis of the Borough is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Bonds, notes and long-term loans are included in the computation of debt for the statutory debt limit. The Borough, including the issuance of the Bonds, will not exceed its three and one-half percent (3.5%) debt limit.

Exceptions to Debt Limits - Extensions of Credit – The Borough 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 Borough 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 Borough or substantially reduce the ability of the Borough to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval may be granted.

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

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

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

Local Fiscal Affairs Law

The Local Fiscal Affairs Law, Chapter 5 of Title 40A of the State Statutes, as amended and supplemented ("Local Fiscal Affairs Law"), governs audits, auditors, public moneys and financial statements of local governmental units, including the Borough.

Each municipality is required to cause an annual audit of its books, accounts and financial transactions to be made and completed within six months after the close of its fiscal year by either a Registered Municipal Accountant or, by agreement with the Director ("Director") of the Division of Local Government Services ("Division") in the Department of Community Affairs, by qualified employees of the Division.

An independent examination of the Borough's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the municipality's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended

December 31, 2022 is on file with the Chief Financial Officer and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the chief financial officer of the municipality file annually with the Director a verified statement of the financial condition of the municipality as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end municipalities and August 10 for June 30 fiscal year end municipalities, unless otherwise extended by the Director.

The Local Budget Law

The Local Budget Law, Chapter 4 of Title 40A of the State, as amended and supplemented (“Local Budget Law”), governs the budgeting and appropriation of funds by local governmental units.

The Local Budget Law requires local governmental units to adopt a “cash basis” budget in such form that there will be sufficient cash collected to meet all debt service requirements, necessary operations of the local governmental units for the fiscal year and any mandatory payments required to be met during the fiscal year.

No budget shall be adopted unless the Director shall have previously certified their approval thereof.

Each local governmental unit must include in its budget an appropriation for the payment of debt service. The Director is required to examine such appropriation to determine whether it is properly set forth, in addition to determining whether all estimates of revenue contained in the budget are reasonable, accurate and correctly stated.

A statute passed in 1976, as amended (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the “Cap Law”, imposed limitations on increases in municipal appropriations subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c. 89, which revised and made permanent the “Cap Law”. Since its inception, the “Cap Law” has been amended and modified several times, most recently on July 13, 2010. While the revised “Cap Law” is more restrictive on the ability of a municipality to increase its overall appropriations, it does not limit the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service on the Bonds. The Cap Law provides that a municipality shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year’s final appropriations subject to certain exceptions. The “index rate” is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

Additionally, legislation constituting P.L. 2010, c. 44, was adopted on July 13, 2010, which, among other things, imposes a two percent (2%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments.

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) extraordinary costs incurred by a local unit directly related to a

declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the “Cap Law” (specifically, N.J.S.A. 40A:4-45-46) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

In response to the outbreak of the Coronavirus (as defined and described under the heading “CERTAIN RISK FACTORS – Recent Healthcare Developments” below), the State Legislature enacted P.L. 2020, c. 74 (A3971), under which a local unit may adopt an emergency appropriation to fund certain deficits and expenditures resulting from Coronavirus 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 (10) years. Such emergency appropriation must be approved by 2/3 vote of the governing body of the local unit and be accompanied by a certification of the Chief Financial Officer stating that the resolution covers deficits and expenses incurred during the emergency response to the Coronavirus. Moreover, to the extent that such Coronavirus-related emergency appropriations exceed the cost of providing similar services under non-emergency conditions, the deferred charge to be raised in the following year’s budget is an eligible exception to both the levy cap and the appropriations cap. 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 Coronavirus. The Borough has made no appropriations for Coronavirus related deficits or expenses under this statutory provision.

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

Miscellaneous Revenues

N.J.S.A. 40A:4-26 provides that: “No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit.” Such determination may be made by the governing body and the Chief Financial Officer in any year during which the municipality is subject to local examination.

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

Real Estate Taxes

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

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

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

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

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

Deferral of Current Expenses

Emergency appropriations (i.e., those made after the adoption of the budget and determination of the tax rate for an unforeseen event or purpose) may be authorized by the governing body of the local governmental units. With minor exceptions, however, such appropriations must be included in full in the following year’s budget. When such appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director of Local Government Services must be obtained.

The exceptions are certain enumerated projects to cover the cost of the extraordinary expense for the repair or reconstruction of streets, roads or bridges, or other public property damaged by snow, ice, frost or flood, where such expense was not foreseen at the time of the adoption of the budget, which may be amortized over three (3) years; and tax map preparations, revision of ordinances, revaluations, master plan preparation, studies and planning necessary for the installation and construction of a sanitary sewer system, and payments of accumulated sick and vacation time which may be amortized over five (5) years.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited until the last two (2) months of the year and, although subaccounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

Capital Budget

In accordance with the Local Budget Law, each local unit shall prepare and adopt a capital budget, in conjunction with its annual operating budget, for any year in which it proposes to undertake a capital

project. Every local unit which adopts a capital budget must also adopt a three (3) year capital program unless the local unit's population exceeds 10,000 where a six (6) year capital program is required.

Related Constitutional and Statutory Provisions

In the general election of January 2, 1976, as amended by the general election of January 6, 1984, the following Article 8, Section 1, Paragraph 7, with respect to a state income tax, was added to the State Constitution:

No tax shall be levied on personal incomes of individuals, estates and trusts of this State unless the entire net receipts therefrom shall be received into the treasury, placed in a perpetual fund and be annually appropriated, pursuant to formulas established from time to time by the Legislature, to the several counties, municipalities and school districts of this State exclusively for the purpose of reducing or offsetting property taxes. In no event, however, shall a tax so levied on personal income be levied on payments received under the Federal Social Security Act, the Federal Railroad Retirement Act, or any federal law which substantially reenacts the provisions of either of those laws.

A progressive state income tax is currently in effect in the State.

The State Constitution may only be amended after: (i) approval of a proposed amendment by three-fifths (3/5) of all of the members of each house of the State Legislature and approval by a majority vote in a statewide referendum; or (ii) approval in two successive legislative years by a majority of all of the members of each house and approval by a majority vote in a statewide referendum. Amendments failing to receive voter approval may not be resubmitted for voter approval before the third succeeding general election after such disaffirmance.

Rights and Remedies of Owners of Bonds

The State Municipal Finance Commission Act, Chapter 27 of Title 52 of the State Statutes, as amended and supplemented ("Act"), provides that when it has been established, by court proceedings, that a municipality has defaulted for over sixty days in the payment of the principal of or interest on any of its outstanding bonds or notes, the Local Finance Board (which, pursuant to the Act, is constituted the Municipal Finance Commission and shall hereinafter be referred to as the "Commission") shall take control of the fiscal affairs of the defaulting municipality.

The Act provides that the Commission shall remain in control of the municipality until all bonds or notes of the municipality that have fallen due and all bonds or notes that will fall due within one year, and the interest thereon, have been paid, funded or refunded, or the payment thereof in cash shall have been adequately provided for by a cash reserve.

The Act empowers the Commission to direct the municipality to provide for the funding or refunding of notes or bonds of the municipality and the interest thereon, which the Commission shall have found to be outstanding and unpaid and to be due or become due. The Act further authorizes the Commission to bring and maintain an appropriate proceeding for the assessment, levy or collection of taxes by the municipality for the payment of principal of or interest on such indebtedness.

Under Article 6 of the Act, while the Commission functions in the municipality, no judgment, levy, or execution against the municipality or its property for the recovery of the amount due on any bonds, notes or other obligations of the municipality in the payment of which it has defaulted, shall be enforced unless otherwise directed by Court Order. However, Article 6 of the Act also provides that upon application of any creditor made upon notice to the municipality and the Commission, a court may vacate, modify or restrict any such statutory stay contained therein.

Limitation of Remedies Under Federal Bankruptcy Code

The rights and remedies of the registered owners of the Bonds are subject to the provisions of Chapter 9 of the Federal Bankruptcy Code of the United States (“Bankruptcy Code”). In general, Chapter 9 permits, under prescribed circumstances, but only after an authorization by the applicable state legislature or by a governmental officer or organization empowered by state law to give such authorization, a political subdivision of a state to file a petition for relief in a bankruptcy court of the United States if it is insolvent or unable to meet its debts as they mature and desires to effect a plan to adjust its debts.

The State has authorized the political subdivisions thereof to file such petitions for relief under the Bankruptcy Code pursuant to and subject to Article 8 of the Act. The Act provides that such petitions may not be filed without the prior approval of the Commission and that no plan of readjustment of the municipality’s debts may be filed or accepted by the petitioner without express authority from the Commission to do so.

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE BOROUGH EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE COMMISSION, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY OF THE BONDS.

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

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties resulting in a decrease of the assessment ratio to its present level of 90.67%. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could not keep pace with rising values. The last reassessment of property within the Borough was for the 2015 tax year.

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

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under State Statutes. Additionally, a 6% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are

annually included in a tax sale in accordance with State Statutes. Tax liens retained by the Borough are periodically assigned to the Borough Attorney (as hereinafter defined) for “in rem foreclosures” in order to acquire title to these properties.

Tax Appeals

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

SECONDARY MARKET DISCLOSURE

In accordance with the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), the Borough has undertaken to provide certain secondary market disclosure information, pursuant to Continuing Disclosure Agreement, in the form attached as Appendix “D” to this Official Statement.

The Borough has previously entered into continuing disclosure undertakings under the Rule in respect of its own obligations. The Borough appointed Phoenix Advisors, LLC, Bordentown, New Jersey in July of 2015 to act as Continuing Disclosure Agent to assist in the filing of certain information on EMMA as required under its obligations.

LITIGATION

To the knowledge of the attorney for the Borough, Timothy D. Scaffidi, Esquire, Woodbury, New Jersey (the “Borough Attorney”), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Borough or the title of any of the present officers. Moreover, to the knowledge of the Borough Attorney, no litigation is presently pending or threatened that, in the opinion of the Borough Attorney, would have a material adverse impact on the financial condition of the Borough if adversely decided. A certificate to such effect will be executed by the Borough Attorney and delivered to the Underwriters of the Bonds at the closing.

TAX MATTERS

Federal

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

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

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

In rendering its opinion, Bond Counsel has relied on the Borough’s covenants contained in the Certificate as to Non-Arbitrage and Other Tax Matters, that it will comply with the applicable requirements of the Code, relating to, inter alia, the use and investment of proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Borough to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the Bonds that may affect the tax-exempt status of the interest on the Bonds.

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

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

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

New Jersey

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

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to bonds or 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 of the Bonds.

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

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency"), has assigned a rating of "AA-" to the Bonds based upon the creditworthiness of the Borough.

An explanation of the significance of such ratings may be obtained from the Rating Agency at 55 Water Street, New York, New York 10041. The ratings are not a recommendation to buy, sell or hold the Bonds and there is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the Rating Agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings by the Rating Agency may have an adverse effect on the market price of the Bonds.

NO DEFAULT

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

CERTAIN RISK FACTORS

Recent Healthcare Developments

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus ("Coronavirus" or "COVID-19"). A national emergency was declared by the President of the United States ("President") (which has since been terminated), to provide federal intervention for the mitigation of the Coronavirus as a public health emergency and to unlock federal funds and assistance to help states and local governments manage the pandemic. On March 9, 2020, the Governor of the State of New Jersey ("Governor") issued Executive Order 103, pursuant to which the Governor declared a State of Emergency and a Public Health Emergency, thereby allowing State agencies and departments to utilize State resources to assist affected communities in response to the COVID-19 outbreak.

The federal Public Health Emergency was terminated on May 11, 2023, but the State of Emergency for the State remains in effect as of the date hereof. Other Executive Orders (some of which have since been modified or rescinded) limited various activities and undertook measures in an attempt to slow the spread of COVID-19 throughout the State. These measures, which impacted the behavior of businesses and individuals, have had any may continue to have impacts on regional, state, and local economies. *See* <https://covid19.nj.gov> for further detail regarding the impact of COVID-19 on the State and the Governor's various executive orders.

In an effort to provide relief to entities impacted by the COVID-19 pandemic, the American Rescue Plan Act of 2021, H.R. 1319 ("Plan") was signed into law by the President on March 12, 2021, and provided \$1.9 trillion in financial assistance to businesses, individuals and governmental entities. The Plan included different forms of financial relief, including a direct stimulus payment to certain individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan also provided funding for state and local governments to recoup and offset costs related to COVID-19 and to encourage and re-establish economic development and certain infrastructure improvements.

Pursuant to the funding methodology under the Plan, the Borough received \$268,788.85 in funding ("Plan Funds"). The deadline to obligate the funds is December 31, 2024 and to spend funds is December 31, 2026. Such funds were received in two (2) equal payments; one (1) received within 60 days of enactment of the Plan, and the balance was received no earlier than 12 months from the initial payment. Pursuant to the Plan (codified as Section 603(c) of the Social Security Act (42 U.S.C. 603(c)), Plan Funds may be utilized to: (i) respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (ii) respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the Borough that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (iii) provide government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the Borough prior to the emergency; and (iv) make necessary investments in water, sewer or broadband infrastructure. Plan Funds may not, however, be utilized for debt service, legal settlements or judgments or financial reserves.

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

Cyber Security

The Borough relies on a large and complex technology environment to conduct its various operations. As a result, the Borough faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Borough has invested in multiple forms of cybersecurity and operational safeguards. Specifically, the Borough has an extensive security system in place, including network firewalls and established administrative rights and restrictions, with varying level of approvals, implemented entity-wide, for access to network drives and applications that are reviewed regularly to ensure proper internal control and protections and provide relevant employees and staff with cyberattack training. The Borough has installed specific application software to train and assist employees in identifying suspicious emails. In addition, the Borough maintains insurance coverage for cyberattacks and related events.

Climate

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

UNDERWRITING

The Bonds have been purchased from the Borough at a public sale by _____, as underwriter (the “Underwriter”), pursuant to a Certificate of Determination and Award, dated September __, 2023. The Underwriter has purchased the Bonds in accordance with the Notice of Sale prepared in connection with the Bonds. The Bonds are being offered for sale at the yields set forth on the inside front cover page of this Official Statement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

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

MUNICIPAL ADVISOR

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

APPROVAL OF LEGAL PROCEEDINGS

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

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

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

LEGALITY FOR INVESTMENT

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

PREPARATION OF OFFICIAL STATEMENT

The Borough hereby states that the descriptions and statements herein and in the Appendices attached hereto, including financial and statistical statements, are true and correct in all material respects, and it will confirm the same to the purchasers of the Bonds by certificates signed by various officers and officials of the Borough upon issuance and delivery of the Bonds.

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

The Borough compiled Appendix "A" from information obtained from various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto.

Bond Counsel has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein (except under the heading "TAX MATTERS") and, accordingly, will express no opinion with respect thereto.

The Auditor only takes responsibility for the financial statements, appearing in Appendix "B" hereto and has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Elizabeth Pigliacelli, Chief Financial Officer, Borough of Swedesboro, at (856) 467-0202.

MISCELLANEOUS

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

BOROUGH OF SWEDESBORO, COUNTY OF GLOUCESTER, NEW JERSEY

By: _____
Elizabeth Pigliacelli, Chief Financial Officer

Dated: September __, 2023

APPENDIX A

**GENERAL INFORMATION REGARDING THE
BOROUGH OF SWEDESBORO**

GENERAL INFORMATION ON THE BOROUGH

History

In 1638, a small group of people from Sweden landed at a site in Delaware now known as Wilmington. Three years later in 1641, Peter Hollander Ridder, the second governor of New Sweden, as the settlement in the Delaware Valley was called, purchased from the Native Americans the entire eastern side of the Delaware River from Raccoon Creek southward to Cape May. The first settlement by the Swedes was on the bank of the Raccoon Creek the following year. The community was first named Rackoon and later Swedesborough. The Borough of Swedesboro ("Borough") was formed as a Borough by an Act of the New Jersey Legislature on April 9, 1902, from portions of the Township of Woolwich.

Location

The Borough is located in the central part of Gloucester County, New Jersey, approximately twenty-five (25) miles south-east of Philadelphia, Pennsylvania, approximately fifty (50) miles west of Atlantic City and approximately one hundred (100) miles south of New York City. The Borough is a separate governmental entity, .77 square miles in size, and is completely surrounded to the North, South, East and West by the Township of Woolwich.

Borough Government

The Borough is governed under the borough form of New Jersey municipal government. The government consists of a Mayor and a Borough Council comprising of six council members, with all positions elected at large.

The Mayor is elected by the voters to a four-year term of office. The Borough Council is elected to serve three-year terms on a staggered basis, with two seats coming up for election each year.

The daily operations of the Borough are supervised by the Borough Clerk who also serves as the Business Administrator of the Borough. The Borough also employs a part time Chief Financial Officer who oversees the financial operations of the Borough. To assist the Borough Clerk and Chief Financial Officer, the Borough also employs a Tax Collector and several other support personnel.

Transportation

Numerous major thoroughfares provide easy access to the Borough. Interstate 295 and the New Jersey Turnpike both exit in and around the Borough. State highways 551 and 538 bisect the Borough.

Water and Sewer

Water and sewer facilities are Borough owned, and managed by a Committee of the Borough Council.

Police

Police coverage is provided by the Woolwich Township Police Department through an inter-local services agreement between the Borough and Township.

Fire Protection and Ambulance Services

Fire protection is provided through a consolidated fire company, which serves the Borough and Township of Woolwich. The consolidated fire company operates two stations, which are located in the Borough and the Township. The consolidated fire company is an all-volunteer organization that is equipped with modern firefighting apparatus.

There is twenty-four hour ambulance service provided through the Gloucester County EMS Program.

Public Works

The Borough also maintains a full service Public Works Department. The Public Works Department is responsible for water and sewer operation and the maintenance and repair of local roads and recreational areas.

Library

Swedesboro Public Library is one of the oldest libraries in New Jersey, established in 1783 and incorporated in 1937. The library was originally housed at the Trinity Episcopal Church. After several moves, the library settled into its current location, the Swedesboro Trust Company building that was donated by Edgar Hurff, in October of 1944. The Swedesboro Public Library became a branch of Gloucester County Library System in 2005.

The Swedesboro Branch Library is located at 1442 Kings Highway, at the junction of Kings Highway and Auburn Road, Swedesboro.

Parks and Recreation

There are several recreation areas including two (2) centrally located parks, seven (7) ball fields and two (2) playgrounds.

Health Care

Three (3) major hospitals are located in the County of Gloucester. Inspira Medical Center is a state-of-the-art medical center located in Mullica Hill, which is approximately ten (10) miles from the Borough. It offers 210 private patient rooms and a full range of services, including cardiology, cancer care, emergency room services, maternity, robotics & smart technology, and surgery and orthopedics. Inspira Health Center located in Woodbury City, New Jersey offers 24/7 satellite emergency room services, inpatient and outpatient behavioral health services, and outpatient services including imaging and lab.

Jefferson Hospital, Washington Township Division – who recently formed a partnership with the nationally acclaimed Sidney Kimmel Cancer Network, has for the past 37 years, evolved to 230 acute care beds, a 190-bed long-term facility. Also providing multiple ambulatory services, and offers 24-hour emergency services, inpatient and outpatient services and diagnostic programs. In addition, Jefferson houses Gloucester County's only Level 3 Neonatal Intensive Care Unit (NICU), providing life-saving care for the most fragile infants. Jefferson has completed two major construction projects on the Washington Township campus representing a \$225-million investment in the community. The two-phase project features an enclosed parking facility with 700 spaces, and a 180,000 square-foot, multi-level patient tower with all-private patient rooms. The construction has provided \$170 million direct and approximately \$200 million indirect investment in community while providing more than 2,200 construction jobs.

Financial Institutions

The Fulton Bank is located on Kings Highway, adjacent to Kingsway Regional High School. Franklin Savings Bank is located at the intersection of Center Square Road and Auburn Road.

Growth and Development

Swedesboro is aggressively pursuing new commercial development through the implementation of a redevelopment zone in the downtown business district, the introduction of a tax abatement policy, a streamlining of the site plan approval process and the creation of an active, aggressive Economic Development Committee.

The Fish & Calatozza and Swedes Plaza shopping centers have added more than 25 new businesses over the last several years on the southern end of town.

The downtown business district continues to thrive and adds new businesses on a regular basis.

The new businesses opening in the Swedesboro Business District complement the existing fine restaurants, casual dining and retail establishments in the Downtown Area and the recent Streetscape Project has created a pedestrian friendly atmosphere that has made Swedesboro a destination location for out of town shoppers.

Swedesboro has also embarked on a bold project in the downtown area in which the Borough has acquired several vacant lots and is consolidating them into one marketable property for a selected developer. At the first location, the redeveloper intends to construct two structures, one being a four-story, approximately 48,000 square foot mixed-use structure located along Kings Highway containing approximately 6,500 square feet of retail space on the first floor and approximately 42 residential units (15 residential units on the second floor, 15 residential units on the third, and 12 residential units on the fourth floor; 30 one-bedroom units and 12 two-bedroom units), and the second being a four-story, approximately 33,200 square foot residential structure located along Ashton Avenue containing ground floor parking together with approximately 31 residential units (12 residential units on floors two and three and 7 units on floor four; 3 one-bedroom units, 20 one-bedroom units with a den, and 8 two-bedroom units), along with a "pocket park" and a minimum one hundred and thirteen (113) space shared parking lot. At the second location, the redeveloper intends to construct an 80-unit affordable family rental project.

The Swedesboro Economic Development Committee has become a model in Gloucester County for creating events designed to bring new and diverse customers into the Downtown Business District. Events such as Jazz Festivals throughout the year, the "Outdoor Living and Garden Show" and the "Dancing in the Streets Venues" have drawn thousands of people in support of the local businesses.

The annual Swedesboro - Woolwich Day event consistently draws over 8,000 people into town for an all-day event designed to showcase the downtown businesses and the event and has previously been named Gloucester County's "Best Town Event".

Recently constructed and approved residential projects include over 300 new homes in the Borough. This represents a 45% increase in Borough housing units. This tremendous increase in population coupled with the significant development in surrounding communities has created an outstanding opportunity for commercial development in Swedesboro and this opportunity is being pursued aggressively.

Borough Employees

	As of December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Full-time	8	8	8	8	8
Part-time	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>
Total	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>

Employee Collective Bargaining Units

The Public Works Department is represented by the Teamsters Union and have an approved contract through December 31, 2025.

Compensated Absences

Public Works Department – By contract, employees are not allowed to accrue vacation time. The sick pay policy dictates that each eligible employee shall be entitled to twelve (12) days of sick leave without loss of pay. Unused sick days can be carried forward up to a maximum of 30 days.

Non-contract Employees - Full-time employees are entitled to paid sick and vacation leave days each year based on the number of years of service. Sick and vacation days not used during the year may not be accumulated and carried forward unless authorized by the Borough Council. For additional information regarding compensated absences see Appendix B: 2022 Audited Financial Statements, Note 11.

Pension Plans

Those Borough employees who are eligible for pension coverage are enrolled in the PERS pension systems established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State. For additional information regarding pension plans see Appendix B: 2022 Audited Financial Statements, Note 9.

Borough Population (1)

2020 Federal Census	2,711
2010 Federal Census	2,584
2000 Federal Census	2,055
1990 Federal Census	2,015
1980 Federal Census	2,031

Selected 2021 Data for the Borough (1)

Median household income	\$	81,033
Per capita income	\$	32,204

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

Labor Force (1)

The following table discloses current labor force data for the Borough, County and State.

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Borough					
Labor Force	1,532	1,504	1,475	1,431	1,419
Employment	1,479	1,412	1,363	1,382	1,358
Unemployment	53	92	112	49	61
Unemployment Rate	3.5%	6.1%	7.6%	3.4%	4.3%
County					
Labor Force	161,341	158,400	157,268	149,747	147,928
Employment	155,427	148,428	143,282	144,238	141,729
Unemployment	5,914	9,972	13,986	5,509	6,199
Unemployment Rate	3.7%	6.3%	8.9%	3.7%	4.2%
State					
Labor Force	4,739,800	4,666,100	4,650,300	4,686,300	4,604,800
Employment	4,564,100	4,357,200	4,212,400	4,524,300	4,420,700
Unemployment	175,700	308,900	437,900	162,000	184,100
Unemployment Rate	3.7%	6.6%	9.4%	3.5%	4.0%

TEN LARGEST EMPLOYERS IN THE COUNTY (2)

<u>Employer</u>	<u>Nature of Business</u>	<u>Location</u>	<u>Number of Employees</u>
Rowan University	Education	Glassboro	3,500
Inspira Medical Center	Healthcare	Woodbury	1,222
Walmart Supercenter	Retail	Turnersville	800
Jefferson Health	Healthcare	Washington Twp.	670
Aryzta LA Brea Bakery Inc.	International Bakery	Logan Twp.	500
Keller Williams Realty	Real Estate Company	Sewell	500
Honda of Turnersville	Car Dealership	Turnersville	499
Paulsboro Refinery LLC Ap	Oil Refinery	Paulsboro	402
Washington Township HS	Education	Washington Twp.	400
Johnson Matthey Inc.	Specialty Chemicals	Deptford	379

(1) Source: New Jersey Department of Labor

(2) Source: County officials

Building, Zoning and Development Codes

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

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

The Borough's Municipal Land Use Law gives the combined Zoning/ Planning Board authority to regulate most land use other than single-family residential use. In this way, the Borough is able to guide the approximate use or development of land to promote the public health, safety, and general welfare.

Building Permits Issued (1)

<u>Year</u>		<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2023	(2)	30	\$ 497,636
2022		131	1,494,079
2021		142	1,478,504
2020		110	1,314,746
2019		111	1,224,016

(1) Source: Borough's Construction Official

(2) As of April 30, 2023. Beginning May 1, 2023, the construction office is serviced by Greenwich Township. They will be providing reports quarterly with May and June to be provided with the 3rd quarter.

EDUCATION (1)

Primary and Secondary

The Swedesboro-Woolwich Consolidated School District is a Type II Limited Purpose Regional District that serves the Borough of Swedesboro and the Township of Woolwich, and was formed pursuant to Chapter 13 of Title 18A of the New Jersey Statutes, which authorizes two or more municipalities to create a regional school district upon the approval of the voters of each municipality.

The Board of Education for the Swedesboro-Woolwich Consolidated School District consists of nine (9) members, three (3) members elected each year for a three (3) year term. The Board of Education manages its operations with a Superintendent of Schools, who is responsible for all operations of the school system. In addition, the School Business Administrator is responsible for the financial, facilities, transportation and food service aspects of the system.

The Kingsway Regional High School District is a Type II Limited Purpose Regional District that serves the Borough of Swedesboro, Township of East Greenwich, Township of South Harrison and the Township of Woolwich. In addition, the Kingsway Regional High School District receives students from the Township of Logan on a tuition basis. The school facilities are located in the Township of Woolwich. The Kingsway Regional High School District, was formed pursuant to Chapter 13 of Title 18A of the New Jersey Statutes, which authorizes two or more municipalities to create a regional school district upon the approval of the voters of each municipality.

The Board of Education, for the Kingsway Regional High School District consists of nine (9) members, three (3) members elected each year for a three (3) year term. Additionally, one (1) sending district member is appointed annually. The Board of Education manages its operations with a Superintendent of Schools, who is responsible for all operations of the school system. In addition, the School Business Administrator is responsible for the financial, facilities, transportation and food service aspects of the system.

SWEDESBORO-WOOLWICH SCHOOL DISTRICT SCHOOL ENROLLMENTS (1)(2)

<u>Grade</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Half-Day Pre-K				14	18
K				170	177
1				186	198
2				184	183
3		NOT AVAILABLE		186	193
4				197	165
5				162	203
6				219	230
Spec. Ed.				269	264
Totals	0	0	0	1,587	1,631

(1) Source: School District Officials

(2) As of October 15 in each respective year.

PRESENT SCHOOL FACILITIES (1)

<u>Name of School</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Enrollment Oct. 15, 2022</u>
General Charles G. Harker School	2008	---	3-5	648
Governor Charles C. Stratton School	2004	---	1-2	432
Margaret C. Clifford School	1996	2002	Kindergarten	295
Walter Hill School	1922	1987 / 2003	6	250
				<u>1,625</u>

KINGSWAY REGIONAL HIGH SCHOOL DISTRICT(1)(2) SCHOOL ENROLLMENTS October 15,

<u>Grade</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
7				58	46
8				63	42
9	NOT AVAILABLE			71	48
10				54	31
11				53	61
12				62	47
Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>361</u>	<u>275</u>

HIGHER EDUCATION FACILITIES

Rowan College at South Jersey

Rowan College of South Jersey, formerly known as Rowan College at Gloucester County and Gloucester County College, is a public community college with two campuses, one in Sewell and one in Vineland. The College was established in 1966 as Gloucester County College. In 2014 the College changed its name to Rowan College of Gloucester County when Rowan University and Gloucester County College entered into a partnership. The College then expanded in 2019, combining Rowan College at Gloucester County and Cumberland County College to become Rowan College of South Jersey. The College now offers conditional dual enrollment with Rowan University depending on GPA. While GCC took the Rowan name, the College maintains its independence with its own Board of Trustees and administration.

Total enrollment for the fall 2022⁽³⁾ semester was 5,441 students. In addition, the College's Division of Career and Technical Education provides various educational, career training and personal enrichment courses, as well as outreach programs, to community residents.

The College offers more than 120 academic programs in a full spectrum of career fields. The College also maintains a well-rounded cultural, artistic and sports calendar of events.

(1) Source: School District Officials.

(2) Swedesboro Borough students only.

(3) Represents the latest data available. (Unaudited)

A number of selective admission programs related to the allied-health field, including nursing, diagnostic medical sonography (DMS) and nuclear medicine technology (NMT) are available at the College.

The College awards both certificate and associate degrees leading to immediate career and transfer opportunities. With an extensive record of matriculation agreements with four-year colleges and universities, graduates are able to transfer seamlessly into baccalaureate and master degree programs. The College added an automatic-dual acceptance initiative with five (5) four-year universities which makes earning a bachelor's degree an uncomplicated progression with added benefits. The College's educational partners offer a variety of programs and incentives to the College graduates ranging from tuition discounts to obtaining a bachelor's degree on the College campus.

The College constructed a 27,390 square-foot Health Science Center with classes expected to be held in September of 2023.

Located on 250 acres in Deptford Township, New Jersey, the College's main campus also houses the Career and Technical Education Center that will provide wind turbine technician training for employers in the off-shore wind industry.

Recent projects completed in 2021 include a one-story economic development center to house the New Jersey Department of Labor and Workforce Development, the Gloucester County Chamber of Commerce and the Gloucester County Economic Development Department. In addition, a two story, 56,000 square-foot medical and academic building for Rowan School of Osteopathic Medicine.

Rowan University

Rowan University ("Rowan" or the "University") is a selective, medium-sized national public research university located primarily in Glassboro, New Jersey. It is recognized for its nationally-ranked academic and athletic programs, talented professors, and high-tech facilities. Rowan prides itself on being able to provide its approximately 19,700 students an outstanding education at an exceptional value.

The University's approved degree programs as of June 30, 2021 include 93 bachelor's degrees, 52 master's degrees, nine doctoral degrees (Ed.D. and Ph.D.) and two professional degrees, a Doctor of Medicine (M.D.) and a Doctor of Osteopathic Medicine (D.O.). Students may pursue degrees at the main Glassboro campus, the Camden campus, Cooper Medical School of Rowan University in Camden, the Rowan University School of Osteopathic Medicine in Stratford, online through Rowan Global, or at multiple community college locations.

Rowan is continually recognized for excellence by top organizations including U.S. News & World Report, Forbes, the Chronicle of Higher Education and the website College Factual.

- For 2022, U.S. News & World Report ranked Rowan #179 among national research universities and #88 among public research universities. Its engineering program was also ranked #19 in the nation among undergraduate engineering programs.
- The Chronicle of Higher Education recognized Rowan as the nation's 4th fastest-growing research university in the U.S. in the fall of 2021.
- In the fall of 2021 U.S. News & World Report rated Rowan among the best schools for veterans.

The University's main campus, on approximately 200 acres in the southern New Jersey town of Glassboro, is about 20 minutes southeast of Philadelphia and about one hour west of Atlantic City. It is approximately two hours from New York City and just a two-and-a-half-hour drive to Washington, D.C. The locale provides students all of the advantages of a suburban campus plus opportunities for

entertainment, cultural events and professional opportunities in major east coast metropolises and the nation's capital.

Rowan has acquired approximately 600 acres of open space in Glassboro and neighboring Harrison and Mantua Townships, some of which is home to the South Jersey Technology Park at Rowan University. A portion of the land on that parcel informally referred to as the "West Campus" was developed into athletic fields. In May of 2016, Rowan sold 100 acres of West Campus land in Harrison Township to Inspira Health Network of New Jersey ("Inspira"). Inspira built a new \$349 million, 467,000 square foot, 204-bed medical center which opened in December 2019 which provides Rowan with a wide range of educational opportunities. It will also act as an anchor that is expected to attract health-care providers, researchers, and businesses to the area.

On July 6, 1992, Mr. & Mrs. Henry M. Rowan pledged \$100 million to the Glassboro State College Development Fund. Terms of the gift required establishment of an Inductotherm Scholarship Fund in the amount of \$3 million and the creation of a School of Engineering. In 1992, the name of the University was changed from Glassboro State College to Rowan College of New Jersey. On March 21, 1997, the school became Rowan University.

In Fiscal Year 2015, following a subsequent gift announcement from the Henry M. Rowan Family Foundation of \$15 million, the College of Engineering was renamed the Henry M. Rowan College of Engineering in Mr. Rowan's honor.

On October 17, 2016, Rowan University alumni Jean and Ric Edelman made history when they announced a \$25 million gift to transform the Rowan University Fossil Park into a world-class destination for scientific discovery and "citizen science." The Fossil Park will be known as the Jean & Ric Edelman Fossil Park at Rowan University. The gift from the Edelman's is the largest ever from Rowan alumni and the second largest gift in the institution's history. Plans for the tract include a museum and visitor center, laboratory spaces, a nature trail, a paleontology-themed playground, and social spaces. Construction began in the 4th quarter of 2021 to establish a world-class museum and visitor center focusing on STEM, Education laboratory spaces for research a paleontology-themed playground and social spaces. The \$71 million-dollar Museum project will attract victors worldwide and enhance Gloucester County as known tourism destination. Estimated completion date is Spring 2024.

In 2017, Rowan opened the new \$63.2 million dollar, four-story, 96,500-square-foot Rohrer College of Business facility, which houses 16 classrooms, 7 conference rooms, 10 specialty spaces, 15 administrative offices, and 70 faculty offices. Along with the new College of Business facility, Rowan opened a three story, 90,500 square-foot, \$71 million addition to the College of Engineering building and opened the new \$145 million Holly Pointe Commons housing complex, which houses 1,400 students on campus.

In 2021, Rowan completed Discovery Hall, a 68,000 square-foot academic and research building. Anchoring the academic corridor from the east end of Rowan University's Glassboro campus, Discovery Hall expands facilities for the School of Earth & Environment and the College of Science & Mathematics.

The Rowan University School of Veterinary Medicine (SVM) building complex will be located on the north side of Rowan's West Campus. Designed as a multipurpose learning environment, the envisioned 135,000 square-foot complex is proposed to contain an approximately 60,000 square-foot academic building, a 25,000 square-foot hospital, and 50,000 square-foot of research space. The SVM will be serving approximately 400 students of all levels by its fifth year of operation who will have access to physical resources such as large auditoriums and break out study rooms, pre-clinical laboratories and surgical facilities, and state of the-art-technologies for learning and teaching.

In collaboration with the Gloucester County Improvement Authority, Rowan University intends to build a proposed Global Solutions Facility with a 100,000 square-foot mixed R&D and manufacturing facility.

Gloucester County Institute of Technology

The Gloucester County Institute of Technology ("Institute") provides a full range of regionalized occupational and technical County-wide educational services and programs appropriate to the needs of the students of 13 public high schools, and adults who seek educational opportunities that lead to employment or higher education. The Institute also provides programming for secondary students who wish to continue to higher education through Tech Prep matriculation agreements with various county colleges and four-year institutions.

As of April 13, 2022, there are approximately 1,589 students are enrolled in the Institutes' Academy and Career-Technical programs. Recent construction has added, among other things, a cafeteria, gymnasium and classrooms to the academic facilities in order to keep pace with demand.

In addition to its day school enrollment, the Institute serves an average of 1,000 residents in various programs, including: (i) adult and continuing education programs; (ii) County employees in customized training programs; (iii) adults in the skill center; (iv) over 455 at-risk youth and their families in school-based youth services counseling; (v) the U.S. swim team of 200 members; and (vi) the joint auto technology program with Rowan College serving 40 adult students in an AAS degree program.

Gloucester County Special Services School District

Gloucester County Special Services School District ("GCSSSD") provides a wide range of educational services to the families of the County. GCSSSD serves children with special needs from birth to age 21. The enrollment for the 28-acre Bankbridge complex in Deptford, as of April 13, 2022, was 535 special needs students.

Bankbridge Regional opened its doors in September 2000 and serves secondary level students who have special needs. In September 2002, GCSSSD opened Bankbridge Elementary School. The elementary school is located next to Bankbridge Regional and serves special needs students from pre-kindergarten to grade five (5).

The Bankbridge Development Center ("BDC") opened in 2007. With an emphasis on developing skills in the areas of communication, socialization, and independence, the BDC strives toward helping students become participating and contributing members of their community. Education, advocacy, public awareness efforts, and the promotion of research form the cornerstones of the activities. Together, they can promote lifelong access and opportunity for all individuals within the autism spectrum and/or multiply disabled.

BDC student outcome goals include, but are not limited to:

- The development of a functional communication system in order to increase interaction and enhance adaptive behaviors.
- Effectively providing functional, skill-based instruction to develop each student's social, behavioral and academic abilities.
- Providing students with the skills necessary to become contributing and functional members of society.

The staff at BDC is dedicated to educating and supporting the special needs students who attend BDC. Each classroom and specialty area has been carefully designed to provide an encouraging but challenging learning environment to help the children reach their maximum potential. The programs are

tailored to meet the specific needs of each child. The philosophy, goals, and objectives of the BDC reflect the diversity of the children they serve. Programs are designed to meet their educational, social, and emotional needs.

In addition to the schools, GCSSSD provides the following services to support the special needs children of the County: (i) the Early Intervention Program for children from birth to age 3 and their families; and (ii) the Center for Regional Education Support Services (CRESS) which provides professional services to the school districts in the County and the County of Camden.

GCSSSD also provides support to nonpublic students through their schools including remedial programs, speech-language therapy and textbook purchasing. GCSSSD's Special Projects Program provides Migrant Services to more than 3,000 students and families throughout the southern region of New Jersey.

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2023 Assessed Valuation</u>
Swedesboro Development LLC	Strip Center (Office and Medical Building)	\$ 3,789,200
D & D Properties of Swedesboro Inc.	Commercial Stores	2,823,500
Botto Sons LLC	Grocery Store & Banquet Hall	1,716,400
R & R Real Estate LLC	Landlord for Apartments and Houses	1,703,100
Taxpayers #1	Ron Son Foods (Nat'l Food Importer)	1,590,000
Russo Rentals LLC	Office/Landlord for Apartments	1,579,300
Swedesboro Housing LTD Partnership	Apartments	1,275,000
Green Bucket LLC	Landlord	1,014,100
FRG-X-NJ1 LP	Warehousing	950,000
Urbanization Properties LLC	---	761,100

CURRENT TAX COLLECTIONS (2)

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2022	\$ 7,281,395	\$ 7,137,136	98.02%	\$ 136,761	1.88%
2021	7,223,843	7,078,711	97.99%	137,697	1.91%
2020	6,998,349	6,821,732	97.48%	168,735	2.41%
2019	6,905,477	6,701,467	97.05%	181,536	2.63%
2018	6,986,839	6,710,160	96.04%	251,620	3.60%

(1) Source: Tax Assessor

(2) Source: Annual Reports of Audit

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transferred to</u> <u>Arrears/Liens</u>	<u>Other</u> <u>Credits</u>	<u>Outstanding</u> <u>Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2022	\$ 139,784	\$ -	\$ 139,784	100.00%	\$ -	\$ -	\$ -
2021	175,385	-	173,299	98.81%	-	-	2,087
2020	188,186	-	181,494	96.44%	42	-	6,650
2019	251,620	250	251,870	100.00%	6,650	-	6,650
2018	210,993	250	211,023	99.90%	-	220	-

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance</u> <u>Jan. 1</u>	<u>Added by</u>		<u>Cancellations/</u> <u>Foreclosures</u>	<u>Balance</u> <u>Dec. 31</u>
		<u>Sales and</u> <u>Transfers</u>	<u>Collected</u>		
2022	\$ 72,242	\$ 9,720	\$ -	\$ 2,616	\$ 79,346
2021	64,872	7,370	-	-	72,242
2020	57,031	7,902	61	-	64,872
2019	49,820	7,211	-	-	57,031
2018	118,580	11,199	79,959	-	49,820

FORECLOSED PROPERTY(1)(2)

<u>Year</u>	<u>Balance</u> <u>Jan. 1</u>	<u>Added By</u> <u>Transfer</u>	<u>Adjustment</u> <u>to Assessed</u> <u>Valuation</u>	<u>Loss on</u> <u>Exchange</u> <u>of Land</u>	<u>Balance</u> <u>Dec. 31</u>
2021	231,000	-	-	-	231,000
2020	231,000	-	-	-	231,000
2019	231,000	-	-	-	231,000
2018	231,000	-	-	-	231,000

CURRENT WATER AND SEWER COLLECTIONS(1)

<u>Year</u>	<u>Beginning</u> <u>Balance</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
			<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2022	\$ 65,248	\$ 1,681,807	\$ 1,703,017	97.48%	\$ 17,928	1.03%
2021	46,435	1,477,868	1,457,087	95.59%	65,248	4.28%
2020	5,483	1,243,212	1,200,039	96.10%	46,435	3.72%
2019	5,836	1,102,751	1,099,893	99.22%	5,483	0.49%
2018	8,371	1,116,942	1,127,825	100.22%	5,836	0.52%

(1) Source: Annual Reports of Audit

(2) Source: Tax Assessor

**NET ASSESSED VALUATIONS AND
ANNUAL TAX RATES (1)**

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (2)</u>						
		<u>Total Rate</u>	<u>Municipal</u>	<u>County</u>	<u>County Library</u>	<u>County Open Space</u>	<u>Local School</u>	<u>Regional High School</u>
2023	\$ 173,175,400	\$4.215	\$1.147	\$0.699	\$0.048	\$0.044	\$1.197	\$1.080
2022	172,831,100	4.206	1.116	0.704	0.048	0.042	1.256	1.040
2021	171,070,300	4.209	1.090	0.717	0.050	0.044	1.324	0.984
2020	172,167,600	4.060	1.067	0.695	0.048	0.042	1.318	0.890
2019	173,087,400	3.988	1.034	0.662	0.047	0.041	1.356	0.848

**RATIO OF ASSESSED VALUATION TO TRUE VALUE
AND TRUE VALUE PER CAPITA(3)**

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita</u>
2023	\$ 173,175,400	76.62%	\$ 226,018,533	\$ 83,371 (4)
2022	172,831,100	86.61%	199,550,976	73,608 (4)
2021	171,070,300	91.26%	187,453,758	69,146 (4)
2020	172,167,600	95.59%	180,110,472	66,437 (4)
2019	173,087,400	98.65%	175,456,057	67,901 (5)

REAL PROPERTY CLASSIFICATION (6)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Farmland</u>
2023	\$ 173,502,900	\$ 1,208,000	\$ 137,146,500	\$ 29,051,700	\$3,203,800	\$ 2,881,000	\$ 11,900
2022	172,831,100	1,231,300	136,484,900	29,568,700	3,203,800	2,330,700	11,700
2021	171,070,300	1,229,700	135,553,500	28,742,000	3,203,800	2,330,700	10,600
2020	172,167,600	1,195,200	135,437,800	29,918,300	3,273,800	2,330,700	11,800
2019	173,087,400	1,251,300	136,121,800	30,095,400	3,273,800	2,330,700	14,400

- (1) Source: Borough Tax Collector
(2) Per \$100 of assessed valuation
(3) State of New Jersey, Department of Treasury, Division of Taxation
(4) Based on Federal Census 2020 of 2,711
(5) Based on Federal Census 2010 of 2,584
(6) Source: County Tax Assessor

**BOROUGH OF SWEDSBORO
STATEMENT OF INDEBTEDNESS
AS OF DECEMBER 31, 2022**

The following table summarizes the direct debt of the Borough as of December 31, 2022, in accordance with the requirements of the Local Bond Law. The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Sewer and Water Fund, debt of the Local School and debt of the Regional School District. Deductions from gross debt to arrive at net debt include local and regional school district debt, and debt considered to be self-liquidating. The resulting net debt of \$2,364,000 represents 1.159% of the average of equalized valuations for the Borough for the last three years, of \$203,914,425, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued		Authorized but not Issued	Gross Debt	Deductions		Net Debt
	Bonds/Loans	Notes			School District	Self Liquidating	
General	\$ 1,980,000	\$ 384,000		\$ 2,364,000			\$ 2,364,000
School - Local	2,802,168			2,802,168	\$ 2,802,168		
School - Regional	1,643,896			1,643,896	1,643,896		
Water and Sewer Utility	1,020,000	2,616,000	\$ 2,169,760	5,805,760		\$ 5,805,760	
	<u>\$ 7,446,064</u>	<u>\$ 3,000,000</u>	<u>\$ 2,169,760</u>	<u>\$ 12,615,824</u>	<u>\$ 4,446,064</u>	<u>\$ 5,805,760</u>	<u>\$ 2,364,000</u>

(1) As of December 31, 2022

Source: Annual Debt Statement

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements for 2020, 2021 and 2022	\$ 203,914,425
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2020, 2021 and 2022	1.159%
2023 Net Valuation Taxable	\$ 173,175,400
2023 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$ 226,018,533
Gross Debt (2)	
As a Percentage of 2023 Net Valuation Taxable	7.28%
As a Percentage of 2023 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	5.58%
Net Debt (2)	
As a Percentage of 2023 Net Valuation Taxable	1.37%
As a Percentage of 2023 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	1.05%
Gross Debt per Capita (3)	\$ 4,654
Net Debt per Capita (3)	\$ 872

BOROUGH BORROWING CAPACITY(1)

3.5% of Average (2020-22) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$203,914,425)	\$ 7,137,005
Net Debt	<u>(2,364,000)</u>
Remaining Borrowing Capacity	<u>\$ 4,773,005</u>

LOCAL SCHOOL BORROWING CAPACITY(1)

2.5% of Average (2020-22) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$1,721,015,883)	\$ 43,025,397
Local School Debt (4)	<u>(23,650,000)</u>
Remaining Borrowing Capacity	<u>\$ 19,375,397</u>

REGIONAL HIGH SCHOOL DISTRICT(1)

3% of Averaged (2020-22) Equalized Valuation of Real Property Including Improvements (\$3,548,261,231)	\$ 106,447,837
Regional High School Debt (5)	<u>(28,605,000)</u>
Remaining Borrowing Capacity	<u>\$ 77,842,837</u>

(1) As of December 31, 2022

(2) Excluding overlapping debt

(3) Based on 2020 Federal Census of 2,711

(4) Debt portion allocated to the Borough \$2,802,168

(5) Debt portion allocated to the Borough \$1,643,896

**BOROUGH OF SWEDESBORO
OVERLAPPING DEBT
AS OF DECEMBER 31, 2022**

	DEBT ISSUED				Debt Auth. but not Issued
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	
County of Gloucester(1):					
General	\$ 243,337,000	\$ 17,277,880 (2)	\$ 226,059,120	\$ 1,504,681 (4)	
Bonds Issued by Other Public Bodies Guaranteed by the County	110,331,255	110,331,255 (3)	-		
	<u>\$ 353,668,255</u>	<u>\$ 127,609,135</u>	<u>\$ 226,059,120</u>	<u>\$ 1,504,681</u>	<u>\$ -</u>

(1) Source: County's Annual Debt Statement.

(2) Includes Reserve for Payment of Debt and County College Bonds.

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

(4) Such debt is allocated as a proportion of the Issuer's share of the total 2022 Net Valuation on which County taxes are apportioned, which is 0.67%.

**BOROUGH OF SWEDESBORO
SCHEDULE OF DEBT SERVICE
(BONDED DEBT ONLY)**

Year Ended Dec. 31,	<u>General - Existing (1)</u>			<u>Water and Sewer Utility Bonds - Existing (1)</u>			<u>Grand Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2023	\$ 245,000	\$ 55,813	\$ 300,813	\$ 110,000	\$ 38,600	\$ 148,600	\$ 449,413
2024	250,000	48,663	298,663	120,000	34,000	154,000	452,663
2025	255,000	41,413	296,413	115,000	29,300	144,300	440,713
2026	280,000	33,663	313,663	115,000	24,700	139,700	453,363
2027	275,000	25,563	300,563	135,000	19,700	154,700	455,263
2028	275,000	17,469	292,469	135,000	14,300	149,300	441,769
2029	275,000	9,188	284,188	145,000	8,700	153,700	437,888
2030	125,000	2,500	127,500	145,000	2,900	147,900	275,400
	<u>\$ 1,980,000</u>	<u>\$ 234,269</u>	<u>\$ 2,214,269</u>	<u>\$ 1,020,000</u>	<u>\$ 172,200</u>	<u>\$ 1,192,200</u>	<u>\$ 3,406,469</u>

(1) As of December 31, 2022

Source: Borough Auditor

BOROUGH OF SWEDSBORO
2023 MUNICIPAL BUDGET (1)

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 955,000
Miscellaneous Revenues:	
Local Revenues	36,000
State Aid without Offsetting Appropriations	274,675
Public and Private Programs Offset with Appropriations	33,692
Other Special Items of Revenue	33,568
Receipts from Delinquent Taxes	130,000
Amount to be Raised by Taxation for Municipal Purposes	<u>1,987,686</u>
Total Anticipated Revenues	<u><u>\$ 3,450,621</u></u>

Appropriations:	
Within CAPS:	
Operations	\$ 1,230,372
Deferred Charges and Statutory Expenditures	108,388
Excluded from CAPS:	
Other Operations	739,342
Public and Private Programs	36,542
Capital Improvements	756,000
Debt Service	413,341
Transferred to Board of Education	17,845
Reserve for Uncollected Taxes	<u>148,791</u>
Total Appropriations	<u><u>\$ 3,450,621</u></u>

WATER AND SEWER UTILITY FUND

Anticipated Revenues:	
Fund Balance	\$ 1,558
Rents	1,500,000
Miscellaneous	<u>50,000</u>
Total Anticipated Revenues	<u><u>\$ 1,551,558</u></u>
Appropriations:	
Operating	\$ 1,134,912
Capital Improvements	95,671
Debt Service	280,475
Statutory Expenditures	<u>40,500</u>
Total Appropriations	<u><u>\$ 1,551,558</u></u>

(1) As adopted

**BOROUGH OF SWEDESBORO
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2023 - 2025 (1)**

	<u>Estimated Total Cost</u>	<u>Budget Appropriations</u>		<u>Capital Improvement Fund</u>	<u>Bonds and Notes</u>	
		<u>Current Year</u>	<u>Future Years</u>		<u>General</u>	<u>Self Liquidating</u>
General Capital:						
Improvements to Sidewalks and Crosswalks	\$ 60,000	\$ 60,000				
Fire Company Equipment	55,000	55,000				
Purchase of Equipment	25,000	25,000				
Improvement to Borough Hall	1,000	1,000				
Total--General Capital	141,000	141,000	-	-	-	-
Totals--All Projects	\$ 141,000	\$ 141,000	\$ -	\$ -	\$ -	\$ -

(1) As adopted

APPENDIX B

FINANCIAL STATEMENTS OF THE BOROUGH OF SWEDESBORO



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Swedesboro
Swedesboro, New Jersey 08085

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Swedesboro, in the County of Gloucester, State of New Jersey, as of December 31, 2022, 2021, 2020, 2019 and 2018, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Swedesboro, in the County of Gloucester, State of New Jersey, as of December 31, 2022, 2021, 2020, 2019 and 2018, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Borough of Swedesboro, in the County of Gloucester, State of New Jersey, as of December 31, 2022, 2021, 2020, 2019 and 2018, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

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

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

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

Emphasis of Matter***Change in Accounting Principle***

As discussed in note 1 to the financial statements, during the year ended December 31, 2022, the Borough adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The adoption of this new accounting principle resulted in material note disclosure. As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Consistency of Financial Statements

Because of the implementation of GASB Statement No. 87, the Borough has determined that lease agreements in which they are the lessor have now been disclosed in accordance with the Statement (note 6). Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Carol McAllister

Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 24, 2023

BOROUGH OF SWEDESBORO
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

	As of December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
ASSETS					
Regular Fund:					
Cash and Investments	\$ 1,541,565.20	\$ 1,647,925.78	\$ 1,453,738.79	\$ 1,368,703.43	\$ 1,400,029.22
Receivables and Other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	136,760.61	139,783.52	175,385.16	188,186.05	251,619.92
Tax Title Liens Receivable	79,346.08	72,241.75	64,871.79	57,030.73	49,820.11
Miscellaneous Liens Receivable	766.16	1,932.32	1,224.69	1,992.58	563.64
Property Acquired for Taxes--Assessed Valuation	164,600.00	231,000.00	231,000.00	231,000.00	231,000.00
Prepaid Local School Tax				48,583.46	
Other Accounts Receivable			500.00	500.00	500.00
Interfunds Receivable	20.46	7.78	15,295.48	61,123.61	4,040.69
Total Current Fund	1,923,058.51	2,092,891.15	1,942,015.91	1,957,119.86	1,937,573.58
Federal and State Grant Fund:					
Federal and State Grants Receivable	151,450.79	424,340.27	162,924.02	169,285.88	210,285.19
Interfunds Receivable	250,739.16	115,523.58			26,611.02
Total Federal and State Grant Fund	402,189.95	539,863.85	162,924.02	169,285.88	236,896.21
	\$ 2,325,248.46	\$ 2,632,755.00	\$ 2,104,939.93	\$ 2,126,405.74	\$ 2,174,469.79
LIABILITIES, RESERVES AND FUND BALANCE					
Regular Fund:					
Liabilities and Reserves:					
Appropriation Reserves	\$ 116,411.26	\$ 236,078.63	\$ 106,189.13	\$ 153,576.74	\$ 208,383.22
Reserve for Encumbrances	73,047.27	97,082.58	87,108.59	64,333.68	69,246.47
Accounts Payable	4,000.00				1,291.45
Due to State of New Jersey - Veterans and Senior Citizens Deductions	1,964.90	1,714.90	1,964.90	2,214.90	1,714.90
Prepaid Taxes	57,341.90	89,159.15	127,465.86	134,002.66	78,234.62
Tax Overpayments	3,864.38	537.46		748.76	1,667.18
Due County for Added and Omitted Taxes	2,288.24	4,528.03	1,612.65	517.48	4,802.17
Reserve for Peddler's Licenses Cash Bond	400.00	400.00	400.00	400.00	400.00
Reserve for Municipal Relief Fund Aid	13,528.86				
Local School District Taxes Payable					2,548.05
Interfunds Payable	250,739.16	115,523.58		6,785.80	39,677.81
Reserves for Receivables and Other Assets	381,493.31	444,965.37	488,277.12	588,416.43	537,544.36
Fund Balance	1,017,979.23	1,102,901.45	1,128,997.66	1,006,123.41	992,063.35
Total Current Fund	1,923,058.51	2,092,891.15	1,942,015.91	1,957,119.86	1,937,573.58
Federal and State Grant Fund:					
Reserve for Encumbrances	79,538.91	30,685.35	9,614.16	59,081.70	5,617.50
Appropriated Reserves	53,862.19	374,784.08	138,022.07	49,090.30	231,078.71
Unappropriated Reserves	268,788.85	134,394.42			200.00
Interfund Payables			15,287.79	61,113.88	
Total Federal and State Grant Fund	402,189.95	539,863.85	162,924.02	169,285.88	236,896.21
	\$ 2,325,248.46	\$ 2,632,755.00	\$ 2,104,939.93	\$ 2,126,405.74	\$ 2,174,469.79

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

BOROUGH OF SWEDESBORO
CURRENT FUND
Statements of Operations and Changes in Fund Balance -- Regulatory Basis

	For the Years Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
REVENUES AND OTHER INCOME REALIZED:					
Fund Balance Utilized	\$ 358,000.00	\$ 240,000.00	\$ 166,500.00	\$ 180,000.00	\$ 300,000.00
Miscellaneous Revenue Anticipated	904,350.64	641,400.86	688,132.78	679,319.92	675,123.87
Receipts from Delinquent Taxes	139,783.52	173,298.50	181,554.64	251,869.92	290,981.53
Receipts from Current Taxes	7,137,136.34	7,078,711.09	6,821,731.83	6,701,466.99	6,710,159.90
Non-Budget Revenues	44,846.41	31,251.26	22,556.89	29,045.77	26,206.08
Other Credits to Income	319,751.59	101,616.52	123,454.79	157,942.87	95,535.67
Liquidation of Reserves for Interfunds and Other Receivables		15,287.70	94,411.59		7,004.56
Total Revenues	8,903,868.50	8,281,565.93	8,098,342.52	7,999,645.47	8,105,011.61
EXPENDITURES:					
Budget Appropriations:					
Operations Within "CAPS":					
Salaries and Wages	214,090.00	197,090.00	221,970.00	205,140.00	235,940.00
Other Expenses	1,008,725.00	1,021,750.00	909,190.00	889,394.00	872,575.00
Deferred Charges and Statutory Expenditures Within "CAPS"	105,172.00	93,178.00	83,462.00	90,710.00	87,848.00
Operations Excluded From "CAPS":					
Other Expenses	1,267,223.78	968,197.26	966,418.89	947,491.18	897,984.51
Capital Improvements Excluded From "CAPS"	155,800.00	139,500.00	161,500.00	130,000.00	191,000.00
Debt Service	401,255.83	289,076.20	294,946.51	305,957.48	301,182.48
Transferred to Boards of Education	17,928.00	17,774.00	18,069.00	18,532.00	18,741.00
County Taxes and County Share of Added and Omitted Taxes	1,372,873.42	1,389,413.68	1,352,776.87	1,297,003.37	1,297,793.88
Local School District Tax	2,169,355.00	2,264,106.00	2,268,903.00	2,346,821.00	2,449,094.00
Regional High School Tax	1,798,779.00	1,685,027.00	1,531,732.00	1,468,620.00	1,496,544.00
Prior Year Senior Citizens and Veterans Deductions Disallowed				250.00	250.00
Refund of Prior Year Revenue		2,550.00			
Cancellation of Grants Receivable	119,576.01				
Creation of Reserve for Interfunds and Other Receivables	12.68			105,666.38	
Total Expenditures	8,630,790.72	8,067,662.14	7,808,968.27	7,805,585.41	7,848,952.87
Statutory Excess to Fund Balance	273,077.78	213,903.79	289,374.25	194,060.06	256,058.74
FUND BALANCE:					
January 1	1,102,901.45	1,128,997.66	1,006,123.41	992,063.35	1,036,004.61
	1,375,979.23	1,342,901.45	1,295,497.66	1,186,123.41	1,292,063.35
Decreased by:					
Utilized in Budget	358,000.00	240,000.00	166,500.00	180,000.00	300,000.00
December 31	\$ 1,017,979.23	\$ 1,102,901.45	\$ 1,128,997.66	\$ 1,006,123.41	\$ 992,063.35

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

BOROUGH OF SWEDESBORO
TRUST FUNDS
Statements of Assets, Liabilities and Reserves -- Regulatory Basis

	As of December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>					
Animal Control Fund:					
Cash	\$ 2,043.45	\$ 1,880.05	\$ 1,254.95	\$ 2,718.24	\$ 5,685.34
Other Funds:					
Cash	343,641.19	362,149.74	367,265.46	310,406.14	345,566.49
Accounts Receivable	85.45				
Mortgage Loans Receivable	113,295.00	113,295.00	113,295.00	113,295.00	113,295.00
	<u>457,021.64</u>	<u>475,444.74</u>	<u>480,560.46</u>	<u>423,701.14</u>	<u>458,861.49</u>
	<u>\$ 459,065.09</u>	<u>\$ 477,324.79</u>	<u>\$ 481,815.41</u>	<u>\$ 426,419.38</u>	<u>\$ 464,546.83</u>
<u>LIABILITIES AND RESERVES</u>					
Animal Control Fund:					
Reserve for Dog Fund Expenditures	\$ 2,043.45	\$ 1,880.05	\$ 1,254.95	\$ 2,718.24	\$ 3,650.64
Due to State of New Jersey					6.00
Interfund Payable					2,028.70
	<u>2,043.45</u>	<u>1,880.05</u>	<u>1,254.95</u>	<u>2,718.24</u>	<u>5,685.34</u>
Other Funds:					
Due to State of New Jersey	87.50	261.75	400.00	1,922.00	1,339.25
Due to Current Fund	20.46	7.78	7.69	9.73	2,011.99
Miscellaneous Trust Reserves and Escrows	214,788.01	234,057.43	247,446.02	189,950.83	220,059.42
Miscellaneous Trust Reserves and Escrows-Other	118,591.67	117,583.78	109,172.75	108,284.58	111,916.83
Reserve for Mortgage Loans Receivable	10,239.00	10,239.00	10,239.00	10,239.00	10,239.00
Reserve for Loan Rehabilitation Program	113,295.00	113,295.00	113,295.00	113,295.00	113,295.00
	<u>457,021.64</u>	<u>475,444.74</u>	<u>480,560.46</u>	<u>423,701.14</u>	<u>458,861.49</u>
	<u>\$ 459,065.09</u>	<u>\$ 477,324.79</u>	<u>\$ 481,815.41</u>	<u>\$ 426,419.38</u>	<u>\$ 464,546.83</u>

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

BOROUGH OF SWEDSBORO
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

	As of December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>					
Cash	\$ 260,149.01	\$ 523,942.44	\$ 312,277.14	\$ 341,879.89	\$ 339,560.00
Grants Receivable	493,000.00			40,000.00	80,000.00
Deferred Charges to Future Taxation:					
Funded	1,980,000.00	2,220,000.00	2,439,617.57	2,787,716.00	3,006,635.15
Unfunded	384,000.00	480,000.00	360,000.00		
	<u>\$ 3,117,149.01</u>	<u>\$ 3,223,942.44</u>	<u>\$ 3,111,894.71</u>	<u>\$ 3,169,595.89</u>	<u>\$ 3,426,195.15</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>					
General Serial Bonds	\$ 1,980,000.00	\$ 2,220,000.00	\$ 2,435,000.00	\$ 2,774,000.00	\$ 2,984,000.00
Green Trust Loan Payable			4,617.57	13,716.00	22,635.15
Bond Anticipation Notes	384,000.00	480,000.00			
Improvement Authorizations:					
Funded	545,644.41	166,944.41	166,944.41	250,075.61	268,931.72
Unfunded	20,291.55	47,491.55	59,942.50		
Reserve for Encumbrances	70,781.50	273,967.05	362,601.75	6,176.00	
Miscellaneous Capital Reserves	42,268.12	376.00	7,625.05	11,625.05	11,625.05
Reserve for Payment of Bonds and Notes			40,000.00	40,000.00	40,000.00
Reserve for Federal, State and Other Grants Receivable				40,000.00	80,000.00
Capital Improvement Fund	74,163.43	35,163.43	35,163.43	34,003.23	19,003.23
	<u>\$ 3,117,149.01</u>	<u>\$ 3,223,942.44</u>	<u>\$ 3,111,894.71</u>	<u>\$ 3,169,595.89</u>	<u>\$ 3,426,195.15</u>

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

BOROUGH OF SWEDESBORO
WATER AND SEWER UTILITY - OPERATING FUND
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

	As of December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
ASSETS					
Cash	\$ 956,598.83	\$ 746,708.48	\$ 372,377.54	\$ 340,460.18	\$ 319,193.73
Interfunds Receivable				6,785.80	13,066.79
	<u>956,598.83</u>	<u>746,708.48</u>	<u>372,377.54</u>	<u>347,245.98</u>	<u>332,260.52</u>
Receivables with Full Reserves:					
Consumer Accounts Receivable	17,927.92	65,247.59	46,435.03	5,483.26	5,836.24
Special Charges Receivable	21,255.59				
Utility Liens Receivable	18,554.30	13,700.30	12,980.30	10,759.30	8,763.30
	<u>57,737.81</u>	<u>78,947.89</u>	<u>59,415.33</u>	<u>16,242.56</u>	<u>14,599.54</u>
	<u>\$1,014,336.64</u>	<u>\$ 825,656.37</u>	<u>\$ 431,792.87</u>	<u>\$ 363,488.54</u>	<u>\$ 346,860.06</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$ 17,749.83	\$ 91,334.52	\$ 117,562.91	\$ 80,386.66	\$ 21,669.72
Reserves for Encumbrances	29,228.19	39,133.57	14,301.56	11,957.50	19,273.31
Utility Rent Overpayments	1,277.66	1,169.92	1,180.37	1,724.58	1,475.30
Prepaid Utility Rents	132,925.54	166,749.14	74,822.95	91,230.48	65,016.62
Accrued Interest on Bonds, Notes and Loans	35,000.00	11,300.00	12,200.00	14,555.63	15,430.63
	<u>216,181.22</u>	<u>309,687.15</u>	<u>220,067.79</u>	<u>199,854.85</u>	<u>122,865.58</u>
Reserves for Receivables	57,737.81	78,947.89	59,415.33	16,242.56	14,599.54
Fund Balance	<u>740,417.61</u>	<u>437,021.33</u>	<u>152,309.75</u>	<u>147,391.13</u>	<u>209,394.94</u>
	<u>\$1,014,336.64</u>	<u>\$ 825,656.37</u>	<u>\$ 431,792.87</u>	<u>\$ 363,488.54</u>	<u>\$ 346,860.06</u>

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

BOROUGH OF SWEDESBORO
WATER AND SEWER UTILITY - CAPITAL FUND
Statements of Assets, Liabilities, and Reserves -- Regulatory Basis

	As of December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>					
Cash	\$ 1,701,605.44	\$ 76,278.43	\$ 262,900.37	\$ 180,985.37	\$ 186,271.09
Fixed Capital	7,001,579.84	6,822,416.20	6,760,246.16	6,729,582.12	6,698,912.12
Fixed Capital Authorized and Uncompleted	5,200,156.40	5,201,550.00	565,250.00	165,250.00	134,750.00
	<u>\$13,903,341.68</u>	<u>\$12,100,244.63</u>	<u>\$ 7,588,396.53</u>	<u>\$ 7,075,817.49</u>	<u>\$ 7,019,933.21</u>
<u>LIABILITIES AND RESERVES</u>					
General Obligation Bonds	\$ 1,020,000.00	\$ 1,130,000.00	\$ 1,220,000.00	\$ 1,449,000.00	\$ 1,549,000.00
Bond Anticipation Notes	2,616,000.00				
Improvement Authorizations:					
Funded	110,213.11	114,724.40	102,986.97	118,972.57	131,258.29
Unfunded	2,404,302.48	2,408,150.00	385,200.00		
Reserve for Encumbrances	1,264,222.48	2,334,436.66	21,507.60	8,807.00	1,807.00
Reserve for Amortization	5,981,579.84	5,697,416.20	5,545,246.16	5,285,582.12	5,154,912.12
Capital Improvement Fund	89,271.57	1,371.57	149,850.00	49,850.00	49,850.00
Reserve for Deferred Amortization	414,396.40	410,790.00	160,250.00	160,250.00	129,750.00
Capital Fund Balance	3,355.80	3,355.80	3,355.80	3,355.80	3,355.80
	<u>\$13,903,341.68</u>	<u>\$12,100,244.63</u>	<u>\$ 7,588,396.53</u>	<u>\$ 7,075,817.49</u>	<u>\$ 7,019,933.21</u>

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

BOROUGH OF SWEDESBORO
WATER AND SEWER UTILITY - OPERATING FUND
Statements of Operations and Changes in Fund Balance -- Regulatory Basis

	For The Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
OPERATING REVENUES:					
Fund Balance Anticipated	\$ 106,071.00	\$ 15,971.00	\$ 102,668.50	\$ 83,720.00	160,319.00
Rents	1,703,016.84	1,457,086.61	1,200,038.89	1,099,892.55	\$ 1,127,825.32
Miscellaneous Revenue Anticipated	62,718.90	79,170.18	56,924.25	46,928.65	50,466.69
Reserve for Debt Payment					4,536.00
Other Credits to Income	93,936.33	113,525.79	73,033.21	8,992.49	38,384.35
Total Income	1,965,743.07	1,665,753.58	1,432,664.85	1,239,533.69	1,381,531.36
OPERATING EXPENSES:					
Operating	1,075,200.00	1,051,800.00	1,020,900.00	963,350.00	957,800.00
Capital Improvements	265,671.00	140,671.00	130,671.00	61,170.00	144,670.00
Debt Service	176,700.00	136,100.00	138,006.73	159,097.50	152,453.75
Deferred Charges and Statutory Expenditures	38,500.00	36,500.00	35,500.00	34,200.00	34,200.00
Refund of Prior Year Revenue	204.79				
Total Expenditures	1,556,275.79	1,365,071.00	1,325,077.73	1,217,817.50	1,289,123.75
Excess of Revenues over Expenditures	409,467.28	300,682.58	107,587.12	21,716.19	92,407.61
Fund Balances January 1	437,021.33	152,309.75	147,391.13	209,394.94	277,306.33
	846,488.61	452,992.33	254,978.25	231,111.13	369,713.94
Decreased by:					
Realized as Revenue	106,071.00	15,971.00	102,668.50	83,720.00	160,319.00
Fund Balance December 31	\$ 740,417.61	\$ 437,021.33	\$ 152,309.75	\$ 147,391.13	\$ 209,394.94

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

BOROUGH OF SWEDESBORO
Notes to Financial Statements
For the Year Ended December 31, 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Swedesboro is located in the central part of Gloucester County, New Jersey. The Borough is located approximately twenty-five (25) miles southeast of Philadelphia, Pennsylvania, approximately fifty (50) miles west of Atlantic City and one hundred (100) miles south of New York City. The Borough is a separate governmental entity .77 square miles in size and is encircled by the Borough of Woolwich. The present population according to the 2020 census is 2,711.

The Borough has a Mayor-Council form of government in accordance with N.J.S.A. 40A:60-1. The Mayor is separately elected every four years. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Clerk. The daily operations of the Borough are supervised by the Borough Clerk who also serves as the Business Administrator of the Borough.

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

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

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

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

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

Water and Sewer Utility Operating and Capital Funds - The water and sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water and sewer operations.

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

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

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity.

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

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

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

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

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

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

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

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

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

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

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

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

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Swedesboro-Woolwich School District and the Kingsway Regional School District. Operations is charged for the full amount required to be raised from taxation to operate the school districts for the period from January 1 to December 31.

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

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

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

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

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

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

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

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

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

The Borough implemented the following GASB Statement for the year ended December 31, 2022:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to measure and disclose a lease liability and a lessor is required to measure and disclose a lease receivable; thereby enhancing the relevance and consistency of information about governments' leasing activities. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. There exists no impact on the financial statements of the Borough.

Because of the implementation of GASB Statement No. 87, the Borough has determined that lease agreements in which they are the lessor are now disclosed in accordance with the Statement (note 6).

Recently Issued Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Statement will become effective for the Borough's year ending December 31, 2023. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Borough in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2022, the Borough's bank balances of \$5,012,115.09 were all insured by FDIC and GUDPA.

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	\$ 4.206	\$ 4.209	\$ 4.060	\$ 3.988	\$ 4.027
Apportionment of Tax Rate:					
Municipal	\$ 1.116	\$ 1.090	\$ 1.067	\$ 1.034	\$.995
County	.704	.717	.695	.662	.659
County Library	.048	.050	.048	.047	.049
County Open Space					
Preservation Trust Fund	.042	.044	.042	.041	.042
Consolidated Local School	1.256	1.324	1.318	1.356	1.417
Regional High School	1.040	.984	.890	.848	.865

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2022	\$ 172,831,100.00
2021	171,070,300.00
2020	172,167,600.00
2019	173,087,400.00
2018	172,856,900.00

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2022	\$ 7,281,394.79	\$ 7,137,136.34	98.02%
2021	7,223,842.64	7,078,711.09	97.99%
2020	6,998,349.21	6,821,731.83	97.48%
2019	6,905,477.17	6,701,466.99	97.05%
2018	6,986,738.99	6,710,159.90	96.04%

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

<u>Year</u>	<u>Number</u>
2022	4
2021	5
2020	5
2019	5
2018	5

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2022	\$ 164,600.00
2021	231,000.00
2020	231,000.00
2019	231,000.00
2018	231,000.00

Note 5: SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of water and sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2022	\$ 65,247.59	\$ 13,700.30	\$ 1,681,806.76	\$ 1,760,754.65	\$ 1,703,016.84
2021	46,435.03	12,980.30	1,477,867.90	1,537,283.23	1,457,086.61
2020	5,483.26	10,759.30	1,243,211.66	1,259,454.22	1,200,038.89
2019	5,836.24	8,763.30	1,102,751.09	1,117,350.63	1,099,892.55
2018	8,370.81	17,112.51	1,116,941.54	1,142,424.86	1,127,825.32

Note 6: LEASES RECEIVABLE

The Borough, as lessor, has entered into the following leases which meet the requirements of GASB 87:

Cell Towers Lease - On August 15, 2007, the Borough entered into a ten-year lease agreement with Verizon Wireless for the lease of certain space on the Borough's water tower. The lease was effective from March 1, 2008 to February 28, 2018 with an incremental borrowing rate of 2.90%. Based on this agreement, the Borough received a lump-sum up front payment of \$134,160.00. The lessee has the option to extend this agreement for three (3) additional five (5) year term by giving the lessor written notice of its intention to do so at least six (6) months prior to the end of the then-current term. The annual rent payment for each year of the extension term increases 3% from the immediately preceding year. As of December 31, 2022, the Borough is receiving monthly payment of \$1,296.07. Verizon Wireless has provided notice to the Borough of its intent to extend the lease from March 1, 2023 through February 29, 2028.

On August 6, 2009, the Borough entered into a five-year lease with MetroPCS Pennsylvania, LLC (later known as T-Mobile), for the lease of certain space on the Borough's water tower. The lease commenced on or around February 1, 2010 with the Borough receiving monthly payments of \$1,800.00 with an incremental borrowing rate of 3.74%. Lessee has the option to extend the term of the lease for four (4) additional terms of five (5) years each. Based on this agreement, monthly payment amount increases 3% on an annual basis. As of December 31, 2022, the Borough is receiving monthly payment of \$2,566.37.

Under the provisions of GASB 87, as of December 31, 2022, the balance of the leases receivable is \$521,362.92. As a result of the regulatory basis of accounting previously described in note 1, such balance is not recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the water and sewer utility operating fund.

The following is a summary of the leases as of December 31, 2022:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell Tower - Verizon Wireless	\$ 159,949.33	\$ 10,788.60	\$ 4,807.79
Cell Tower - T-Mobile	361,413.59	19,440.24	13,844.59
	<u>\$ 521,362.92</u>	<u>\$ 30,228.84</u>	<u>\$ 18,652.38</u>

Under the provisions of GASB 87, for the year ended December 31, 2022, the Borough would have recognized \$27,546.65 in a reduction of lease receivable and \$18,652.38 in interest revenue related to the leases. In addition, \$30,228.84 would have been recognized as both lease revenue and a reduction in deferred inflows of resources related to leases.

As a result of the regulatory basis of accounting previously described in note 1, the rental payments collected of \$46,115.57 were reported as revenue in the water and sewer utility operating fund.

Note 7: FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2022	\$ 1,017,979.23	\$ 955,000.00	93.81%
2021	1,102,901.45	358,000.00	32.46%
2020	1,128,997.66	240,000.00	21.26%
2019	1,006,123.41	166,500.00	16.55%
2018	992,063.35	180,000.00	18.14%
<u>Water and Sewer Utility Fund</u>			
2022	\$ 740,417.61	\$ 1,558.00	0.21%
2021	437,021.33	106,071.00	24.27%
2020	152,309.75	15,971.00	10.49%
2019	147,391.13	102,668.50	69.66%
2018	209,394.94	83,720.00	39.98%

Note 8: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2022:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 20.46	\$ 250,739.16
Federal, State and Other Grant Fund	250,739.16	
Trust - Other		20.46
Totals	<u>\$ 250,759.62</u>	<u>\$ 250,759.62</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2023, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 9: PENSION PLANS

A substantial number of the Borough's employees participate in the Public Employees' Retirement System ("PERS"), a defined benefit pension plan administered by the New Jersey Division of Pensions and Benefits. In addition, certain Borough employees may be eligible to participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower (formerly Prudential Financial) for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS plan's fiduciary net position which can be obtained by writing to or at the following website:

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

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

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

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

Vesting and Benefit Provisions

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The following represents the membership tiers for PERS:

Tier Definition

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

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

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

Contributions

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

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)****Public Employees' Retirement System (Cont'd) -**

The Borough's contractually required contribution rate for the year ended December 31, 2022 was 16.89% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$90,801.00, and is payable by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$86,172.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$43,092.42.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, under Chapter 133, P.L. 2001, for the year ended December 31, 2022 was .43% of the Borough's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Borough, to the pension plan for the year ended December 31, 2022 was \$2,286.00, and is payable by April 1, 2023.

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

For the year ended December 31, 2022, no employees participated in the Defined Contribution Retirement Plan.

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

Pension Liability - As of December 31, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Borough's proportionate share of the PERS net pension liability was \$1,086,645.00. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the Borough's proportion was .0072004395%, which was a decrease of .0001576688% from its proportion measured as of June 30, 2021.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Pension (Benefit) Expense - For the year ended December 31, 2022, the Borough's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was (\$73,918.00). This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the Borough's contribution to PERS was \$86,172.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PERS pension (benefit) expense, associated with the Borough, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2022 measurement date, was \$2,286.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2022, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 7,843.00	\$ 6,916.00
Changes of Assumptions	3,367.00	162,714.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	44,975.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	99,352.00	41,919.00
Contributions Subsequent to the Measurement Date	45,401.00	-
	<u>\$ 200,938.00</u>	<u>\$ 211,549.00</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$45,401.00 will be included as a reduction of the net pension liability during the year ending December 31, 2023. This amount was based on an estimated April 1, 2024 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2022 to the Borough's year end of December 31, 2022.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	5.48	-	June 30, 2018	5.00	-
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	-	5.48	June 30, 2017	5.48	5.48
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04

Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending Dec 31,</u>	
2023	\$ (79,962.00)
2024	(22,657.00)
2025	(1,109.00)
2026	48,069.00
2027	(353.00)
	<u>\$ (56,012.00)</u>

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 6.55%
	Based on years of service
Investment Rate of Return	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

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.

In accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Note 9: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.54% as of the June 30, 2022 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Public Employees' Retirement System (PERS) - The following presents the Borough's proportionate share of the net pension liability as of the June 30, 2022 measurement date, calculated using a discount rate of 7.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 1,396,021.00</u>	<u>\$ 1,086,645.00</u>	<u>\$ 823,354.00</u>

Pension Plan Fiduciary Net Position

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

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.0072004395%	0.0073581083%	0.0067259042%	0.0065652969%	0.0069051567%
Proportionate Share of the Net Pension Liability	\$ 1,086,645.00	\$ 871,678.00	\$ 1,096,819.00	\$ 1,182,967.00	\$ 1,359,591.00
Covered Payroll (Plan Measurement Period)	\$ 530,664.00	\$ 508,708.00	\$ 486,716.00	\$ 466,548.00	\$ 440,280.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	2.047708154	171.35%	225.35%	253.56%	308.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	<u>Measurement Date Ended June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.0069016051%	0.0073480470%	0.0075178096%	0.0072907632%	0.0069582510%
Proportionate Share of the Net Pension Liability	\$ 1,606,583.00	\$ 2,176,281.00	\$ 1,687,598.00	\$ 1,365,030.00	\$ 1,329,860.00
Covered Payroll (Plan Measurement Period)	\$ 478,144.00	\$ 469,868.00	\$ 518,576.00	\$ 504,192.00	\$ 479,988.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	336.00%	463.17%	325.43%	270.74%	277.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)***

	<u>Year Ended December 31,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 90,801.00	\$ 86,172.00	\$ 73,578.00	\$ 63,861.00	\$ 68,684.00
Contribution in Relation to the Contractually Required Contribution	<u>(90,801.00)</u>	<u>(86,172.00)</u>	<u>(73,578.00)</u>	<u>(63,861.00)</u>	<u>(68,684.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 537,614.00	\$ 547,594.00	\$ 547,672.00	\$ 486,476.00	\$ 471,266.00
Contributions as a Percentage of Covered Payroll	16.89%	15.74%	13.43%	13.13%	14.57%
	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 63,936.00	\$ 65,279.00	\$ 64,633.00	\$ 60,104.00	\$ 52,429.00
Contribution in Relation to the Contractually Required Contribution	<u>(63,936.00)</u>	<u>(65,279.00)</u>	<u>(64,633.00)</u>	<u>(60,104.00)</u>	<u>(52,429.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 471,499.00	\$ 486,197.00	\$ 476,085.00	\$ 509,056.00	\$ 501,126.00
Contributions as a Percentage of Covered Payroll	13.56%	13.43%	13.58%	11.81%	10.46%

Other Notes to Supplementary Pension Information***Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

The June 30, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Public Employees' Retirement System (PERS) (Cont'd)*****Changes in Assumptions**

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%
2018	5.66%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

In May of 2023, the New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2022 was not available; therefore, the information from the measurement period June 30, 2021 is disclosed below.

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

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

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

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

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

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

The Borough was billed monthly by the Plan and paid \$11,990.16, for the year ended December 31, 2021, representing 2.19% of the Borough's covered payroll. During the year ended December 31, 2021, retirees were not required to contribute to the Plan.

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

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

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

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Borough, is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the Borough, is (\$32,425.00) for the year ended December 31, 2021, representing -5.92% of the Borough's covered payroll.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2021, the Borough's and State's proportionate share of the net OPEB liability were as follows:

Borough's Proportionate Share of Net OPEB Liability	\$ 2,217,033.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Borough	237,628.00
	<u>\$ 2,454,661.00</u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

The Borough's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020 through June 30, 2021. For the June 30, 2021 measurement date, the Borough's proportion was .012317%, which was a decrease of .001119% from its proportion measured as of the June 30, 2020 measurement date.

The State's proportion of the net OPEB liability, on-behalf of the Borough was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2020 through June 30, 2021. For the June 30, 2021 measurement date, the State's proportion on-behalf of the Borough was .006154%, which was a decrease of .002078% from its proportion measured as of the June 30, 2020 measurement date.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

OPEB (Benefit) Expense - At December 31, 2021, the Borough's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date, is (\$41,920.00). This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the Borough made contributions to the Plan totaling \$11,990.16.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2021, the Borough had deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 49,748.00	\$ 463,836.00
Changes of Assumptions	318,927.00	391,887.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	1,060.00	-
Changes in Proportion	282,490.00	552,140.00
Contributions Subsequent to the Measurement Date	5,995.08	-
	<u>\$ 658,220.08</u>	<u>\$ 1,407,863.00</u>

Deferred outflows of resources in the amount of \$5,995.08 will be included as a reduction of the Borough's net OPEB liability during the year ending December 31, 2022. The Borough will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

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

Year Ending Dec. 31,		
2022	\$	(198,563.00)
2023		(198,738.00)
2024		(198,897.00)
2025		(99,885.00)
2026		(45,503.00)
Thereafter		(14,052.00)
		<u>\$ (755,638.00)</u>

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021, used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Initial Fiscal Year Applied:	
Rate through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Rate for all Future Years	3.25% to 15.25%

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

PERS mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the valuation were based on the results of the PERS experience studies prepared for July 1, 2014 to June 30, 2018.

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

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions (Cont'd)**

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

Fiscal Year Ending	Annual Rate of Increase			
	Medical Trend			Prescription
	Pre-65	PPO Post-65	HMP Post-65	Drug Trend
2021	5.65%	13.08%	13.76%	6.75%
2022	5.55%	3.34%	3.22%	6.50%
2023	5.45%	0.52%	0.17%	6.25%
2024	5.35%	7.56%	7.79%	6.00%
2025	5.20%	14.43%	15.23%	5.50%
2026	5.00%	12.55%	13.19%	5.00%
2027	4.75%	8.95%	9.29%	4.75%
2028	4.50%	5.92%	6.04%	4.50%
2029	4.50%	5.38%	5.46%	4.50%
2030	4.50%	4.86%	4.89%	4.50%
2031	4.50%	4.55%	4.56%	4.50%
2032 and Later	4.50%	4.50%	4.50%	4.50%

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

The net OPEB liability, calculated using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ 2,609,023.00	\$ 2,217,033.00	\$ 1,906,373.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	<u>279,643.00</u>	<u>237,628.00</u>	<u>204,331.00</u>
	<u>\$ 2,888,666.00</u>	<u>\$ 2,454,661.00</u>	<u>\$ 2,110,704.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate**

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ 1,849,752.00	\$ 2,217,033.00	\$ 2,696,289.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	<u>198,262.00</u>	<u>237,628.00</u>	<u>288,996.00</u>
	<u>\$ 2,048,014.00</u>	<u>\$ 2,454,661.00</u>	<u>\$ 2,985,285.00</u>

OPEB Plan Fiduciary Net Position

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

Supplementary OPEB Information

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

Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Last Five Plan Years)

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net OPEB Liability	0.012317%	0.013436%	0.012519%	0.013518%	0.012391%
Borough's Proportionate Share of the Net OPEB Liability	\$ 2,217,033.00	\$ 2,411,307.00	\$ 1,695,833.00	\$ 2,117,813.00	\$ 2,529,720.00
State's Proportionate Share of the Net OPEB Liability Associated with the Borough	<u>237,628.00</u>	<u>449,657.00</u>	<u>556,053.00</u>	<u>437,330.00</u>	<u>624,765.00</u>
Total	<u>\$ 2,454,661.00</u>	<u>\$ 2,860,964.00</u>	<u>\$ 2,251,886.00</u>	<u>\$ 2,555,143.00</u>	<u>\$ 3,154,485.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 568,765.00	\$ 495,288.00	\$ 468,665.00	\$ 482,087.00	\$ 471,564.00
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	389.80%	486.85%	361.84%	439.30%	536.45%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.91%	1.98%	1.97%	1.03%

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)****Schedule of the Borough's Contributions (Last Five Years)**

	<u>Year Ended December 31,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Required Contributions	\$ 11,990.16	\$ 10,798.20	\$ 10,780.80	\$ 16,841.40	\$ 17,200.20
Borough's Contributions in Relation to the Required Contribution	(11,990.16)	(10,798.20)	(10,780.80)	(16,841.40)	(17,200.20)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$547,594.00	\$547,672.00	\$486,476.00	\$471,266.00	\$471,499.00
Borough's Contributions as a Percentage of Covered Payroll	2.19%	1.97%	2.22%	3.57%	3.65%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021, included changes due to employers adopting and /or changing Chapter 48 provisions.

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

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

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

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated mortality improvement assumptions.

In October 2021, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2021. The MP-2021 scale reflects more recent mortality data for the U.S. population.

Note 11: COMPENSATED ABSENCES

Public Works Department – By contract, employees are not allowed to accrue vacation time. The sick pay policy dictates that each eligible employee shall be entitled to twelve (12) days of sick leave without loss of pay. Unused sick days can be carried forward up to a maximum of 30 days.

Furthermore, Public Works employees are entitled, after twenty (20) years of service and upon separation or retirement, to be paid for unused earned sick leave up to a maximum of 30 days. The total payment will be made in four (4) equal payments over a period of one (1) year. This same benefit will also, at the employee's death, be payable to the employee's beneficiary in the same manner. Employees hired after January 1, 2012 are able to accumulate sick time but are not eligible to be paid out for unused sick time

Note 11: COMPENSATED ABSENCES (CONT'D)

Non-contract Employees – Full-time employees are entitled to paid sick and vacation leave days each year based on the number of years of service. Sick and vacation days not used during the year may not be accumulated and carried forward unless authorized by the Borough Council.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2022, accrued benefits for compensated absences are valued at \$7,621.62.

Note 12: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

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

General Obligation Bonds, Series 2016 – On May 3, 2016, the Borough issued \$1,680,000.00 of general improvement bonds, with interest rates ranging from 1.50% to 2.25%. The bonds were issued for the purpose of funding various capital projects in the Borough. The final maturity of the bonds is May 1, 2029.

General Obligation Refunding Bonds, Series 2020 – On July 8, 2020, the Borough issued \$1,160,000.00 in general obligation refunding bonds and \$1,220,000.00 in water and sewer utility refunding bonds, with an annual interest rate of 4.00%, to currently refund \$1,279,000.00 outstanding 2010 general improvement bonds and \$1,349,000.00 outstanding 2010 water and sewer utility bonds, with interest rates ranging from 2.50% to 4.25%. The final maturity of the bonds is April 1, 2030.

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

<u>Year</u>	<u>General</u>		<u>Water and Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023	\$ 245,000.00	\$ 55,812.50	\$ 110,000.00	\$ 38,600.00	\$ 449,412.50
2024	250,000.00	48,662.50	120,000.00	34,000.00	452,662.50
2025	255,000.00	41,412.50	115,000.00	29,300.00	440,712.50
2026	280,000.00	33,662.50	115,000.00	24,700.00	453,362.50
2027	275,000.00	25,562.50	135,000.00	19,700.00	455,262.50
2028-2030	675,000.00	29,156.25	425,000.00	25,900.00	1,155,056.25
	<u>\$ 1,980,000.00</u>	<u>\$ 234,268.75</u>	<u>\$ 1,020,000.00</u>	<u>\$ 172,200.00</u>	<u>\$ 3,406,468.75</u>

Note 13: CAPITAL DEBT (CONT'D)

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$ 2,364,000.00	\$ 2,700,000.00	\$ 2,439,617.57
Water and Sewer Utility:			
Bonds	3,636,000.00	1,130,000.00	1,220,000.00
Total Issued	<u>6,000,000.00</u>	<u>3,830,000.00</u>	<u>3,659,617.57</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes			360,000.00
Water and Sewer Utility:			
Notes	2,169,760.00	4,785,760.00	400,000.00
Total Authorized but not Issued	<u>2,169,760.00</u>	<u>4,785,760.00</u>	<u>760,000.00</u>
Total Issued and Authorized but not Issued	<u>8,169,760.00</u>	<u>8,615,760.00</u>	<u>4,419,617.57</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Bonds			40,000.00
Water and Sewer Utility:			
Self-Liquidating	5,805,760.00	5,915,760.00	1,620,000.00
Total Deductions	<u>5,805,760.00</u>	<u>5,915,760.00</u>	<u>1,660,000.00</u>
Net Debt	<u>\$ 2,364,000.00</u>	<u>\$ 2,700,000.00</u>	<u>\$ 2,759,617.57</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 indicated a statutory net debt of 1.159%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School Purposes	\$ 4,446,064.21	\$ 4,446,064.21	
Self-Liquidating	5,805,760.00	5,805,760.00	
General	2,364,000.00		\$ 2,364,000.00
	<u>\$ 12,615,824.21</u>	<u>\$ 10,251,824.21</u>	<u>\$ 2,364,000.00</u>

Net debt \$2,364,000.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$203,914,424.67, equals 1.159%.

Note 13: CAPITAL DEBT (CONT'D)**Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 7,137,004.86
Less: Net Debt	<u>2,364,000.00</u>
Remaining Borrowing Power	<u><u>\$ 4,773,004.86</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 1,871,806.74
Deductions:	
Operating and Maintenance Costs	\$ 1,113,700.00
Debt Service	<u>176,700.00</u>
Total Deductions	<u>1,290,400.00</u>
Excess in Revenue	<u><u>\$ 581,406.74</u></u>

Note 14: RISK MANAGEMENT

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

Joint Insurance Fund - The Borough of Swedesboro is a member of the Gloucester, Salem and Cumberland Counties Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability
General Liability including Police Professional and Employee Benefit Liability
Automobile Liability
Blanket Crime including Public Employee Dishonesty
Property Including Boiler and Machinery
Public Officials and Employment Practices Liability
Volunteer Directors and Officers Liability
Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
Excess General Liability
Non-Owned Aircraft Liability
Excess Auto Liability
Fidelity and Performance (Blanket)
Excess Property including Boiler and Machinery
Crime including Excess Public Employee and Public Official Coverage

Note 14: RISK MANAGEMENT (CONT'D)

Joint Insurance Fund (Cont'd) - Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Borough's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Gloucester, Salem and Cumberland
Counties Municipal Joint Insurance Fund
P.O. Box 489
Marlton, New Jersey 08053

Note 15: CONTINGENCIES

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

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

Note 16: CONCENTRATIONS

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

Note 17: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
Water and Sewer Improvements:		
Supplemental Funding for the Construction of a Sewer Pump Station	May 15, 2023	\$ 1,200,000.00

Note 17: SUBSEQUENT EVENTS (CONT'D)

COVID-19 - On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Borough’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Borough is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2023.

APPENDIX C
FORM OF BOND COUNSEL OPINION



September __, 2023

Mayor and Borough Council
of the Borough of Swedesboro
Borough Hall
1500 Kings Highway
Swedesboro, New Jersey 08085

**RE: \$5,985,000 BOROUGH OF SWEDESBORO, COUNTY OF GLOUCESTER,
NEW JERSEY, GENERAL OBLIGATION BONDS, SERIES 2023**

Ladies and Gentlemen:

We have served as Bond Counsel to the Borough of Swedesboro, County of Gloucester, New Jersey ("Borough"), in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Bonds").

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) the bond ordinances set forth in the Resolution (hereinafter defined), each duly and finally adopted by the Borough Council and published in accordance with applicable law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Borough Council on August 7, 2023 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Borough on August __, 2023 ("Award Certificate").

The Bonds are dated their date of delivery, mature on September 1 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the interest rates per annum below, payable semi-annually on March 1 and September 1, commencing March 1, 2024, in each year until maturity or earlier redemption.

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2024	\$	2035	\$	2046	\$
2025		2036		2047	
2026		2037		2048	
2027		2038		2049	
2028		2039		2050	
2029		2040		2051	
2030		2041		2052	
2031		2042		2053	
2032		2043		2054	
2033		2044			
2034		2045			

COUNSEL WHEN IT MATTERS.SM



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

The Bonds are being issued to provide funds, together with other available finds of the Borough, to be used to: (i) permanently finance the costs of the certain capital improvements authorized by bond ordinances O-11-2020, O-03-2021 and O-04-2021 by the repayment, at maturity, of a portion of the principal of certain bond anticipation notes heretofore issued by the Borough (the balance of the principal to be repaid with available funds of the Borough); (ii) permanently finance the costs of the improvement authorized by bond ordinance O-13-2023 for which obligations have been authorized, but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

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

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

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

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

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

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



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

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

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

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

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Borough has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Eighty percent (80%) of the interest



expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

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

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

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

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

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

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

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this ____ day of September, 2023 between the Borough of Swedesboro, County of Gloucester, New Jersey ("Borough") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Borough of its General Obligation Bonds, Series 2023, in the principal amount of \$_____ ("Bonds").

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

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

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

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

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

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

"Dissemination Agent" shall mean Phoenix Advisors LLC, Bordentown, New Jersey, or any successor Dissemination Agent designated in writing by the Borough and which has filed with the Borough a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062 of the Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt bonds, including the Bonds, and other filers on behalf of such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"National Repository" shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the Commission as a repository for purposes of the Rule.

"Official Statement" shall mean the Official Statement of the Borough dated _____, 2023, relating to the Bonds.

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

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

SECTION 3. Provision of Annual Report.

(a) The Borough shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Borough's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the Borough. Each Annual Report provided to the Dissemination Agent by the Borough shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission.

(b) The Dissemination Agent, promptly (within fifteen (15) Business Days) after receiving the Annual Report from the Borough, shall submit each Annual Report received by it to the National Repository and thereafter shall file a written report with the Borough certifying that the Annual Report has been provided pursuant to this Disclosure Agreement to the National Repository and stating the date it was provided to the National Repository.

(c) If the Borough fails to provide the Annual Report to the Dissemination Agent by the date required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the Borough advising of such failure. Whether or not such notice is given or received, if the Borough thereafter fails to submit the Annual Report to the Dissemination Agent within fifteen (15) Business Days after the Annual Report was due pursuant to the provisions of subsection (a) of this Section 3, the Dissemination Agent shall promptly send a notice (with a copy of said notice to the Borough) to the National Repository in substantially the form attached as EXHIBIT "A" hereto.

SECTION 4. Contents of Annual Report. Annual Report shall mean: (i) the Borough's annual financial statements, substantially in the form set forth in Appendix B to the Official Statement, audited by an independent certified public accountant, provided that the annual audited financial statements of the Borough may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the Borough are included in the Annual Report; and (ii) certain financial information and operating data of the Borough consisting of Borough indebtedness, property valuation information, and tax rate, levy and collection data. Each annual audited financial statements will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the Division of Local Government Services in the New Jersey Department of Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements.

SECTION 5. Reporting of Significant Events.

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation¹ of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The Borough shall within seven (7) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8), (10), (13) or (14) of subsection (a) of this Section 5, the Borough may, but shall not be required to, rely conclusively on an Opinion of Counsel.

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

(c) If the Dissemination Agent has been instructed by the Borough to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within five (5) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the Borough.

SECTION 6. Termination of Reporting Obligations. The reporting obligations of the Borough under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Borough is no longer an Obligated Person (as defined in the Rule) with respect to the Bonds.

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

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Borough from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Borough chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, it shall not have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

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

SECTION 10. Notices. All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

(i) If to the Borough:

Borough of Swedesboro, County of Gloucester, New Jersey
Borough Hall
1500 Kings Highway
Swedesboro, New Jersey 08085
Attention: Elizabeth Pigliacelli, Chief Financial Officer

(ii) If to the Dissemination Agent:

Phoenix Advisors LLC
625 Farnsworth Avenue
Bordentown, New Jersey 08505

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 11 for the giving of notice.

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

SECTION 12. Submission of Information to MSRB. Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

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

SECTION 14. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Borough or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

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

SECTION 17. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application

of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

BOROUGH OF SWEDSBORO, NEW JERSEY

By: _____
ELIZABETH PIGLIACELLI,
Chief Financial Officer

PHOENIX ADVISORS LLC,
as Dissemination Agent

By: _____
SHERRY TRACEY,
Senior Managing Director

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: Borough of Swedesboro, County of Gloucester, New Jersey

Name of Bond Issues Affected: General Obligation Bonds, Series 2023

Date of Issuance of the Affected
Bond Issue: September __, 2023

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated September __, 2023, between the Borough and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by _____.]

Dated: _____

PHOENIX ADVISORS LLC,
as Dissemination Agent

cc: Borough of Swedesboro, New Jersey